

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	14
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Rosia Montana, 24.07.2006
RMGC internal unique code	MMGA_0073
Proposal	<p>What kind of financial and economic warranties are provided by RMGC in case of an accident and for environment's protection?</p>
	<p>The details of Roşia Montană Gold Corporation's ("RMGC") Environmental Financial Guarantee ("EFG") are discussed in the section of the Environmental Impact Assessment titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan").</p> <p>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").</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>
Solution	<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>RMGC has retained one of the world's leading insurance brokers, which is well established in România and has a long and distinguished record of performing risk assessments on mining operations. The broker will use the most appropriate property and machinery breakdown engineers to conduct risk analysis and loss prevention audit activities, during the construction and operations activity at Roşia Montană, to minimize hazards. The broker will then determine the appropriate coverage, and work with A-rated insurance companies to put that program in place on behalf of RMGC, for all periods of the project life from construction through operations and closure.</p> <p>RMGC is committed to maintaining the highest standards of occupational health and safety for its employees and service providers. Our utilization of Best Available Techniques helps us to ensure this goal is achieved. No organization gains from a loss, and to that end we will work to implement engineering solutions to risk, as they are far superior to insurance solutions to risk. Up to 75% of loss risk can be removed during the design and construction phase of a project.</p> <p>Yet we recognize that with a project as large as that being undertaken at Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers.</p>

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

Detailed financial guarantees are in place, in the form of the EFG, which require Roşia Montană Gold Corporation ("RMGC") to maintain adequate funds for environmental cleanup. The EFG is updated annually and will always reflect the costs associated with reclamation. The current projected closure cost for Roşia Montană is US \$ 76 million, which is based on the mine operating for its full 16-year lifespan.

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

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

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

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

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

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

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MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Rosia Montana, 24.07.2006
RMGC internal unique code	MMGA_0074
Proposal	What will happen with the tailings management facility following mine closure? How is its surface going to be rehabilitated?
Solution	<p>The closure and rehabilitation of the TMF is discussed in detail in the Mine Rehabilitation and Closure Plan (Plan J in the Environmental Impact Assessment Study Report – EIA). Chapter 4.5 is devoted to the cover system on the tailings and the dam area, while Chapters 4.4.4. and 4.4.5 deal with the water quality and treatment issues. Though more details are available in the (EIA), we offer a brief description of the TMF closure and rehabilitation process below.</p> <p>In the final years of operation, tailings will be deposited in a manner consistent with the final grading plans for the completed tailings surface. Upon cessation of ore processing, the supernatant water of the decant pond will be removed and, after treatment for cyanide, pumped to the Cetate pit to accelerate flooding of the pit. The tailings surface will be covered with a store and release cover of a total thickness of around 120-190 cm, depending on the results obtained from the test plots (which will be conducted during operation in order to investigate different cover systems and to demonstrate their suitability for waste dumps and the TMF). Its design criteria comprise the minimization of oxygen ingress into the tailings (to avoid acidification) and rainwater infiltration. The tailings cover surface will be graded so as to assist surface water runoff in discharge channels and ditches. The tailings dam will be reshaped if necessary and covered with a simple soil cover, as the dam material will not be prone to acidification.</p> <p>It is expected that the dam seepage will have to be treated for nitrogen compounds, metals and metalloids, sulphate and calcium in order to achieve the Romanian discharge limits. A semi-passive (e.g., biological) treatment system will be built and tested during the operation phase. If it shows satisfactory removal rates and compliance with regulatory requirements, it will be used for long-term water treatment, as long as necessary. If the performance of the semi-passive system will not be satisfactory, the conventional treatment plant will still be available as backup.</p>

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MMDD's item no. for the question which includes the observation identified by the RMGC internal code	17
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Rosia Montana, 24.07.2006
RMGC internal unique code	MMGA_0087
Proposal	<p>The questioner makes a comparison between the Baia Mare accident occurred in year 2000, and what is going to be built at Rosia Montana, and considers that those two can be similar. Can agriculture be developed 14 years from now on a tailings management facility and on top of tailings?</p>
Solution	<p>Our project in Roşia Montană bears no comparison to the mine in Baia Mare. From design and facility management, financial assurance, public reporting, stakeholder involvement, to verification procedures and compliance – all of which are followed to the highest standards in our project – the two projects are vastly different. And agricultural development on the tailings management facility surface, which by most standards is hazardous, is not advisable. Better alternatives are touristic enterprises, such as golf courses or hiking trails.</p> <p>In fact, the Roşia Montană project is subject to the latest strict standards because of the Baia Mare accident. The Romanian Government, in our Terms of Reference, requested that we follow the new European Directive on Waste Management even before it became law in Europe or România.</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 (highest in world) make it impossible for any new mining project with a design and operating procedures similar to the Baia Mare mine, to ever be permitted in Europe.</p> <p>The Environmental Impact Assessment (EIA) study we submitted last year is the first in România to be EU compliant and is designed so that not a single exemption from existing or planned laws is necessary. To illustrate our commitment to high standards, wherever Romanian and EU requirements differ, Gabriel has chosen to abide by the stricter of the two. In addition, while existing gold mines will have as long as 10 years to come into compliance with stricter regulatory standards, our Roşia Montană Project will meet these standards from the first day of operation.</p> <p>A large part of the changes since the Baia Mare accident is the introduction of the Cyanide Management Code, to which Gabriel/RMGC is a signatory, and which stipulate strict guidelines for the production, transportation and use of cyanide. The Code also includes requirements related to financial assurance, accident prevention, emergency response, training, public reporting, stakeholder involvement and verification procedures. The International Cyanide Management Code can be referenced at <a href="http://www.cyanidecode.org">www.cyanidecode.org</a>.</p> <p>Specifically, the Roşia Montană Project (“RMP”) differs from Baia Mare on every key indicator – such as cyanide detoxification in the process plant, design and construction of the Tailings Management Facility (TMF) and embankments, management of the facility itself, financial assurance, public reporting, stakeholder involvement and verification procedures. The Roşia Montană Project is in no way comparable to Baia Mare.</p> <p>The cyanide used in the project will be subject to a cyanide destruct process and residual cyanide deposited with the process tailings in the Tailings Management Facility (“TMF”) will degrade rapidly to levels well below maximum regulatory levels. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 ppm) which is well below the regulatory limit of 10 ppm recently adopted in the EU Mine Waste Directive. This system of use and disposal of cyanide in gold mining is classified as Best Available Techniques (BAT) by the EU.</p> <p>This is a key difference with Baia Mare: Baia Mare did not have a cyanide destruction mechanism</p>

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(detoxification process) in the process plant, as the RMP has. As a result, the concentration of cyanide in the tailings disposed in the TMF at Baia Mare was between 120-400 ppm of cyanide. As a result, in the unlikely event of a spillage, the quantity of cyanide in the water would be a small fraction of what was experienced at Baia Mare.

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

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

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

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

RMP will have a free draining structure above the starter dam, and a system of under-drains, granular filter zones and pumps – as per BAT – to collect, control and monitor any seepage. Specifically, the tailings ponds and tailings dam have been designed to the highest standards to prevent pollution of groundwater, and to continuously monitor the groundwater and extract any seepage detected – a system verified by hydro-geologic studies. Specifically, the design features include an engineered soil liner system within the TMF basin to meet a permeability specification of  $1 \times 10^{-6}$  cm/sec, a cut-off wall within the foundation of the starter dam to control seepage, a low permeability core for the starter dam to control seepage, and a seepage collection dam and pond below the toe of the tailings dam to collect and contain any seepage that does extend beyond the dam centerline.

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

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

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

- The TMF will be covered with a multi-layer system designed to prevent or minimize oxygen
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diffusion and water infiltration into the tailings body. It contains a compacted layer that is likely to be disturbed by agricultural activity;

- Vegetation on the TMF is selected so that plant evaporation is maximized and infiltration minimized. Not all plants used in agriculture can guarantee that they maximize evaporation, and during periods when the surface is barely covered (after harvests, for example), this function of the plant cover is completely absent;
- The tailings are classified as hazardous waste, according to the EU Waste List (2000/532/EC) and the corresponding Romanian Government Decision. It is likely that produce grown on a tailings pond will have difficulty on the market.

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

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

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

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MMDD's identification no. for the question which includes the observation identified by the RMGC internal code		Rosia Montana, 24.07.2006
RMGC internal unique code		MMGA_0099
<b>Proposal</b>	Where from will the fertile soil be brought?	
	The very first construction activity at Roşia Montană will be to scrape off all fertile topsoil and to store it in five specially designed storage areas. The topsoil will remain in storage for at least five years until we begin (concurrent with the mine's operation) the reclamation process.	
<b>Solution</b>	At the time of mine closure, the soil will be used to cover the regraded surfaces of the waste and tailings facilities. Tables 4-10 and 4-11 of the Mine Closure Plan and Table 4.4-15 of the Soil and Waste Management Plan (EIA Chapter 4.4) demonstrate that the balance of soil (subsoil and topsoil) stored is sufficient to cover the waste facilities, plant areas, and other necessary surfaces. For the questioner's convenience, RMGC has attached Table 4.4-15., which compares the total volume necessary for resurfacing and the volume estimated to be collected during the stripping and collection of the topsoil and subsoil during construction.	

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MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Rosia Montana, 24.07.2006
RMGC internal unique code	MMGA_0106
<b>Proposal</b>	The questioner makes remarks related to the environmental impact assessment: Why is the historic pollution from Rosia Montana discussed, and not about how the area will look after mining?
<b>Solution</b>	<p>The Mine Rehabilitation and Closure Management Plan (Plan J in the EIA) describes the rehabilitation of the impacted area in great detail. The plan sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roşia Montană's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>For even greater detail, please refer to Section 5.18 of the EIA, which describes the proposed after-use scenarios for the various pits, production sites and waste facilities (including the TMF). Additionally, Section 4.4 describes how RMGC will use best available technologies (BAT) to ensure that all water discharged into the environment will comply with the strict standards of România and the European Union. Throughout its life, the mine will comply with the strictest Romanian and E.U. laws and regulations and, furthermore, its closure and rehabilitation will meet or exceed the standards set by the EU Mine Waste Directive. The Directive dictates that RMGC must "restore the land to a satisfactory state, with particular regard to soil quality, wild life, natural habitats, freshwater systems, landscape, and appropriate beneficial uses."</p> <p>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.</p>



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MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Rosia Montana, 24.07.2006
RMGC internal unique code	MMGA_0107
<b>Proposal</b>	Why isn't anywhere stipulated the fact that the ones who will pay for the ecologic rehabilitation will still be the Romanian tax payers, because these will be paid by Minvest SA?
<b>Solution</b>	<p>The RMGC—not the Romanian state—will pay for any liabilities of the Roşia Montană Project. The current projected closure cost for Roşia Montană is US\$ 76 million to be paid by RMGC, which is based on the mine operating for its full 16-year lifespan. An Environmental Financial Guarantee (EFG) as required by the Romanian Mining Law and the EU Mine Waste Directive will be in place before any liability is incurred. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003).</p>
<b>Solution</b>	<p>RMGC will also pay to rehabilitate pre-existing Minvest SA liabilities that fall within the RMP licensed project perimeter (i.e. installation of a water treatment plant for the effluents from the 714 Adit).</p> <p>Liabilities which are NOT in the licensed project perimeter of the RMP (i.e. the Sălişteii tailings pond) will have to be rehabilitated by the titleholder responsible for them or eventually the state if the current titleholder (Minvest) is not able to pay. RMGC should not be expected to pay for liabilities with which it has nothing to do.</p>

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MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Rosia Montana, 24.07.2006
RMGC internal unique code	MMGA_0111
Proposal	<p>RMGC has included in its EIA the amount of US\$73 million to cover all closure and rehabilitation works. The truth is that for closure, it might be required to pay up to US\$768 million, an amount calculated by taking into account the same costs as RMGC.</p>
Solution	<p>The figure of US\$ 768 million is both unsubstantiated and implausibly high. Roşia Montană Gold Corporation's (RMGC) closure estimates, which were developed by a team of independent experts with international experience and will be reviewed by third party experts, are based on the assumption that the project can be completed according to the plan, without interruptions, bankruptcy or the like. They are engineering calculations and estimates based on the current commitments of the closure plan and are summarized in the Environmental Impact Assessment Study's Report (EIA) Mine Closure and Rehabilitation Management Plan (Plan J in the EIA). Annex 1 of Plan J will be updated using a more detailed approach looking at every individual year and calculating the amount of surety, which must be set aside year by year to rehabilitate the mine before RMGC is released from all its legal obligations. Most importantly, the current estimates assume the application of international best practice, best available technology (BAT) and compliance with all Romanian and European Union laws and regulations.</p> <p>Closure and rehabilitation at Roşia Montană involves the following measures:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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.</p> <p>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.</p>

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MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Rosia Montana, 24.07.2006
RMGC internal unique code	MMGA_0122
Proposal	<p>The questioner speaks about the fund that must be established for mine closure, and for the post-closure monitoring of environmental factors and asks the following questions: Where, at what bank, the account will be open?</p>
Solution	<p>An Environmental Financial Guarantee (“EFG”), which must be established in connection with the beginning of mining operations at Roşia Montană, will always reflect the costs associated with closure and reclamation, as it will be updated annually. The funds needed to cover closure and post-closure costs will be held in protected accounts at the Romanian state disposal.</p> <p>The Roşia Montană Gold Corporation (“RMGC”) recognizes that mining, while permanently changing some surface topography, represents a temporary use of the land. Thus from the time the mine is constructed, continuing throughout its lifespan, closure-related activities – such as rehabilitating the land and water, and ensuring the safety and stability of the surrounding area – will be incorporated into our operating and closure plans.</p> <p>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”).</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 Mining and Metals.</p>

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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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RMGC internal unique code	MMGA_0123
<b>Proposal</b>	What is the amount to be paid on annual basis in that account?
<b>Solution</b>	<p>The Roşia Montană Gold Corporation ("RMGC") is required to make annual payments into protected accounts, at the Romanian state disposal, to ensure adequate funds are available for environmental cleanup. These payments are part of the required Environmental Financial Guarantee ("EFG"), and with the EFGs being updated annually, the size of the payments are determined by these updates.</p> <p>The annual updates capture the following four variables:</p> <ul style="list-style-type: none"> <li>• Changes in the project that impact reclamation objectives;</li> <li>• Changes in Romania's legal framework, including the implementation of EU directives;</li> <li>• New technologies that improve the science and practice of reclamation;</li> <li>• Changes in prices for key goods and services associated with reclamation.</li> </ul> <p>Once these updates are completed, the new estimated closure costs will be incorporated into RMGC's financial statements and made available to the public.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Cash deposit;</li> <li>• Trust funds;</li> <li>• Letter of credit;</li> <li>• Surety bonds;</li> <li>• Insurance policy.</li> </ul> <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>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).</p>

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RMGC internal unique code	MMGA_0124
<b>Proposal</b>	Which will be the organization assigned to manage these funds for post closure phase?
<b>Solution</b>	<p>As a condition of beginning operations at Roşia Montană, the Roşia Montană Gold Corporation ("RMGC") must create an Environmental Financial Guarantee ("EFG") that ensures adequate funds are available for environmental cleanup throughout the projected 16-year lifespan of the mine. The guarantee is updated annually to reflect any changes in estimated closure costs.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Cash deposit;</li> <li>• Trust funds;</li> <li>• Letter of credit;</li> <li>• Surety bonds;</li> <li>• Insurance policy.</li> </ul> <p>Under the terms of the EFG, the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.</p> <p>Following the closure of the mine, the funds to cover environmental rehabilitation will remain in the protected accounts until the Romanian government has determined that RMGC has met all of its obligations related to rehabilitation.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	44
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Abrud, 25.07.2006
RMGC internal unique code	MMGA_0145
<b>Proposal</b>	<p>What kind of insurances can be provided by RMGC to assure us that at Roşia Montana everything will be as they claim? Is there any insurance in place? Where it can be seen?</p>
	<p>The Roşia Montană Gold Corporation ("RMGC") will obtain a number of insurance policies, including property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers.</p> <p>RMGC is committed to maintaining the highest standards of occupational health and safety for its employees and service providers. Our utilization of Best Available Techniques helps us to ensure this goal is achieved. No organization gains from a loss, and to that end we will work to implement engineering solutions to risk, as they are far superior to insurance solutions to risk. Up to 75% of loss risk can be removed during the design and construction phase of a project.</p>
<b>Solution</b>	<p>Yet we recognize that with a project as large as that being undertaken at Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions).</p> <p>RMGC has retained one of the world's leading insurance brokers, which is well established in România and has a long and distinguished record of performing risk assessments on mining operations. The broker will use the most appropriate property and machinery breakdown engineers to conduct risk analysis and loss prevention audit activities, during the construction and operations activity at Roşia Montană, to minimize hazards. The broker will then determine the appropriate coverage, and work with A-rated insurance companies to put that program in place, on behalf of RMGC.</p> <p>All insurers and insurance coverage related to the mining operations at Roşia Montană will be in full compliance with Romania's insurance regulations.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	101
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Campeni, 26.07.2006
RMGC internal unique code	MMGA_0232
Proposal	<p>The questioner asks for information on the guarantee that the company must submit. How much of the project's value is represented by these financial guarantees or how much have they been estimated by RMGC?</p>
Solution	<p>Information on the Environmental Financial Guarantee ("EFG") is fully discussed in the section of the Environmental Impact Assessment titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan").</p> <p>The EFG incorporates all closure costs, which the Roşia Montană Gold Corporation ("RMGC") projects to be US\$ 76 million.</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>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").</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>



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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	101
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Campeni, 26.07.2006
RMGC internal unique code	MMGA_0233
Proposal	<p>What monitoring and supervision actions of air quality will be taken after mine closure? How are they going to be conducted and for how long?</p>
Solution	<p>In general terms, the monitoring program of the Roşia Montană Project will be carried out according to the Best Practice described in the IPPC Reference Document [1] "General Principle of Monitoring".</p> <p>No air quality monitoring will be needed after closure. Air quality monitoring will be needed only during the closure activities, such as facilities demolition, regarding and cover placing for the surface of the waste and tailings facilities.</p> <p>An after-closure period for monitoring and control of Category A waste facilities will be laid down proportionate to the risk posed by the individual waste facility, in a fashion similar to the requirements of the EU 2006/21/EEC Directive [2] - Article 12 point 4 The operator shall be responsible for the maintenance, monitoring, control and corrective measures in the after closure phase for as long as may be required by the competent authority, taking into account the nature and duration of the hazard, save where the competent authority decides to take over such tasks from the operator, after a waste facility has been finally closed and without prejudice to any national or Community legislation governing the liability of the waste holder.</p> <p>Reference:  [1] Best Available Techniques for Management of Tailings and Waste-Rock in Mining Activities. EUROPEAN COMMISSION, DIRECTORATE-GENERAL JRC JOINT RESEARCH CENTRE, Institute for Prospective Technological Studies, Technologies for Sustainable Development, European IPPC Bureau, Final Report, July 2004 (<a href="http://eippcb.jrc.es/pages/FActivities.htm">http://eippcb.jrc.es/pages/FActivities.htm</a>).  [2] DIRECTIVE 2006/21/EC the management of waste from extractive industries.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	105
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Alba Iulia, 31.07.2006
RMGC internal unique code	MMGA_0242
Proposal	<p>Why the information on environmental rehabilitation guarantee is secret? The questioner believes that RMGC doesn't have the capacity to support these expenses and with 2 or 3 years before mine closure, Gabriel Resources will sell its assets to an offshore company located somewhere in a postal box on an island and no one will be held liable for rehabilitation of the area; RMGC will leave and no one will remain to pay for area's rehabilitation.</p> <p>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").</p> <p>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.</p> <p>Creation of the EFG is a condition of beginning operations at Roşia Montană. Once the annual updates are completed, the new estimated closure costs will be incorporated into RMGC's financial statements and made available to the public. Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.</p> <p>Roşia Montană Gold Corporation has invested significant time, energy, and resources assessing the viability of a mining project in the valley of Roşia Montană. This assessment has led RMGC to conclude that Roşia Montană presents an attractive long-term development opportunity – an opinion confirmed by a variety of lending institutions, which have completed detailed reviews of the project's design and profitability. We have every confidence that we will see the project through to the end of its projected 16-year lifespan, regardless of any fluctuations in the market price of gold.</p>
Solution	<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 Environmental Financial Guarantee ("EFG") is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").</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</p>

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instruments are enacted by the Romanian Government, we will be in full compliance.

There are two separate and distinct EFGs under Romanian law.

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

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

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

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

The annual updates capture the following four variables:

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

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

- Cash deposit;
  - Trust funds;
  - Letter of credit;
  - Surety bonds;
  - Insurance policy.
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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	107
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Alba Iulia, 31.07.2006
RMGC internal unique code	MMGA_0257
Proposal	<p>A desert will be created in Apuseni Mountains, through this project. Everything said about environmental rehabilitation is worthless. It involves expenses and workforce that will not be covered by the assigned amounts.</p>
	<p>The statement that a desert will be created in Apuseni Mountains is unfounded. In fact, after completion of closure and rehabilitation, the 584 hectares (of the total 1646 hectares included in the PUZ) that compose the areas between the mine pits and processing facilities as well as the buffer zone will show no visual signs of the mining project. The infrastructure projects (i.e. roads, sewage treatment facilities, etc.) will be left for community use. In the case of the remaining 1062 hectares (see Chapter 4, Section 4.7 Landscape, table 3.1, from the EIA report), though they will be altered, they will also be remediate (reshaped, treated with an engineered soil-covering system, and revegetated) to blend with the surrounding landscape to the greatest extent possible.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul>
Solution	<p>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."</p> <p>Currently, RMGC anticipates spending US\$ 76 million on closure and rehabilitation and our estimates assume international best practice, best available technology (BAT), and compliance with all Romanian and E.U. laws and regulations. We are committed to leaving the area—which is currently heavily polluted due to previous mining activities—in better environmental health than when we arrived.</p> <p>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.</p> <p>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</p>

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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.

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	108
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Alba Iulia, 31.07.2006
RMGC internal unique code	MMGA_0261

<b>Proposal</b>	Can an area still be a tourist attraction if it has a 364ha tailings facility with cyanides content?
<b>Solution</b>	<p>To characterize Roșia Montană—which does not have a single hotel—as a tourist attraction is unrealistic. However, as the questioner suggests, there may be the potential to develop a tourist industry in the area and RMGC believes that our mine will enhance, rather than impede, such efforts.</p> <p>Tourism will be possible and profitable only when Roșia Montană has something to offer tourists in terms of clean environment, proper infrastructure (i.e. good roads, running water, and a proper sewage system), and attractions (i.e. museums and historical monuments). RMGC's modern mine operations will remediate environmental damage caused by previous mining activities and will provide, through taxes and general economic activity, the necessary funds to improve infrastructure. Our mine design protects all of Roșia Montană's 41 historical structures and our heritage management plans also call for investing US\$ 25 million to protect the region's cultural heritage in such a way as to support tourism. The new landscape itself may even provide new opportunities. For example, the old TMF site will represent the largest flat area in the region and provide the perfect site for a golf course or hiking trails. Towards the end of the mine's life, RMGC will request the community's ideas for redevelopment.</p> <p>Regarding the questioner's specific concern about cyanide, the cyanide content in the tailings management facility (TMF) will comply with European standards (EU Mine Waste Directive 2006/21/EC). No water with a cyanide concentration exceeding the very strict NTPA 001/2002 limit of 0.1 mg/l CN<sub>tot</sub> will be discharged into the environment or pumped from the TMF to the open pits. All seepage will be captured downstream of the TMF in a secondary containment dam. If any effluent does not comply with the CN<sub>tot</sub> limit, it will be treated to ensure that the cyanide remains confined to the TMF.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	108
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Alba Iulia, 31.07.2006
RMGC internal unique code	MMGA_0262
Proposal	<p>The tailings facility is not lined, and the cyanide may become gaseous under certain conditions. Neither heavy rainfalls nor severe drought are good. The current tailings facilities from Rosia Montana do not contain any cyanides. What will happen with the cyanides, will they remain here and the state will have to pay the reconstruction subsequent to company's departure?</p>
Solution	<p>An engineered liner is included in the design of the Tailings Management Facility (TMF) basin to be protective of groundwater. Specifically, the Roşia Montană Tailings Management Facility (TMF or "the facility") has been designed to be compliant with the EU Groundwater Directive (80/68/EEC), transposed as Romanian GD 351/2005. The TMF is also designed for compliance with the EU Mine Waste Directive (2006/21/EC) as required by the Terms of Reference established by the MEWM in May, 2005. The following paragraphs provide a discussion of how the facility is compliant with the directives.</p> <p>The TMF is composed of a series of individual components including:</p> <ul style="list-style-type: none"> <li>the tailings impoundment;</li> <li>the tailings dam;</li> <li>the secondary seepage collection pond;</li> <li>the secondary containment dam, and;</li> <li>the groundwater monitoring wells/extraction wells located downstream of the Secondary Containment dam.</li> </ul> <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 (<math>1 \times 10^{-6}</math> 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> <ul style="list-style-type: none"> <li>A low permeability (<math>1 \times 10^{-6}</math> cm/sec) cut off wall within the foundation of the starter dam to control seepage;</li> <li>A low permeability (<math>1 \times 10^{-6}</math> cm/sec) core in the starter dam to control seepage;</li> <li>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;</li> <li>A series of monitoring wells, below the toe of the secondary containment dam, to monitor seepage and ensure compliance, before the waste facility limit.</li> </ul> <p>In addition to the design components noted above specific operational requirements will be implemented to be protective of human health and the environment. In the extremely unlikely case that impacted water is detected in the monitoring wells below the secondary containment dam, they will be converted to pumping wells and will be used to extract the impacted water and pump it into the reclaim pond where it will be incorporated into the RMP processing plant water supply system, until the compliance is</p>



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reestablish.

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

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

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

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

The references related to this project include:

-Cicerone, R.J., și Zellner, R., 1983. The atmospheric chemistry of hydrogen cyanide (HCN). Jurnal de Cercetare Geofizică, vol 88, nr. C15, pp. 10,689 – 10,696;

-Mudder, T.I., Botz, M.M., și Smith A., 2001. Chemistry and Treatment of Cyanide Wastes, Ediția a doua. Mining Journal Books, Ltd., London, 373 p.

The reasons for stating that no harmful HCN emissions will ever occur are the followings:

- The sodium cyanide handling, from the unloading from the supplying trucks up to the processing tailings discharge onto the tailings management facility, will be carried out only in liquid form, represented by alkaline solutions of high pH value (higher than 10.5 – 11.0) having different sodium cyanide concentrations. The alkalinity of these solutions has the purpose to maintain the cyanide under the form of cyan ions (CN<sup>-</sup>) and to avoid the hydrocyanic acid formation (HCN), phenomenon that occurs only within environments of low pH;
  - The cyanide volatilization from a certain solution can not occur under the form of free cyanides, but only under the form of HCN;
  - The handling and storage of the sodium cyanide solutions will take place only by means of some closed systems; the only areas/plants where the HCN can occur and volatilize into air, at low emission percentage, are the leaching tanks and slurry thickener, as well the tailings management facility for the processing tailings;
  - The HCN emissions from the surface of the above mentioned tanks and from the tailings management facility surface can occur as a result of the pH decrease within the superficial layers of the solutions (that helps the HCN to form) and of the desorption (volatilization in air) of this compound;
  - The cyanide concentrations within the handled solutions will decrease from 300 mg/l within the leaching tanks up to 7 mg/l (total cyanide) at the discharge point into the tailings management facility; the drastic reduction of the cyanide concentrations for discharging into the TMF will be done by the detoxification system;
  - The knowledge of cyanide chemistry and on the grounds of past experiences, we estimated the following possible HCN emissions into air: 6 t/year from the leaching tanks, 13 t/year from the slurry thickener and 30 t/year (22.4 t, respectively 17 mg/h/m<sup>2</sup> during the hot season and 7.6 t, respectively 11.6 mg/h/m<sup>2</sup> during the cold season) from the tailings management facility surface, which totals 134.2 kg/day of HCN emission;
  - Once released, the hydrocyanic acid is subject to certain chemical reactions at low pressure, resulting ammonia;
  - The mathematical modeling of the HCN concentrations within the ambient air (if the HCN released in the air is not subject to chemical reactions) emphasized the highest concentrations being at the ground level, within the industrial site namely within the area of the tailings management facility and within a certain area near the processing plant; the maximum concentration being of 382 µg/m<sup>3</sup>/h;
  - The highest HCN concentrations within the ambient air will be 2.6 times lower than the limit value stipulated by the national legislation for labor protection;
  - The HCN concentrations within the ambient air from the populated areas close by industrial site will be of 4 to 80 µg/m<sup>3</sup>, more than 250 – 12.5 times lower than limit value stipulated by the national legislation for labor protection (the national legislation and EU legislation on the Quality of Air, don't stipulate limit values for the population's health protection);
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- Once released in the air, the evolution of the HCN implies an insignificant component resulted from the reactions while liquid (water vapors and rain drops). The reactions are due to HCN being weak water-soluble at partial, low pressures (feature of the gases released in open air), and the rain not effectively reducing the concentrations in the air (Mudder, et al., 2001, Cicerone and Zellner, 1983);
  - The probability that the HCN concentration value contained by rainfalls within and outside the footprint of the Project to be higher than the background values (0.2 ppb) is extremely low.

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

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

The proposed dam at the Tailings Management Facility (TMF) and the secondary dam at the catchment basin are rigorously designed to exceed Romanian and international guidelines, to allow for significant rainfall events and prevent dam failure due to overtopping and any associated cyanide discharge, surface or groundwater pollution. Specifically, the facility has been designed for two Probable Maximum Precipitation (PMP) events and the associated Probable Maximum Flood (PMF). The design criterion for TMF includes storage for two PMF flood events, more rain than has ever been recorded in this area. Additionally, a spillway will be incorporated into each dam crest to provide for controlled outlet of water in the unlikely event that the water rises to the dam crest. Drought would not impact the facilities in any significant way.

Cyanide is used in hundreds of gold mines and many industries around the world. At Roşia Montană, the TMF will be an environmentally safe construction for permanent deposition of detoxified tailings resulting from ore processing. Because detoxification will take place before the tailings are deposited to the TMF, they will contain very low concentrations of cyanide (5-7 ppm) which is below the regulatory limit of 10 ppm recently adopted in the EU Mine Waste Directive.

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

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

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

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

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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.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	152
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Zlatna, 02.08.2006
RMGC internal unique code	MMGA_0325
<p data-bbox="97 544 422 633"><b>Proposal</b></p> <p data-bbox="97 633 422 2018"><b>Solution</b></p>	<p data-bbox="422 544 1409 633">Which are the real closure and environmental rehabilitation costs after the completion of the project (the EIA doesn't provide this information) and where in the report is it stated the financial funds for closure and the post-closure monitoring of environmental factors? Where are the financial warranties?</p> <p data-bbox="422 633 1409 857">Information regarding our closure plan, the cost of the program and our Environmental Financial Guarantee ("EFG") are fully discussed in the Environmental Impact Assessment. The closure section can be found in Plan J of Vol. 29 and Plan L of Vol. 31, within the EIA. The EFG is discussed in the section of the EIA titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan"). The EFG incorporates all costs associated with closure and environmental rehabilitation, which the Roşia Montană Gold Corporation ("RMGC") projects to be US\$ 76 million.</p> <p data-bbox="422 857 1409 1081">The Roşia Montană Gold Corporation ("RMGC") recognizes that mining, while permanently changing some surface topography, represents a temporary use of the land. Thus from the time the mine is constructed, continuing throughout its lifespan, closure-related activities – such as rehabilitating the land and water, and ensuring the safety and stability of the surrounding area – will be incorporated into our operating and closure plans.</p> <p data-bbox="422 1081 1409 1261">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").</p> <p data-bbox="422 1261 1409 1574">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 data-bbox="422 1574 1409 1664">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 data-bbox="422 1664 1409 1731">There are two separate and distinct EFGs under Romanian law.</p> <p data-bbox="422 1731 1409 1843">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 data-bbox="422 1843 1409 2018">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>

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

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

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

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

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

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	185
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Brad, 04.08.2006
RMGC internal unique code	MMGA_0358
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>

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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:

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- 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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	187
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0360
Proposal	<p>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 Rosia Montana consists of those four mountaintops.</p>
Solution	<p>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.</p> <p>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 remediate (reshaped, treated with an engineered soil-covering system, and revegetated) to blend with the surrounding landscape to the greatest extent possible.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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."</p>



Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	193
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0373
<b>Proposal</b>	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.
	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.
<b>Solution</b>	<p>Information about the financing being utilized to support the mining project at Roşia 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."</p> <p>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>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	197
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0396
Proposal	<p>The questioner wants information about the existence of a financial guarantee for the project; in which bank is the money deposited for the project?</p>
Solution	<p>Information regarding our Environmental Financial Guarantee (“EFG”) is fully discussed in the section of the Environmental Impact Assessment titled “Environmental and Social Management and System Plans” (Annex 1 of the subchapter titled “Mine Rehabilitation and Closure Management Plan”). The EFG is updated annually and will always reflect the costs associated with reclamation. These funds will be held in protected accounts at the Romanian state disposal.</p> <p>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>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).</p> <p>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>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>The current projected closure cost for 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).</p>

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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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	211
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0422
Proposal	<p>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?</p>
Solution	<p>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").</p> <p>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.</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 and closure plans.</p> <p>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").</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</p>

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Montană mine. The amount of the EFG to cover the final environmental rehabilitation is determined as an annual quota of the value of the environmental rehabilitation works provided within the monitoring program for the post-closure environmental elements. Such program is part of the Technical Program for Mine Closure, a document to be approved by the National Agency for Mineral Resources (“NAMR”).

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

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

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:

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- Trust funds;
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- Surety bonds;
- Insurance policy.

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	213
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0431
Proposal	<p>After using 150,000tons of dynamite and 200,000 tons of cyanide at Rosia Montana, can the area keep its ecologic balance, or severe nature unbalances will occur?</p>
Solution	<p>The mining operation will not leave behind “severe imbalances” in Roşia 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 Roşia 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 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.</p> <p>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 Roşia Montană’s landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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.”</p> <p>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.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	213
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0432
<b>Proposal</b>	Is there going to be harmony between human and nature during and after the Rosia Montana project's development?
<b>Solution</b>	<p>Rosia 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 Rosia Montană both during and after the project.</p> <p>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 Rosia 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 Rosia Montană during the life of the mine.</p> <p>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 Rosia Montană's landscape.</p> <p>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."</p> <p>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.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	219
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0444
<b>Proposal</b>	Rosia 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.
<b>Solution</b>	<p>Already today's destruction of past mining has created impact similar to Roşia Poieni.</p> <p>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.</p> <p>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."</p>



Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	221
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0450
<b>Proposal</b>	The questioner states that, even if it was said about the historic pollution from Rosia Montana (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.
<b>Solution</b>	<p>As the questioner notes, once the Roşia Montană Project (RMP) starts Roşia 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 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.</p> <p>Thus, RMGC bears a considerable portion of the cost of environmentally rehabilitating the historic Roşia Montană site which would otherwise have to be borne by the state and, ultimately, by the taxpayer.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	222
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0454
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>
Solution	<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</p>

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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.

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.
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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	235
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0478
<b>Proposal</b>	Which are the environmental guarantees?
	<p>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").</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>
<b>Solution</b>	<p>The first, which is updated annually, focuses on covering the projected reclamation costs associated with the operations of the mine in the following year. These costs are of no less than 1.5 percent per year, of total costs, reflective of annual work commitments.</p> <p>The second, also updated annually, sets out the projected costs of the eventual closure of the Roşia Montană mine. The amount of the EFG to cover the final environmental rehabilitation is determined as an annual quota of the value of the environmental rehabilitation works provided within the monitoring program for the post-closure environmental elements. Such program is part of the Technical Program for Mine Closure, a document to be approved by the National Agency for Mineral Resources ("NAMR").</p> <p>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>The 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.)</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>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	245
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0495
Proposal	The questioner wants to know if there are bank guarantees deposited by Gabriel resources and which is their value?
	<p>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.</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).</p> <p>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>
Solution	<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>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>The current projected closure cost for 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.)</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Cash deposit;</li> <li>• Trust funds;</li> <li>• Letter of credit;</li> <li>• Surety bonds;</li> <li>• Insurance policy.</li> </ul>

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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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	254
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0530
Proposal	<p>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.</p>
Solution	<p>Information regarding our Environmental Financial Guarantee (“EFG”) is fully discussed in the section of the Environmental Impact Assessment titled “Environmental and Social Management and System Plans” (Annex 1 of the subchapter titled “Mine Rehabilitation and Closure Management Plan”). The EFG is updated annually and will always reflect the costs associated with reclamation. These funds will be held in protected accounts at the Romanian state disposal. Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.</p> <p>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.</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).</p> <p>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>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>The current projected closure cost for 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</p>

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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.
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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	256
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0533
<p data-bbox="97 539 422 629"><b>Proposal</b></p> <p data-bbox="97 629 422 2004"><b>Solution</b></p>	<p data-bbox="422 539 1407 629">The questioner wants to know: which the necessary and assigned amounts for environmental rehabilitation are?</p> <hr/> <p data-bbox="422 629 1407 696">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.</p> <p data-bbox="422 696 1407 1032">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.</p> <p data-bbox="422 1032 1407 1144">Furthermore, there is no discrepancy between the "necessary and assigned amounts" – RMGC (or its legal successor) is solely responsible for closure and rehabilitation costs.</p> <p data-bbox="422 1144 1407 1189">Closure and rehabilitation at Roşia Montană involves the following measures:</p> <ul data-bbox="422 1189 1407 1480" style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p data-bbox="422 1480 1407 1906">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</p> <p data-bbox="422 1906 1407 2004">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</p>

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December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	257
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0537
<b>Proposal</b>	The questioner wants information regarding the ecologic rehabilitation costs.
<b>Solution</b>	<p>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.</p> <p>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.</p> <p>Closure and rehabilitation at Roşia Montană involves the following measures:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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.</p> <p>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.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	265
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0554
<b>Proposal</b>	<p>The visual impact and the deterioration of the landscape refer to a much smaller surface (approximately 100 ha) whereas the mine operations proposed by RMGC will cover more than 1000 ha and will be generate the real ecological disaster.</p>
<b>Solution</b>	<p>The questioner is correct that there is currently a small area (122 hectares) at Roşia Montană that shows visual signs of previous mining operations. The questioner is also correct in his or her understanding of the size of RMGC's industrial PUZ (1646 hectares). However, RMGC's mine will not cause an "ecological disaster" or leave a 1000 hectare visual imprint on the landscape.</p> <p>RMGC's Mine Closure and Rehabilitation Management Plan (Plan J in the EIA) sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roşia Montană's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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."</p> <p>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.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	280
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0599
Proposal	Is the company going to finance re-training programs for the miners in order for them to work the fertile land that will be brought to Rosia Montana after the mine closure and where will this land be brought from?
Solution	<p>Rosia Montană Gold Corporation (RMGC) proposes a project of economic development with proved social benefits. Having as starting point the 2000 years old tradition in area, the project represents an exemplary modality to perform further on this tradition through the responsible mining of the local natural resources based on the best available technologies, observing the legal requirements in force regarding the environmental protection existing at national and European level and in conformity with the Best Management Practices (BMP).</p> <p>The areas disturbed by mining activities will be progressively rehabilitated in order to reduce the impact, especially the soil erosion after the construction and operating stages. Beginning with year 5 of operation, the areas in which the extractive activity is completed will begin to be rehabilitated. The rehabilitation consists in the remaking of the soil cover and its re-vegetation. The final rehabilitation will be carried out at the end of the project when the mine will be closed and all equipments and facilities decommissioned.</p> <p>The striped soil will be stored several years in dumps especially arranged and after that will be utilized at the soil cover remaking in the areas where the soil and rock were striped to allow the industrial construction or ore extraction.</p> <p>The soils from the impact area have a very thin fertile layer. The most part of the proposed industrial area is occupied by fertile layers with thickness, either thinner than 10 cm, or varying between 10 and 20 cm. The layers with thickness of 20 – 30 cm represent 24.4% and those of 10 – 30 cm represent 12.2%. Only 2% from total has a thickness of the fertile layer of 30 – 40 cm. The thickness of the fertile layers for each unit of land is presented in Table 4.4 -14 from section 5.1.3 from Chapter 4.4 "Soil".</p> <p>The volumes of striped soil both from the superior horizons (fertile layers) and inferior horizons (mineral horizons) are presented in Table 4.4-15 from Section 5.1.3 Chapter 4.4 "Soil" and have been estimated at 1.36 million m<sup>3</sup> from superior horizons, respectively 4.27 million m<sup>3</sup> from inferior horizons.</p> <p>According to analysis presented in Environmental Impact Assessment Study Report (EIA), on some areas the soil cover is very thin or even is missing being possible a deficit of material for rehabilitation. In such case, this deficit will be compensated by non-acid rock, without heavy metals, very fine grinded and mixed with nutrients and organic materials. If this method is used, then the restoration of the vegetal cover will be monitored before the final works of mine closure.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	280
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Cluj Napoca, 07.08.2006
RMGC internal unique code	MMGA_0600
Proposal	The company's representatives must indicate a market that is willing to trade products originating from an area polluted with heavy metals and tailings.
Solution	<p>The intensive agriculture activities are not possible in these areas even now due to the past mining activities and the landscape configuration. As a part of the Soil baseline study the experts (ICPA - the research institute for soil) team has been evaluated the suitability of the land for different crops (please see the Chapter 4, Section 4.4, Soil, subsection Soils (Land) Suitability for Various Crops) and the conclusions of the assessment are that the suitability for pasture is good for hay meadows is above the average but for crops like potatoes the suitability is very low. There will be no spread of tailings and material containing heavy metals beyond the designated areas of the waste heaps and tailings pond. Most of the soil contaminants within the project perimeter will be removed by the new mining project, and waste management will follow best international practice. On the other hand, in the Mine Closure and Rehabilitation Plan (Plan J in the EIA), agriculture on the tailings management facility (TMF) or other waste facilities (e.g., waste rock heaps) is not described as the preferred option. Rather, technical experts and, in some cases, regulatory authorities recommend alternative uses (such as a golf course, hiking trails, or other recreational areas). Agricultural activity on the tailings pond cover may disturb the engineered cover layers and compromise their functionality, and farming on waste repositories may be outlawed in Romanian legislation.</p> <p>However, areas that do not contain extractive or other wastes from the mining project (or from previous mining activities in the area) and, therefore, do not contain any heavy metals or other hazardous substances, may be used for agricultural purposes (pasture or hay meadows).</p> <p>On the other hand we have examples such as were successfully marketed in East Germany, where agricultural products grown on rehabilitated mining areas. Produce grown in these areas (not on TMFs or waste rock heaps, though) is perceived no differently than farming products grown in other regions, despite the extremely cautious and even hostile public opinion towards some types of mining before reclamation and rehabilitation started some 15 years ago.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	284
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Turda, 09.08.2006
RMGC internal unique code	MMGA_0610
Proposal	<p>The questioner makes the following remark:-the company must be compelled to provide an environmental financial guarantee for the rehabilitation of the area.</p>
Solution	<p>Information regarding our Environmental Financial Guarantee (“EFG”) is fully discussed in the section of the Environmental Impact Assessment titled “Environmental and Social Management and System Plans” (Annex 1 of the subchapter titled “Mine Rehabilitation and Closure Management Plan”). The EFG is updated annually and will always reflect the costs associated with reclamation. These funds will be held in protected accounts at the Romanian state disposal. Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.</p> <p>The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive (“MWD”) and the Environmental Liability Directive (“ELD”).</p> <p>The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roşia Montană.</p> <p>The Roşia Montană Gold Corporation (“RMGC”) has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.</p> <p>There are two separate and distinct EFGs under Romanian law.</p> <p>The first, which is updated annually, focuses on covering the projected reclamation costs associated with the operations of the mine in the following year. These costs are of no less than 1.5 percent per year, of total costs, reflective of annual work commitments.</p> <p>The second, also updated annually, sets out the projected costs of the eventual closure of the Roşia Montană mine. The amount of the EFG to cover the final environmental rehabilitation is determined as an annual quota of the value of the environmental rehabilitation works provided within the monitoring program for the post-closure environmental elements. Such program is part of the Technical Program for Mine Closure, a document to be approved by the National Agency for Mineral Resources (“NAMR”).</p> <p>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>The 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,</p>

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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.
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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	298
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Turda, 09.08.2006
RMGC internal unique code	MMGA_0633
Proposal	<p>The questioner wants to know what surface of the old Rosia Montana will be available for agriculture after the environmental rehabilitation of the area, where will this surface be located precisely and how will the locals have access to it from the legal point of view? Where is this aspect addressed in the EIA, and if it is not mentioned then for what reason wasn't it addressed?</p>
Solution	<p>Areas that do not contain extractive or other wastes from the mining project (or from previous mining activities in the area) and, therefore, are clear of all heavy metals and other hazardous substances, may be used for agricultural purposes. The organic farming is not possible in these areas even now due to the past mining activities and the landscape configuration. As a part of the Soil baseline study the experts (ICPA – the research institute for soil) team has been evaluated the suitability of the land for different crops (please see the Chapter 4, Section 4.4, Soil, subsection Soils (Land) Suitability for Various Crops) and the conclusions of the assessment are that the suitability for pasture is good for hay meadows is above the average but for crops like potatoes the suitability is very low. After the closure of RMGC's mine, some of the 584 hectares (that compose the areas between the mine pits and processing facilities as well as the buffer zone) of the former industrial PUZ will be environmentally suitable for agricultural uses.</p> <p>According to our Mine Closure and Rehabilitation Plan (Plan J in the EIA), agriculture is not the preferred land use for the reclaimed tailings management facility (TMF) or other waste facilities (e.g., waste rock heaps). Rather, technical experts and, in some cases, regulatory authorities recommend alternative uses (such as a golf course, hiking trails, or other recreational areas). Agricultural activity on the tailings pond cover may disturb the engineered cover layers and compromise their functionality, and farming on waste repositories may be outlawed in Romanian legislation.</p> <p>For the specific areas that will be available for agricultural uses, please see Chapter 4.4. (Impacts on Soil) in our EIA.</p> <p>Regarding the questioner's concern about local's legal access to rehabilitated land, a new PUZ will be issued after mine closure in accordance with Urbanism Law #350 and the Mine Closure Manual. The new PUZ will establish the future uses of the land. All relevant stakeholders (i.e. local authorities, local communities, business communities, and NGOs) will participate in the decision.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	317
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Turda, 09.08.2006
RMGC internal unique code	MMGA_0666
Proposal	<p>As for what will be left once all the gold is mined and taken out of the country, the questioner considers that there will be a death lake in the area. Today, heavy rains occur all over the world; should such a rain occur in Rosia Montana it would take all the residual cyanide water from the TMF and carry it all the way to Hungary. And the cyanide water will seep not only into wells of the Turda plant, but also in the underground. No perfect insulation is possible in order to make cyanide disappear. The risk of seepage is high in case of an earthquake as well.</p>
Solution	<p>The Roşia Montană Project will not leave behind a “death lake.” In fact, after completion of closure and rehabilitation, the 584 hectares (of the total 1646 hectares included in the PUZ) that compose the areas between the mine pits and processing facilities as well as the buffer zone will show no visual signs of the mining project. The infrastructure projects (i.e. roads, sewage treatment facilities, etc.) will be left for community use. In the case of the remaining 1062 hectares (see Chapter 4, Section 4.7., Landscape, table 3.1, from the EIA report), though they will be altered, they will also be remediated (reshaped, treated with an engineered soil-covering system, and revegetated) to blend with the surrounding landscape to the greatest extent possible.</p> <p>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.</p> <p>A general overview of the approach to environmental rehabilitation is given in Section 3 of the Mine Closure Plan. It focuses on Romanian and European Laws and Standards, but takes also international best practice from outside Europe into account, if applicable to Roşia Montană. For the technical details of the standards used see the individual sections of the Mine Closure Plan dealing with the different aspects of mine closure and rehabilitation (Section 4 with its subsections, in particular), and the Reference Section.</p> <p>Regarding the questioner's concern about RMGC taking all of the gold out of the country, it is important to note that, as with other commodities, gold is sold on the international market at the market price. Any entity – an individual, company, or government – can purchase the gold at the market rate. Additionally, the National Bank of Romania has a preemption right to purchase the gold mined at Roşia Montană.</p>
	<p>Regarding the questioner's concerns about rainfall and dam safety, the TMF is rigorously designed to incorporate all E.U., Romanian, and international criteria to reduce the risk of failure. These guidelines all for significant rainfall events and prevent dam failure due to overtopping.</p> <p>Specifically, the facility has been designed for two Probably Maximum Precipitation (PMP) events and the associated Probable Maximum Flood (PMF). The design criterion for TMF includes storage for two 10,000 year-flood events within 24 hours, a rain level than has never been recorded in this area. Additionally, a spillway will be incorporated into each raise of the dam crest to provide for controlled outlet of water in the extremely unlikely event that the water rises to the dam crest. Designers considered the Maximum Credible Earthquake (MCE) alongside the PMP and PMF in their efforts to reduce failure risk.</p> <p>Concerning the questioner's specific concern about “cyanidised water,” the cyanide content in the tailings management facility (TMF) will comply with European standards (EU Mine Waste Directive 2006/21/EC). No water with a cyanide concentration exceeding the very strict NTPA 001/2002 limit of 0.1 mg/l CN<sub>tot</sub> will be discharged into the environment or pumped from the TMF to the open pits. All seepage will be captured downstream of the TMF in a secondary containment dam. If any effluent does not comply with the CN<sub>tot</sub> limit, it will be treated to ensure that the cyanide remains confined to the TMF.</p>

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

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

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	320
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Turda, 09.08.2006
RMGC internal unique code	MMGA_0669
Proposal	<p>There is no such thing as a locality without an economic life, one cannot make a livelihood out of goats breeding. As for the project, the questioner considers that there are stipulations binding the company to carry out all the works required for the protection of the environment during the mine operation and after its closure.</p>
Solution	<p>Strictly speaking, the questioner is correct that all communities and human beings have “an economic life.” Subsistence farmers, who are forced to wash their vegetables in polluted streams, have an economic life. Merchants living in homes with inadequate facilities (i.e. running water, electric power, etc.) have an economic life. However, this is not the kind of economic life that RMGC (or any of the 14 local NGOs with whom we partner) envisions for the future of Roșia Montană. Our mine project will create 600 direct and 6000 indirect jobs in Romania – the vast majority of them in the region – and will assist in economically revitalizing an area that has been suffering economically for decades.</p> <p>In terms of the questioner’s concern about environmental protection, RMGC had pledged (even before Romania’s admission to the European Union) to operate the Roșia Montană project in full compliance with all Romanian and European law and in accordance with international best practices. RMGC believes that Romania deserves the same standard of environmental and social protection that applies throughout the EU and in other developed countries such as Canada and the U.S.</p> <p>Our commitment to the environment is particularly evident in our Mine Closure and Rehabilitation Plan (Plan J in the EIA). The plan sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roșia Montană’s landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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.”</p> <p>Regarding the questioner’s concern about rehabilitation costs, the creation of an Environmental Financial Guarantee (“EFG”) is required by Romanian law to ensure adequate funds are available from the mine operator for environmental cleanup. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive (“MWD”) and the Environmental Liability Directive (“ELD”).</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</p>

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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.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	327
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bistra, 14.08.2006
RMGC internal unique code	MMGA_0680
<b>Proposal</b>	The company states that it will rehabilitate the area, will build lakes and leisure areas, but will any tourist visit an area known to be polluted with cyanide?
<b>Solution</b>	The area as a whole will be free of cyanide. Cyanide will be confined to the tailings management facility (TMF). The cyanide content there will degrade within months after ore processing (and consequently tailings discharge) ceases. No seepage or decant pond water will leave the TMF without prior treatment and the cyanide content in all discharged water will comply with Romanian's very strict standards (NTPA 001/2002).
<b>Solution</b>	Similar questions were asked at other sites with comparable public concern, such as the large mining and milling sites in Eastern Germany. Today, these regions in Saxony and Thuringia have been rehabilitated and have become tourist attractions. For example, a backfilled and covered open pit mine has become the centerpiece of the German Federal Exhibition of Landscape Architecture and attracts visitors and tourists from Germany and Europe.

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	338
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Lupsa, 16.08.2006
RMGC internal unique code	MMGA_0706
<b>Proposal</b>	<p>Any disaster that might occur at the tailings ponds will impact the Aries River all the way to the Mures River and into the Danube. Is there any mention regarding the compensations that the company is compelled to pay in case of disaster? What guarantees does the Canadian company provide in this respect?</p>
	<p>It is highly unlikely that any disaster might occur at the tailings ponds, because of the high integrity of the tailings dam. The Environmental Impact Assessment Study Report (EIA) describes how the dam will be built with solid rock materials, designed and engineered by MWH, one of the leading dam designers in the world, reviewed and approved by certified Romanian dam experts (members of the ICOLD Committee). Prior to operation, the dam must be certified for operations by the National Commission for Dams Safety (CONSIB). RMGC has utilized the world's foremost experts in these areas to ensure the safety of the project's workers and the surrounding communities.</p> <p>The Tailings Management Facility (TMF) dam is rigorously designed to incorporate all EU, Romanian and international criteria to reduce the risk of failure. These guidelines allow for significant rainfall events and prevent dam failure due to overtopping.</p> <p>The TMF facility has been designed for two Probable Maximum Precipitation (PMP) events and the associated Probable Maximum Flood (PMF). The design criterion for TMF includes storage for two 10,000 year-flood events within 24 hours, a rain level that has never been recorded in this area. Additionally, an emergency spillway for the dam will be constructed in the unlikely event that pumps fail due to malfunction or power interruption at the same time as the second PMP event. The TMF design therefore very significantly exceeds required standards for safety. This has been done to ensure that the risks involved in using Corna valley for tailings storage are well below what is considered safe in every day life.</p>
<b>Solution</b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>The details of Roşia Montană Gold Corporation's ("RMGC") Environmental Financial Guarantee are discussed in the section of the Environmental Impact Assessment titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan").</p> <p>In Romania, the creation of an Environmental Financial Guarantee is required to ensure adequate funds are available from the mine operator for environmental cleanup. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").</p>

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

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

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

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

Yet we recognize that with a project as large as that being undertaken at Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers.

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	348
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0721
<b>Proposal</b>	The mine operations from Rosia Montana, Baia de Aries, Zlatna have been closed down. What are the rehabilitation measures taken by the Romanian Government in this respect?
	Though RMGC is aware that mining operations have been closed at Roşia Montană, Baia de Arieş, and Zlatna, we cannot speak on behalf of the Romanian government.
<b>Solution</b>	We can only speak to the ways in which RMGC's Roşia Montană Project will differ from previous mining outfits that have abandoned mine sites without proper closure or rehabilitation. We will act in complete compliance with Romanian Mining Legislation (Law 85/2003, Article 53 (1) and (2)) which requires RMGC to execute all activities listed in the Mine Closure and Rehabilitation Plan (Plan J in the EIA) at our expense. Additionally, before we can obtain an operational permit, we will establish (in accordance with the European Mine Waste Directive 2006/21/EC) an Environmental Financial Guarantee that ensures there will be funds available for proper closure and rehabilitation.

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	354
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0727
Proposal	<p>According to the EIA Report the company has estimated US\$ 70 million for the environmental rehabilitation during the life of the project, included the US\$ 40 million to be used after the mine closure. But anywhere else in the world, the costs involved by the closure of such a mine with a 500 ha of TMF and tons of waste dumps amount to at least US\$ 3 billion. This amount will be paid by Romania as the environmental rehabilitation is not a luxury, and the EU legislation stipulates the environmental rehabilitation. In 15 years' time, when the mining is completed, all the Romanian tax payers will pay for the rehabilitation as they all pay today for the disaster that occurred in Baia Mare.</p>
Solution	<p>The figure of US\$ 3 billion is both unsubstantiated and implausibly high. RMGC stands behind our closure estimates, which were developed by a team of independent experts with international experience and will be reviewed by third party experts, are based on the assumption that the project can be completed according to the plan, without interruptions, bankruptcy or the like they are engineering calculations and estimates based on the current commitments of the closure plan and are summarized in the EIA's Mine Closure and Rehabilitation Management Plan (Plan J in the EIA). Annex 1 of Plan J will be updated using a more detailed approach looking at every individual year and calculating the amount of surety, which must be set aside year by year to rehabilitate the mine before RMGC is released from all its legal obligations. Most importantly, the current estimates assume the application of international best practice, best available technology (BAT) and compliance with all Romanian and European Union laws and regulations.</p> <p>Closure and rehabilitation at Roşia Montană involves the following measures:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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.</p> <p>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</p>
	<p>Concerning parallels between the RMP and Baia Mare, Romanian law has changed since Baia Mare to</p>

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protect the nation's taxpayers. According to the Romanian Mining Legislation (Law 85/2003), Article 53 (1) and (2), RMGC must carry out all of the activities outlined in the Mine Closure Plan at its own cost and responsibility. RMGC is released from its legal obligations only when all requirements are satisfied. Furthermore, Article 20 (4) of the Mining Law and the corresponding stipulations in the European Mine Waste Directive 2006/21/EC require RMGC to establish a financial guarantee for environmental rehabilitation (EFG, Environmental Financial Guarantee). RMGC is able to obtain an operating license from the Competent Authority only once a satisfactory EFG is in place.

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

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

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").

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

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

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.

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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;
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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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	368
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0744
Proposal	<p>The questioner wants to know the final figure, the amount estimated by the company to be necessary for the rehabilitation of the area, because it is not stated in the EIA; if it is stated – where is it, on which page?</p>
Solution	<p>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.</p> <p>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.</p> <p>Closure and rehabilitation at Roşia Montană involves the following measures:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	368
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0745
Proposal	<p>Also in relation to the rehabilitation costs, the questioner wants to know exactly the meaning of the wording "thereafter" used in the context of annual costs necessary for water treatment, operation/monitoring: in the year 16, such costs amount to USD 1,252,000, the same in the years 19, 21 and thereafter. How far do we go? What does "thereafter" mean, where is this stated in the EIA and, if not stated, why is this so?</p>
Solution	<p>Long-term post closure costs, which are dominated by expenses for water treatment, are a significant part of the overall closure and rehabilitation cost estimates. While many of RMGC's closure cost estimates are calculated relatively accurately, scientists can only formulate rough estimates concerning how long water treatment will need to continue. Drawing on the experience of our EIA experts, we have provided our best estimates in Section 4.7 of the Mine Closure and Rehabilitation Management Plan (Plan J in the EIA).</p> <p>The streams which require treatment over the longest time periods are the tailings management facility (TMF) dam seepage and the water collected from the underground mine workings in the Cetate valley. Both time frames are estimated to be at least 50 years. The approach used in the EIA to estimate the time was conservative. It over-estimates the time needed for the ARD water to improve in quality and render it amenable to semi-passive treatment in the lagoons provided in the area downstream from the Cetate dam and eventually reach an acceptable quality so that it can be discharged into the environment without further treatment. Nevertheless, for the purpose of the EIA the conservative approach is retained, i.e., that further treatment is required.</p> <p>Despite the uncertainty surrounding the necessary duration, RMGC will set aside funds – currently, as the questioner notes, are estimated to US \$1.25 million US per year – to cover these costs until the treatment is no longer necessary. 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 total 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.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	368
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0746
Proposal	<p>Until which year will the company be held liable for monitoring and rehabilitation and, when such liability ceases, who will take over this responsibility? What will be the budget allocated for these operations? Where can this information be found in the EIA and, if not included in the report, why is this so?</p> <p>In general terms, the monitoring program of the Roşia Montană Project will be carried out according to the Best Practice described in the IPPC Reference Document [1] "General Principle of Monitoring".</p> <p>There are several provisions in the EU and the Romanian relevant legislation regarding to mining sector which are stipulating very clear the responsibilities for post closure monitoring, are the responsibility of the title holder/operator, which is Roşia Montană Gold Corporation.</p> <p>The provision of the Romanian <b>Mining Law 85/2003</b> for the above mentioned aspects are as follows:</p> <p>CHAPTER IV RIGHTS AND OBLIGATIONS OF THE TITLE HOLDER, ART. 39 - (1) The Titleholder of the license/permit has the following obligations:</p> <p>(p) <i>To carry out upon termination of the concession the works for care and maintenance/closure of the mine/quarry, as the case may be, including the Post-closure Monitoring Program, according to the activity cessation plan.</i></p> <p>CHAPTER VII CLOSURE OF MINES ART. 53</p> <p>(1) <i>The responsibility to monitor the obligations resulted from the closure plan of a mine or quarry belongs to the Competent Authority. For the national companies and societies, such monitoring will be done in conjunction with the line Ministry.</i></p> <p>(2) <i>During the implementation of a mine or quarry closure plan, the titleholder must satisfy the conditions and requirements of all the legal authorities that approved the closure plan.</i></p> <p>(3) <i>Implementation of the Post-closure Monitoring Program shall be made by the Title Holder at its own cost; in the case of national mining companies and societies, the Post-closure Monitoring Program shall be made by the line Ministry, through its specialized directorates, with funds from the State budget.</i></p>
Solution	<p>The provision of the EU Directive for extractive waste 2006/21/EC are as follows:</p> <p>An after-closure period for monitoring and control of Category A waste facilities will be laid down proportionate to the risk posed by the individual waste facility, in a fashion similar to the requirements of the EU 2006/21/EEC Directive [2] - Article 12, point 4, "The operator shall be responsible for the maintenance, monitoring, control and corrective measures in the after closure phase for as long as may be required by the competent authority, taking into account the nature and duration of the hazard, save where the competent authority decides to take over such tasks from the operator, after a waste facility has been finally closed and without prejudice to any national or Community legislation governing the liability of the waste holder".</p> <p>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. 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.</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).</p>

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

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

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

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

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

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

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

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

The 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 Roșia Montană involves the following measures:

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

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>)

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	369
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0751
<b>Proposal</b>	<p>What will the company do for this area after 14 years, how is it going to rehabilitate the environment? How can the community be sure that RMGC will rehabilitate the environment in this area?</p> <p>RMGC has a detailed plan for rehabilitating Roșia Montană's environment and, before our mine can legally be permitted, an Environmental Financial Guarantee ("EFG") will be in place to assure Roșia Montană residents and Romanian taxpayers that company funds are in place for the execution of this rehabilitation plan.</p> <p>RMGC's Mine Closure and Rehabilitation Management Plan (Plan J) sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roșia Montană's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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."</p>
<b>Solution</b>	<p>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.</p> <p>Regarding the questioner's concern about "how can the community be sure that RMGC will rehabilitate the environment in this area", the creation of an EFG is required by Romanian law to ensure adequate funds are available from the mine operator for environmental cleanup. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").</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</p>

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mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roşia Montană.

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There are two separate and distinct EFGs under Romanian law.

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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”).

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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:

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	370
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0754
Proposal	<p>The Romanian Academy did not approve this project, nor did many other experts. Who will bear the expenses in case of a possible disaster caused by the failure of the 184-meter high dam built on the Corna Valley? This is not stipulated in the project.</p>
Solution	<p>The views of scientists have been fully considered throughout the public consultation process. We value the suggestions we have received during the public consultation process, including from members of the Romanian Academy and other scientists.</p> <p>The most recent position of the Romanian Academy regarding the Roşia Montană project was made public on February 27, 2006, almost three months before the submission of the Environmental Impact Assessment Study to the Ministry of Environment and Water Management, while statements from other scientists date back well before 2006.</p> <p>RMGC made changes to the project design based on issues raised by stakeholders, including scientists, 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 and other scientists, before submission of the EIA. Thus the position of the scientists does not reflect the changes to the project design or an analysis of the EIA that was actually submitted to the Ministry.</p> <p>We would be happy to meet with any scientists, including the Academy to answer any questions regarding the project. Further, it is important to remember that the EIA was prepared by over 100 independent experts, including members of the Academy.</p> <p>It is highly unlikely a case of a “possible disaster” caused by the failure of the Corna Valley dam. 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, reviewed and approved by certified Romanian dam experts (members of the ICOLD Committee). Prior to operation, the dam must be certified for operations by the National Commission for Dams Safety (CONSIB). RMGC has utilized the world’s foremost experts in these areas to ensure the safety of the project’s workers and the surrounding communities.</p> <p>The Tailings Management Facility (TMF) dam is rigorously designed to incorporate all EU, Romanian and international criteria to reduce the risk of failure. These guidelines allow for significant rainfall events and prevent dam failure due to overtopping.</p> <p>The TMF facility has been designed for two Probable Maximum Precipitation (PMP) events and the associated Probable Maximum Flood (PMF). The design criterion for TMF includes storage for two 10,000 year-flood events within 24 hours, a rain level that has never been recorded in this area. Additionally, an emergency spillway for the dam will be constructed in the unlikely event that pumps fail due to malfunction or power interruption at the same time as the second PMP event. The TMF design therefore very significantly exceeds required standards for safety. This has been done to ensure that the risks involved in using Corna valley for tailings storage are well below what is considered safe in every day life.</p> <p>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 run-out 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.</p>

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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 tailings material will not reach the Abrud River.

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

In addition, detailed financial guarantees are in place, in the form of the Environmental Financial Guarantee (“EFG”), which requires Roșia Montană Gold Corporation (“RMGC”) to maintain adequate funds for environmental cleanup. The EFG is updated annually and will always reflect the costs associated with reclamation. The current projected closure cost for Roșia Montană is US \$76 million, which is based on the mine operating for its full 16-year lifespan. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive (“MWD”) and the Environmental Liability Directive (“ELD”).

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RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance. Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.

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

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MMDD's item no. for the question which includes the observation identified by the RMGC internal code	371
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0760
Proposal	<p>What are the guarantees offered by RMGC and the Ministry of Environment and Water Management that no accident will occur, and that not even several kilograms of the 200 million kilograms of cyanide will be discharged in the groundwater and in the air?</p>
Solution	<p>The claim that “several kilograms of the 200 million kilograms of cyanide will be discharged in the ground water and in the air” is totally unfounded.</p> <p>RMGC has signed and will comply with the International Code for the Management of Cyanides, 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.</p> <p>Cyanide is used in hundreds of gold mines around the world and in many other industries. It is a toxic compound and it must be handled and managed carefully. Still, as it disintegrates rapidly in normal atmospheric conditions into non-hazardous substances. 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>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 (5-7ppm), which is below the regulatory limit of 10ppm recently adopted by the EU in the Mine Waste Directive. Mine waste in the EU is currently permitted to have a 50ppm concentration of cyanide, which the Directive reduces to 10ppm for new mines. Roşia Montană's TMF will have a concentration of 5-7ppm.</p> <p>The details of Roşia Montană Gold Corporation's ("RMGC") Environmental Financial Guarantee are discussed in the section of the Environmental Impact Assessment titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan").</p> <p>In Romania, the creation of an Environmental Financial Guarantee is required to ensure adequate funds are available from the mine operator for environmental cleanup. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").</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</p>

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begin at Roșia Montană.

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

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

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

Yet we recognize that with a project as large as that being undertaken at Roșia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers.

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	393
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0837
Proposal	Who will be responsible in case of an environmental disaster? Who will supply the funds necessary for rehabilitation? Who will pay for the damages, caused both to the communities living in the country, and in other countries?
	<p>The details of Roşia Montană Gold Corporation's ("RMGC") Environmental Financial Guarantee ("EFG") are discussed in the section of the Environmental Impact Assessment titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan").</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>
Solution	<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>RMGC has retained one of the world's leading insurance brokers, which is well established in Romania and has a long and distinguished record of performing risk assessments on mining operations. The broker will use the most appropriate property and machinery breakdown engineers to conduct risk analysis and loss prevention audit activities, during the construction and operations activity at Roşia Montană, to minimize hazards. The broker will then determine the appropriate coverage, and work with A-rated insurance companies to put that program in place on behalf of RMGC, for all periods of the project life from construction through operations and closure.</p> <p>RMGC is committed to maintaining the highest standards of occupational health and safety for its employees and service providers. Our utilization of Best Available Techniques helps us to ensure this goal is achieved. No organization gains from a loss, and to that end we will work to implement engineering solutions to risk, as they are far superior to insurance solutions to risk. Up to 75% of loss risk can be removed during the design and construction phase of a project.</p> <p>Yet we recognize that with a project as large as that being undertaken at Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers.</p>



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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	397
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0847
<p data-bbox="97 539 422 629"><b>Proposal</b></p> <p data-bbox="97 629 422 1211"><b>Solution</b></p>	<p data-bbox="422 539 1412 629">According to the Romanian laws, the project titleholder has the obligation to establish an environmental guarantee. What is the current status of this guarantee: has it been established or not, does the company intend to establish it, when will the company establish it?</p> <p data-bbox="422 629 1412 763">The Roşia Montană Gold Corporation ("RMGC") intends to establish an Environmental Financial Guarantee ("EFG"), which is required in order to obtain a permit for the operation of a mine. While the EFG is being drafted, before it can be finalized the environmental impact assessment submitted to the Romanian Government by RMGC must first be approved.</p> <p data-bbox="422 763 1412 965">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 data-bbox="422 965 1412 1301">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 data-bbox="422 1301 1412 1368">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 data-bbox="422 1368 1412 1435">There are two separate and distinct EFGs under Romanian law.</p> <p data-bbox="422 1435 1412 1547">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 data-bbox="422 1547 1412 1749">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 data-bbox="422 1749 1412 1827">Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	398
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0857
Proposal	<p>The company claims that the price of gold may be significantly reduced and that the company's profit may be 0. This risk is mentioned even by RMGC. The questioner wants to know who will be responsible then for the mine rehabilitation. What will happen in case of company's bankruptcy? Will the Romanian government bear all expenses, although it could not rehabilitate even the old mine from Rosia Poieni?</p>
Solution	<p>Regardless of the financial condition of the Roşia Montană Gold Corporation ("RMGC"), the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.</p> <p>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.</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>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").</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</p>

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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.
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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	400
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0864
Proposal	<p>There is no guarantee that, upon completion of the works and mining operations, the investor will bear the environmental rehabilitation costs. From other countries' experience, we know that these costs are huge, and are not covered by the financial guarantees established by the companies at issue. The current tendency worldwide is to prevent environmental pollution, instead of subsequently rehabilitating the environment, through the use, during the technological processes, of substances and materials that are harmless [c1] for man and the environment.</p>
Solution	<p>RMGC is committed to preventing environmental pollution, rehabilitating existing pollution, and ensuring that our mine's impact on Roşia Montană's environment is as minimal as possible. Furthermore, RMGC will provide, in accordance with Romanian law, an Environmental Financial Guarantee ("EFG").</p> <p>In terms of pollution prevention, RMGC precludes (or minimizes at least) the use and release of any hazardous substances as far as technologically possible, and according to international best practice. The EIA Study Report clearly shows in Section 2 (Technological Processes) how Best Available Technology (BAT) is applied to the entire design and implementation of the project, including closure and rehabilitation measures. The use of some hazardous substances such as cyanide is, however, necessary. Handling, use and disposal of these substances corresponds to international best practice.</p> <p>In terms of environmental rehabilitation, the Roşia Montană area is heavily polluted and RMGC will actually improve—rather than degrade—the area's environmental conditions. In particular, the operation of RMGC's water treatment facility as well as the removal of the old, un-rehabilitated mine works will drastically improve the region's water quality by reducing its acidity.</p> <p>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.</p> <p>Closure and rehabilitation at Roşia Montană involves the following measures:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and re-vegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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</p>

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reshaped and resurfaced. Similarly, there is a body of scientific studies and experiments that enable scientists to determine the depth of soil cover for successful re-vegetation. By multiplying the size of the areas by the necessary depth of the topsoil by the unit rate (also derived from studying similar earthmoving operations at similar sites), we can estimate the potential costs of this major facet of the rehabilitation operation. The earthmoving operation, which will total approximately US \$65 million, makes up 87% of closure and rehabilitation costs.

Also, the necessity of additional technological measures to stabilize and reshape the tailings surface will be discussed in the update of the Economical Financial Guarantee (EFG) estimate, which leads to an increase the provisions for tailings rehabilitation, especially if the TMF is closed prematurely and no optimized tailings disposal regime is applied. The exact figures depend on the details of the TMF closure strategy which can be finally determined only during production

Regarding the questioner's concern about RMGC's willingness to bear the costs of rehabilitation, Romanian law requires the creation of an EFG 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;
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- 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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	402
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0869
<b>Proposal</b>	Does the company actually believe that it will be able to perfectly rehabilitate the areas impacted by its operations?
<b>Solution</b>	<p>Given Roşia Montană's environmental situation—the area is heavily polluted due to previous mining activity—restoring current conditions is not desirable. Instead, the operation of RMGC's modern mine will improve environmental conditions. For example, once the Roşia 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 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.</p> <p>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 Roşia Montană's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and re-vegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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."</p> <p>The mining operation will not create a "moonlike landscape." In fact, after completion of closure and rehabilitation, the 584 hectares (of the total 1646 hectares included in the PUZ) that compose the areas between the mine pits and processing facilities as well as the buffer zone will show no visual signs of the mining project. The infrastructure projects (i.e. roads, sewage treatment facilities, etc.) will be left for community use. In the case of the remaining 1062 hectares( see Chapter 4, Section 4.7 Landscape, table 3.1, from the EIA report), though they will be altered, they will also be remediate (reshaped, treated with an engineered soil-covering system, and re-vegetated) to blend with the surrounding landscape to the greatest extent possible.</p>



Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	422
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0906
Proposal	<p>What are the environmental rehabilitation guarantees, the total amount allocated for this purpose? Does this amount exist, and if it does, where is it? With which bank is it deposited? If this amount does not exist, how will RMGC obtain it?</p>
Solution	<p>The projected costs for environmental rehabilitation are US \$76 million – a figure that has been derived in connection with the creation of an Environmental Financial Guarantee (“EFG”). The EFG, which will be finalized following approval of the Environmental Impact Assessment by the Romanian Government, will be updated annually and will always reflect the costs associated with reclamation. These funds will be held in protected accounts at the Romanian state disposal.</p> <p>More information regarding the 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”).</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 projected 16-year 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>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</p>

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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.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	424
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0911
Proposal	<p>Concerning the financial guarantee, Government Decision no. 349 of 2005 stipulates that, when applying for the environmental permit, the operator has the obligation to provide evidence attesting to the existence of a financial guarantee, in order to ensure the compliance with the obligations and requirements related to the protection of the environment and of human health, stipulated in the environmental permit. The operator has the obligation to establish a fund for monitoring environmental factors during the closure and post-closure stages of the project. The monitoring activities must be carried out for at least 30 years, and an account must be opened for this fund, account which must be replenished annually according to the requirements, must be included in the closure and post-closure monitoring plan and in the documentation necessary for obtaining the environmental permit. Where does the environmental impact assessment study present and provide details on such guarantee?</p>
Solution	<p>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").</p> <p>With respect to GD 349/2005, it transposes the EU Landfill Directive 1999/35/EC into Romanian Law. It is not applicable to the extractive wastes generated by the Roşia Montană project, which are covered by the new EU Mine Waste Directive 2006/21/EC.</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 and closure 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>

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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”).

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

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

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 Roșia Montană project.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	433
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Bucuresti, 21.08.2006
RMGC internal unique code	MMGA_0930
<b>Proposal</b>	<p>With regard to the rehabilitation of the area, the company's representative said that reconstruction is scientifically possible. However, it is scientifically possible for anyone to create a particle accelerator. The speaker doubts that this will happen in the near future and asks for a clear answer: yes or no?</p>
<b>Solution</b>	<p>The short answer is yes. People can build particle accelerators and they can rehabilitate areas impacted by mining. At RMGC, we know nothing about the former but thankfully (given our line of work) a great deal about the later.</p> <p>RMGC's Mine Closure and Rehabilitation Management Plan (Plan J in the EIA) sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roşia Montană's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and re-vegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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."</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	446
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Deva, 23.08.2006
RMGC internal unique code	MMGA_0949
Proposal	<p>In the event that the company will be forced to back out while the project is underway, who will continue the operations? The study sent by the company is quite ambiguous on this point.</p> <p>In the event that the mining activities will be temporally suspended, RMGC will take all the statutory and reasonable measures according to the policies, guidelines and the best available techniques in order to assure the public security and minimize the environmental impact. The temporary suspension means a planned or unplanned interruption of activities with the appliance of certain security measures. In such circumstances, the efforts will be directed in order to reopen the activities in normal operation conditions. All these actions which will be carried out in such unexpected situation are described in detail in Plan J – Management plan for closure of mining activity and environmental rehabilitation, Section 6 – Measures of environment rehabilitation in the event of temporary suspension of activities.</p> <p>There are several provisions in the EU and the Romanian relevant legislation regarding to mining sector which are stipulating very clear the responsibilities for post closure monitoring, are the responsibility of the title holder/operator, which is Roşia Montană Gold Corporation.</p> <p>The provision of the Romanian <b>Mining law 85/2003</b> for the above mentioned aspects are as follows: CHAPTER IV RIGHTS AND OBLIGATIONS OF THE TITLEHOLDER, ART. 39 - (1) The Titleholder of the license/permit has the following obligations:</p> <p><i>(p) To carry out upon termination of the concession the works for care and maintenance/closure of the mine/quarry, as the case may be, including the Post-closure Monitoring Program, according to the activity cessation plan.</i></p>
Solution	<p>The provision of the <b>EU Directive for extractive waste 2006/21/EC</b> are as follows: An after-closure period for monitoring and control of Category A waste facilities will be laid down proportionate to the risk posed by the individual waste facility, in a fashion similar to the requirements of the EU 2006/21/EEC Directive[1]- Article 12, point 4, <i>“The operator shall be responsible for the maintenance, monitoring, control and corrective measures in the after closure phase for as long as may be required by the competent authority, taking into account the nature and duration of the hazard, save where the competent authority decides to take over such tasks from the operator, after a waste facility has been finally closed and without prejudice to any national or Community legislation governing the liability of the waste holder”.</i></p> <p>According to the legislation in force, RMGC will have to deposit guarantees for environmental rehabilitation while the operational stage is running, as follows:</p> <p>The obligation to deposit guarantees for mining license holders are expressly stipulated by the Mining Law and are summarily exposed below. The questioner’s request cannot be the subject of these stipulations and guarantees. If there will be legal provisions regarding the deposition of such guarantees, RMGC will take all the necessary measures in order to observe its legal obligations.</p> <p><b>Mining Law no. 85 / 2003</b> “the holder of mining license deposits a financial guarantee for environmental rehabilitation in conformity with the technical norms issued by the competent authority”. The financial guarantee for environmental rehabilitation is (i) annual and (ii) final, as follows:</p> <p>(i) <u>annual guarantee for environmental rehabilitation</u></p>

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According to Art. 133 from Technical Norms of the Law 85 / 2003 *“the financial guarantee for environmental rehabilitation in the case of mining license is deposited annually, in first month of the reference period being stipulated in license, so that to cover the environmental rehabilitation works specified in the environmental rehabilitation plan and technical project”*

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

(ii) final guarantee for environmental rehabilitation

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

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

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

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

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

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

**References:**

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	462
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Arad, 25.08.2006
RMGC internal unique code	MMGA_0988

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

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

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

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

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

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

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

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

**Solution**

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

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

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

RMGC will comply with all Romanian and E.U. regulations and laws concerning our closure and rehabilitation responsibilities. Romanian Mining Legislation (Law 85/2003, Article 53 (1) and (2)), requires RMGC to execute all activities listed in the Mine Closure and Rehabilitation Plan (Plan J in the EIA) at our expense. Additionally, the European Mine Waste Directive 2006/21/EC specifies that, before a mine can be permitted for operation, an Environmental Financial Guarantee must be in place to ensure there will be funds available for proper closure and rehabilitation.



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Reference:

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

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	468
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Arad, 25.08.2006
RMGC internal unique code	MMGA_1002
Proposal	<p>In 2002 the general urban plan was modified and the area was declared an industrial zone, with the result that all activities except mining were prohibited. Will the interdiction be cancelled after the project ends? Why is it that now it has been declared a monoindustrial zone and tourism is not allowed, but it will be allowed after mining operations stop? The area has great tourism potential, considering the existing landscape, architecture and the unique archeological heritage. In 17 years'time, when all these assets will disappear, who will come to visit a tailings'pond and some waste rock?</p>
Solution	<p>The questioner is correct that a small section of the Roşia Montană area has been designated as an industrial zone. However, it is important to note that the protected area is not included in the industrial PUZ and, furthermore, that 12 of Roşia Montană's 16 neighborhoods will be unaffected by the mine. In these areas, economic activities will continue as before—except that the mine will create many new opportunities (600 direct and 6000 indirect jobs) in a region currently plagued by 70% unemployment.</p> <p>That said, setting aside sections of land for particular economic or residential uses is not uncommon. In the case of Roşia Montană, the establishment of an industrial zone and a surrounding buffer zone is necessary to ensure that impacts (i.e. noise, air, or physical hazards) from the operation do not affect anyone or anything outside the designated mono-industrial area. Because the relatively small industrial area (only 1646 hectares) will be used for mining activities (and, notably, already contains poorly managed open pits and waste disposal facilities from previous mining activities), no other type of development can take place until the operation is concluded and the impacts have been remedied.</p> <p>In accordance with Urbanism Law #350 and the Mine Closure Manual, a new PUZ will be issued after mine closure and rehabilitation. The new PUZ will establish the new uses of the land, which may include tourism-related development. All relevant stakeholders (i.e. local authorities, local communities, business communities, and NGOs) will participate in the decision.</p> <p>The RMGC mine will not impede the development of a tourism industry in Roşia Montană. We have designed the mine project to ensure that all of Roşia Montană's 41 historical structures remain unaffected. We are committing funds to restore these buildings and constructing a museum for the archaeological artifacts. Additionally, our mine will meet or exceed all European Union environmental standards and will actually remediate, rather than contribute to, environmental damage caused by previous mining activities in the area. Most importantly, our Mine Closure and Rehabilitation Management Plan allots over US \$76 million to ensure that the landscape is reshaped and re-vegetated when our operations cease. In terms of both environmental remediation and creating the necessary capital, we believe the RMGC project will be a catalyst for the potential development of a tourism industry in Roşia Montană.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	472
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	Arad, 25.08.2006
RMGC internal unique code	MMGA_1009
Proposal	<p>What will be the rehabilitation costs for the area and who will pay the bill during and after the project? Part of the costs are supported by the state, but what will the company's contribution be, in terms of money and support? What is the exact amount of money they will contribute to the rehabilitation process?</p>
	<p>The state will not pay for any liabilities of the Roşia Montană Project. The current projected closure cost for Roşia Montană is US \$76 million to be paid by RMGC, which is based on the mine operating for its full 16-year lifespan. An Environmental Financial Guarantee (EFG) as required by the Romanian Mining Law and the EU Mine Waste Directive will be in place before any liability is incurred. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD).</p> <p>The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roşia Montană.</p> <p>RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.</p>
Solution	<p>There are two separate and distinct EFGs under Romanian law.</p> <p>The first, which is updated annually, focuses on covering the projected reclamation costs associated with the operations of the mine in the following year. These costs are of no less than 1.5 percent per year, of total costs, reflective of annual work commitments.</p> <p>The second, also updated annually, sets out the projected costs of the eventual closure of the Roşia Montană mine. The amount of the EFG to cover the final environmental rehabilitation is determined as an annual quota of the value of the environmental rehabilitation works provided within the monitoring program for the post-closure environmental elements. Such program is part of the Technical Program for Mine Closure, a document to be approved by the National Agency for Mineral Resources ("NAMR").</p> <p>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>The annual updates to the EFG will be completed by independent experts, carried out in consultation with the NAMR, as the Governmental authority competent in mining activities field. These updates will ensure that in the unlikely event of early closure of the project, at any point in time, each EFG will always reflect the costs associated with reclamation. (These annual updates will result in an estimate that exceeds our current US \$76 million costs of closure, because some reclamation activity is incorporated into the routine operations of the mine.)</p>

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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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	7
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 108106/05.07.2006 and No. 74076/AF/07.07.2006
RMGC internal unique code	MMGA_1034
Proposal	No financial guarantees have been stipulated in case of a disaster.
	<p>The details of Roşia Montană Gold Corporation's ("RMGC") Environmental Financial Guarantee are discussed in the section of the Environmental Impact Assessment titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan").</p> <p>In Romania, the creation of an Environmental Financial Guarantee is required to ensure adequate funds are available from the mine operator for environmental cleanup. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").</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>
Solution	<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>RMGC has retained one of the world's leading insurance brokers, which is well established in Romania and has a long and distinguished record of performing risk assessments on mining operations. The broker will use the most appropriate property and machinery breakdown engineers to conduct risk analysis and loss prevention audit activities, during the construction and operations activity at Roşia Montană, to minimize hazards. The broker will then determine the appropriate coverage, and work with A-rated insurance companies to put that program in place on behalf of RMGC, for all periods of the project life from construction through operations and closure.</p> <p>RMGC is committed to maintaining the highest standards of occupational health and safety for its employees and service providers. Our utilization of Best Available Techniques helps us to ensure this goal is achieved. No organization gains from a loss, and to that end we will work to implement engineering solutions to risk, as they are far superior to insurance solutions to risk. Up to 75% of loss risk can be removed during the design and construction phase of a project.</p> <p>Yet we recognize that with a project as large as that being undertaken at Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers.</p>

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	7
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 108106/05.07.2006 and No. 74076/AF/07.07.2006
RMGC internal unique code	MMGA_1035
Proposal	<p>Financial guarantees for environment rehabilitation:-If RMGC does not offer such guarantees, who will pay the bill?</p> <p>- Does RMGC think of Roşia Montana as a state within a state, existing outside the borders of the European Union?</p>
Solution	<p>Roşia Montană is, of course, within Romania's borders and as such also within the European Union, and therefore governed by its directives.</p> <p>In Romania, the creation of an Environmental Financial Guarantee ("EFG") is required to ensure adequate funds are available from the mine operator for environmental cleanup. Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.</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 Mining and Metals.</p> <p>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,</p>

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carried out in consultation with the NAMR, as the Governmental authority competent in mining activities field. These updates will ensure that in the unlikely event of early closure of the project, at any point in time, each EFG will always reflect the costs associated with reclamation. (These annual updates will result in an estimate that exceeds our current US \$76 million costs of closure, because some reclamation activity is incorporated into the routine operations of the mine.)

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	11
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 108246/12.07.2006 and No. 74113/AF/14.07.2006
RMGC internal unique code	MMGA_1041
Proposal	- The landscape will be completely ruined;- The area cannot be rehabilitated after the closure of the mining operations;
Solution	<p>The statement that the “landscape will be completely ruined” is not correct. In fact, after completion of closure and rehabilitation, the 584 hectares (of the total 1646 hectares included in the PUZ) that compose the areas between the mine pits and processing facilities as well as the buffer zone will show no visual signs of the mining project. The infrastructure projects (i.e. roads, sewage treatment facilities, etc.) will be left for community use. In the case of the remaining 1062 hectares (see Chapter 4, Section 4.7 Landscape, table 3.1, from the EIA report), though they will be altered, they will also be remediate (reshaped, treated with an engineered soil-covering system, and re-vegetated) to blend with the surrounding landscape to the greatest extent possible.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and re-vegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• Maintenance of the vegetation, erosion control, and monitoring of the entire site until it has been demonstrated by RMGC that all remediation targets have been sustainable reached.</li> </ul> <p>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.”</p> <p>The operation of a modern mine in the already badly polluted area will improve environmental conditions. For example, once the Roşia 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 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.</p>

MMDD's item no. for the question  
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MMDD's identification no. for the question which includes the observation identified by the RMGC internal code

















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RMGC internal unique code

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Proposal

Total costs for closing the mine are unrealistic;SEE CONTENT CONTESTATION TYPE 1

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Solution

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

Closure and rehabilitation at Roşia Montană involves the following measures:

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

While the aspects of closure and rehabilitation are many, we are confident in our cost estimates because the largest expense—that incurred by the earthmoving operation required to reshape the landscape—can be estimated with confidence. Using the project design, we can measure the size of the areas that must be reshaped and resurfaced. Similarly, there is a body of scientific studies and experiments that enable scientists to determine the depth of soil cover for successful re-vegetation. By multiplying the size of the areas by the necessary depth of the topsoil by the unit rate (also derived from studying similar earthmoving operations at similar sites), we can estimate the potential costs of this major facet of the rehabilitation operation. The earthmoving operation, which will total approximately US \$65 million, makes up 87% of closure and rehabilitation costs.

Also, the necessity of additional technological measures to stabilize and reshape the tailings surface will be discussed in the update of the Economical Financial Guarantee (EFG) estimate, which leads to an increase the provisions for tailings rehabilitation, especially if the TMF is closed prematurely and no optimized tailings disposal regime is applied. The exact figures depend on the details of the TMF closure strategy which can be finally determined only during production.

We believe that—far from being too low—our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set

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aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.

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MMDD's identification no. for the question which includes the observation identified by the RMGC internal code





110307/24.08.2006 and No. 75299/28.8.2006, No. 110308/24.08.2006 and No. 75300/28.8.2006, No. 110309/24.08.2006 and No. 75301/28.8.2006, No. 110310/24.08.2006 and No. 75302/28.8.2006, No. 110313/24.08.2006 and No. 75303/28.8.2006, No. 110314/24.08.2006 and No. 75304/28.8.2006, No. 110315/24.08.2006 and No. 75305/28.8.2006, No. 110316/24.08.2006 and No. 75306/28.8.2006, No. 110317/24.08.2006 and No. 75307/28.8.2006, No. 110318/24.08.2006 and No. 75308/28.8.2006, No. 110319/24.08.2006 and No. 75309/28.8.2006, No. 110320/24.08.2006, No. 110321/24.08.2006, No. 110322/24.08.2006, No. 110494/25.08.2006, No. 110493/25.08.2006, No. 110492/25.08.2006, No. 110491/25.08.2006, No. 110490/25.08.2006, No. 110489/25.08.2006, No. 110488/25.08.2006, No. 110487/25.08.2006, No. 110486/25.08.2006 and No. 75331/24.08.2006, No. 110485/25.08.2006 and No. 75332/24.08.2006, No. 110484/25.08.2006, No. 110483/25.08.2006, No. 110482/25.08.2006, No. 110481/25.08.2006, No. 110480/25.08.2006, No. 110479/25.08.2006, No. 110478/25.08.2006, No. 110477/25.08.2006, No. 110476/25.08.2006, No. 110475/25.08.2006, No. 110474/25.08.2006, No. 110473/25.08.2006, No. 110472/25.08.2006, No. 110471/25.08.2006, No. 110470/25.08.2006, No. 110469/25.08.2006, No. 110468/25.08.2006, No. 110467/25.08.2006, No. 110466/25.08.2006, No. 110465/25.08.2006, No. 110464/25.08.2006, No. 110463/25.08.2006, No. 110462/25.08.2006, No. 110461/25.08.2006, No. 110460/25.08.2006, No. 110459/25.08.2006, No. 110458/25.08.2006, No. 110457/25.08.2006, No. 110456/25.08.2006, No. 110455/25.08.2006, No. 110454/25.08.2006, No. 110453/25.08.2006, No. 110452/25.08.2006, No. 110451/25.08.2006, No. 110450/25.08.2006, No. 110449/25.08.2006, No. 110448/25.08.2006, No. 110447/25.08.2006, No. 110446/25.08.2006, No. 110445/25.08.2006, No. 110444/25.08.2006, No. 110443/25.08.2006, No. 110442/25.08.2006, No. 110332/25.08.2006, No. 110333/25.08.2006, No. 110334/25.08.2006, No. 110335/25.08.2006, No. 110336/25.08.2006, No. 110437/25.08.2006, No. 110438/25.08.2006, No. 110439/25.08.2006, No. 110440/25.08.2006 and No. 75391/28.08.2006, No. 110441/25.08.2006, No. 110442/25.08.2006, No. 110443/25.08.2006, No. 110444/25.08.2006, No. 110476/25.08.2006, No. 110445/25.08.2006, No. 110447/25.08.2006, No. 110448/25.08.2006, No. 109894/22.08.2006, No. 109895/22.08.2006, No. 109896/22.08.2006, No. 109897/22.08.2006 and No. 75550/29.08.2006, No. 109898/22.08.2006, No. 109914/22.08.2006, No. 109920/22.08.2006, No. 109921/22.08.2006, No. 109922/22.08.2006, No. 109923/22.08.2006, No. 109924/22.08.2006, No. 109925/22.08.2006, No. 109926/22.08.2006, No. 75580/29.08.2006, No. 110437/25.08.2006, No. 110312/24.08.2006, No. 110272/24.08.2006, No. 110271/24.08.2006, No. 110270/24.08.2006, No. 110269/24.08.2006, No. 110268/24.08.2006, No. 110267/24.08.2006, No. 110266/24.08.2006, No. 110265/24.08.2006, No. 110264/24.08.2006, No. 110263/24.08.2006, No. 110619/25.08.2006, No. 110618/25.08.2006, No. 110617/25.08.2006, No. 110616/25.08.2006, No. 110615/25.08.2006, No. 110614/25.08.2006, No. 110613/25.08.2006, No. 110612/25.08.2006, No. 110611/25.08.2006, No. 110610/25.08.2006, No. 110609/25.08.2006, No. 110608/25.08.2006, No. 110606/25.08.2006, No. 110605/25.08.2006, No. 110604/25.08.2006, No. 110603/25.08.2006, No. 110602/25.08.2006, No. 110601/25.08.2006, No. 110600/25.08.2006, No. 110598/25.08.2006, No. 110597/25.08.2006, No. 110596/25.08.2006, No. 110595/25.08.2006, No. 110594/25.08.2006, No. 110593/25.08.2006, No. 110592/25.08.2006, No. 110814/25.08.2006, No. 110813/25.08.2006, No. 110812/25.08.2006, No. 110799/25.08.2006, No. 110798/25.08.2006, No. 110797/25.08.2006, No. 110796/25.08.2006, No. 110795/25.08.2006, No. 110591/25.08.2006, No. 110590/25.08.2006, No. 110589/25.08.2006, No. 110588/25.08.2006, No. 110587/25.08.2006, No. 110586/25.08.2006, No. 110585/25.08.2006, No. 110584/25.08.2006, No. 110583/25.08.2006, No. 110582/25.08.2006, No. 110262/25.08.2006, No. 110261/25.08.2006, No. 110521/25.08.2006, No. 110520/25.08.2006, No. 110519/25.08.2006, No. 110518/25.08.2006, No. 110517/25.08.2006, No. 110516/25.08.2006, No.

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RMGC internal unique code

MMGA\_1049

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Proposal

No financial guarantees have been stipulated;  
SEE CONTENT CONTESTATION TYPE 1

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Solution

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.

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

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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.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	19
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 108376/18.07.2006 and No. 108399/20.07.2006 and No. 108106/05.07.2006 and No. 74155/AF/20.07.2006
RMGC internal unique code	MMGA_1055
<b>Proposal</b>	<p>The questioner opposes the promotion of the Roşia Montana Project and makes the following observations and comments: The Project makes no provision for funds destined for the protection of the population and of the environment;</p>
<b>Solution</b>	<p>Roşia Montană Gold Corporation ("RMGC") is encouraged by the opportunity to pursue the Roşia Montană Project in a manner that advances the community's social, environmental, and economic welfare. During the projected 16-year lifespan of the mine, the economic and social fabric of Roşia Montană will benefit from new economic opportunities. RMGC forecasts the creation 1,200 new jobs during the construction phase of the mine. Once the mine has been opened, we expect it to directly employ more than 630 people, and spark economic development in the region. This development is projected to lead to more than 6,000 new jobs, supporting the mine and the people working at the mine, in a region that has been designated a "disadvantaged zone" by the Romanian Government.</p> <p>Environmental protection and rehabilitation will also be central to the project. In Romania, the creation of an Environmental Financial Guarantee ("EFG") is required to ensure adequate funds are available from the mine operator for environmental cleanup.</p> <p>The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").</p> <p>The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roşia Montană.</p> <p>RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.</p> <p>There are two separate and distinct EFGs under Romanian law.</p> <p>The first, which is updated annually, focuses on covering the projected reclamation costs associated with 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>

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## Mining and Metals.

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

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	262, 263, 266, 267, 302, 303
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109011/07.08.2006 and No. 74479/08.08.2006, No. 109013/07.08.2006 and No. 74480/08.08.2006, No. 109009/07.08.2006 and No. 74483/08.08.2006, No. 109010/07.08.2006 and No. 74484/08.08.2006, No. 109049/07.08.2006 and No. 74519/08.08.2006, No. 109050/07.08.2006 and No. 74520/08.08.2006
RMGC internal unique code	MMGA_1070
Proposal	<p>:The questioner made the following observations and comments:-Total costs for closing the mine are unrealistic;</p> <p>-Financial guarantees have not been stipulated;</p> <p>-The EIA report does not stipulate financial guarantees destined to secure the waste rock deposit.</p> <p>SEE CONTENT OF CONTESTATION TYPE 3</p>
Solution	<p>Closure costs are realistic. 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.</p> <p>Closure and rehabilitation at Roșia Montană involves the following measures:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and re-vegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>While the aspects of closure and rehabilitation are many, we are confident in our cost estimates because the largest expense—that incurred by the earthmoving operation required to reshape the landscape—can be estimated with confidence. Using the project design, we can measure the size of the areas that must be reshaped and resurfaced. Similarly, there is a body of scientific studies and experiments that enable scientists to determine the depth of soil cover for successful re-vegetation. By multiplying the size of the areas by the necessary depth of the topsoil by the unit rate (also derived from studying similar earthmoving operations at similar sites), we can estimate the potential costs of this major facet of the rehabilitation operation. The earthmoving operation, which will total approximately US \$65 million, makes up 87% of closure and rehabilitation costs.</p> <p>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.</p> <p>We believe that—far from being unrealistic—our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the</p>

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US \$73 million reported in the EIA based on additional information, currently total US \$76 million.

Regarding the questioner's concerns about the financial guarantee, the Romanian Mining Law and the EU Mine Waste Directive stipulate that there must be an Environmental Financial Guarantee (EFG) in place before any liability is incurred—this financial guarantee includes costs for all necessary rehabilitation, including of the waste rock deposits. 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;
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- 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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	153, 154, 155, 156, 157, 161, 162, 166, 207, 208, 214, 216, 248, 259, 260, 269, 270, 271, 283, 284, 285, 287, 290, 291, 292, 308, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 339, 380, 438, 439, 442, 443, 445, 450, 459, 544, 546, 902, 903, 904, 907, 923, 1240, 1242, 1243, 1244, 1246, 1248, 1249, 1250, 1341, 1342, 1343, 1344, 1345, 1346, 1347, 1348, 1383, 1402, 1403, 1404, 1405, 1406, 1407, 1408, 1409, 1410, 1411, 1412, 1413, 1419, 1420, 1481, 1482, 1486, 1487, 1488, 1490, 1491, 1493, 1497, 1498, 1499, 1500, 1511, 1512, 1521, 1522, 1523, 1524, 1525, 1526, 1528, 1529, 1533, 1557, 1559, 1565, 1566, 1567, 1613, 1683, 1791, 1792, 1793, 2592, 2595, 2619, 2620, 2621, 2622, 2749, 3593, 3594, 3595, 3596
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 108787/02.08.2006 and No. 74340/02.08.2006, No. 108788/02.08.2006 and No. 74341/02.08.2006, No. 108789/02.08.2006 and No. 74342/02.08.2006, No. 108790/02.08.2006 and No. 74343/02.08.2006, No. 108791/02.08.2006 and No. 74344/02.08.2006, No. 108797/02.08.2006 and No. 74348/02.08.2006, No. 108798/02.08.2006 and No. 74349/02.08.2006, No. 108795/02.08.2006 and No. 74353/02.08.2006, No. 108868/03.08.2006 and No. 74407/04.08.2006, No. 108869/03.08.2006 and No. 74408/04.08.2006, No. 108875/03.08.2006 and No. 74414/04.08.2006, No. 10887703.08.2006 and No. 74416/04.08.2006, No. 108941/04.08.2006 and No. 74453/07.08.2006, No. 108928/04.08.2006 and No. 74465/07.08.2006, No. 109005/07.08.2006 and No. 74477/08.08.2006, No. 109014/07.08.2006 and No. 74486/08.08.2006, No. 109015/07.08.2006 and No. 74487/08.08.2006, No. 109016/07.08.2006 and No. 74488/08.08.2006, No. 109029/07.08.2006 and No. 74500/08.08.2006, No. 109030/07.08.2006 and No. 74501/08.08.2006, No. 109031/07.08.2006 and No. 74502/08.08.2006, No. 109032/07.08.2006 and No. 74504/08.08.2006, No. 109037/07.08.2006 and No. 74507/08.08.2006, No. 109038/07.08.2006 and No. 74508/08.08.2006, No. 109005/07.08.2006 and No. 74509/08.08.2006, No. 74537/09.08.2006, No. 109117/09.08.2006 and No. 74539/09.08.2006, No. 109117/09.08.2006 and No. 74539/09.08.2006, No. 109117/09.08.2006 and No. 74539/09.08.2006, No. 109117/09.08.2006 and No. 74539/09.08.2006, No. 109117/09.08.2006 and No. 74539/09.08.2006, No. 109117/09.08.2006 and No. 74539/09.08.2006, No. 109117/09.08.2006 and No. 74539/09.08.2006, No. 109117/09.08.2006 and No. 74539/09.08.2006, No. 109117/09.08.2006 and No. 74539/09.08.2006, No. 109117/09.08.2006 and No. 74539/09.08.2006, No. 109117/09.08.2006 and No. 74539/09.08.2006, No. 109102/09.08.2006 and No. 74554/09.08.2006, No. 109217/14.08.2006 and No. 74619/14.08.2006, No. 109296/15.08.2006 and No. 74684/16.08.2006, No. 109297/15.08.2006 and No. 74685/16.08.2006, No. 109300/15.08.2006 and No. 74688/16.08.2006, No. 109301/15.08.2006 and No. 74689/16.08.2006, No. 109303/15.08.2006 and No. 74691/16.08.2006, No. 109308/15.08.2006 and No. 74696/16.08.2006, No. 109318/15.08.2006 and No. 74705/16.08.2006, No. 113012/25.08.2006 and No. 165220/12.09.2006, No. 112878/25.08.2006 and No. 165454/12.09.2006, No. 110072/22.08.2006 and No. 75179/23.08.2006, No. 110071/22.08.2006 and No. 75180/23.08.2006, FR.No. and No. 75181/23.08.2006, No. 110068/22.08.2006 and No. 75184/23.08.2006, No. 110102/22.08.2006 and No. 75218/24.08.2006, No. 109908/22.08.2006, No. 109911/22.08.2006, No. 109912/22.08.2006, No. 109913/22.08.2006, No. 109915/22.08.2006, No. 109917/22.08.2006, No. 109918/22.08.2006, No. 109919/22.08.2006, No. 110383/24.08.2006, No. 110382/24.08.2006, No. 110381/BIS24.08.2006, No. 110381/24.08.2006, No. 110380/24.08.2006, No. 110379/24.08.2006, No. 110378/24.08.2006, No. 110377/24.08.2006, No. 110607/25.08.2006, No. 110811/25.08.2006, No. 110810/25.08.2006, No. 110809/25.08.2006, No. 110808/25.08.2006, No. 110807/25.08.2006, No. 110806/25.08.2006, No. 110805/25.08.2006, No. 110804/25.08.2006, No. 110803/25.08.2006, No. 110802/25.08.2006, No. 110800/25.08.2006, No. 110801/25.08.2006, No. 110794/25.08.2006, No. 110793/25.08.2006, No. 110642/25.08.2006, No. 110640/25.08.2006, No. 110637/25.08.2006, No. 110636/25.08.2006, No. 110635/25.08.2006, No.



110633/25.08.2006, No. 110632/25.08.2006, No. 110630/25.08.2006, No. 110626/25.08.2006, No. 110625/25.08.2006, No. 110624/25.08.2006, No. 110623/25.08.2006, No. 111062/25.08.2006, No. 111061/25.08.2006, No. 111052/25.08.2006, No. 111051/25.08.2006, No. 111050/25.08.2006, No. 111049/25.08.2006, No. 111048/25.08.2006, No. 111047/25.08.2006, No. 111045/25.08.2006, No. 111044/25.08.2006, No. 111040/25.08.2006, No. 111016/25.08.2006, No. 111014/25.08.2006, No. 111008/25.08.2006, No. 111007/25.08.2006, No. 111006/25.08.2006, No. 110990/25.08.2006, No. 110790/25.08.2006, No. 110741/25.08.2006 and No. 76086/05.09.2006, No. 110740/25.08.2006 and No. 76087/05.09.2006, No. 110739/25.08.2006 and No. 76088/05.09.2006, No. 111376/25.08.2006, No. 111387/25.08.2006, No. 112379/25.08.2006, No. 112378/25.08.2006, No. 112377/25.08.2006, No. 112376/25.08.2006, No. 112324/25.08.2006, No. 111127/25.08.2006, No. 111126/25.08.2006, No. 111125/25.08.2006, No. 111124/25.08.2006

RMGC internal unique code

MMGA\_1078

Proposal

The Complainer doesn't agree with promoting the Rosia Montana Project and it addresses the following comments and observations:  
The overall costs for mine closure are not realistic.

Solution

The overall costs for mine closure are realistic. 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 Roșia Montană involves the following measures:

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

While the aspects of closure and rehabilitation are many, we are confident in our cost estimates because the largest expense—that incurred by the earthmoving operation required to reshape the landscape—can be estimated with confidence. Using the project design, we can measure the size of the areas that must be reshaped and resurfaced. Similarly, there is a body of scientific studies and experiments that enable scientists to determine the depth of soil cover for successful re-vegetation. By multiplying the size of the areas by the necessary depth of the topsoil by the unit rate (also derived from studying similar earthmoving operations at similar sites), we can estimate the potential costs of this major facet of the rehabilitation operation. The earthmoving operation, which will total approximately US \$65 million, makes up 87% of closure and rehabilitation costs.

Also, the necessity of additional technological measures to stabilize and reshape the tailings surface will be discussed in the update of the Economical Financial Guarantee (EFG) estimate, which leads to an increase in the provisions for tailings rehabilitation, especially if the TMF is closed prematurely and no optimized tailings disposal regime is applied. The exact figures depend on the details of the TMF closure strategy which can be finally determined only during production.

We believe that—far from not being realistic—our cost estimates are evidence of our high level of

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commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	<p>326, 327, 328, 336, 337, 341, 342, 343, 344, 345, 346, 347, 348, 349, 351, 352, 356, 358, 359, 378, 379, 386, 387, 388, 389, 395, 396, 397, 398, 399, 400, 401, 402, 403, 424, 425, 426, 427, 428, 429, 432, 434, 435, 457, 458, 461, 463, 464, 465, 466, 467, 468, 469, 470, 473, 474, 477, 870, 871, 1440, 1441, 1442, 1443, 1456, 1484, 1504, 1505, 1509, 1515, 1516, 1517, 1518, 1519, 1520, 1527, 1530, 1539, 1541, 1542, 1543, 1544, 1545, 1546, 1547, 1548, 1549, 1550, 1551, 1552, 1553, 1554, 1556, 1558, 1560, 1598, 1599, 1600, 1601, 1602, 1604, 1605, 1615, 1616, 1617, 1618, 1619, 1620, 1621, 1688, 1694, 1695, 1701, 2602, 2614, 2615, 2616, 2617, 2867, 2868, 2989, 2990, 2991, 2992, 2993, 3015, 3016, 3019, 3610, 3611, 3612, 3613, 3614, 1/D;5456/B, 11/D;5466/B, 12/D;5467/B, 13/D;5468/B, 14/D;5469/B, 19/D;5474/B, 20/D;5475/B, 21/D;5476/B, 22/D;5477/B, 23/D;5478/B, 24/D;5479/B, 25/D;5480/B, 26/D;5481/B, 27/D;5482/B, 28/D;5483/B, 29/D;5484/B, 5485, 5606, 5607, 5608, 5609, 5610</p>
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	<p>No. 109115/09.08.2006 and No. 109117/09.08.2006 and No. 74541/09.08.2006, No. 109114/09.08.2006 and No. 74542/09.08.2006, No. 109117/09.08.2006 and No. 74543/09.08.2006, No. 109106/09.08.2006 and No. 74551/09.08.2006, No. 109104/09.08.2006 and No. 74552/09.08.2006, No. 109120/11.08.2006 and No. 74573/11.08.2006, No. 109121/11.08.2006 and No. 74574/11.08.2006, No. 109122/09.08.2006 and No. 74575/11.08.2006, No. 109123/11.08.2006 and No. 74576/11.08.2006, No. 109124/11.08.2006 and No. 74577/11.08.2006, No. 109125/11.08.2006 and No. 74578/11.08.2006, No. 109142/11.08.2006 and No. 74579/11.08.2006, No. 109143/11.08.2006 and No. 74580/11.08.2006, No. 109144/11.08.2006 and No. 74581/11.08.2006, No. 109146/11.08.2006 and No. 74583/11.08.2006, No. 109147/11.08.2006 and No. 74584/11.08.2006, No. 109152/11.08.2006 and No. 74588/11.08.2006, No. 109173/11.08.2006 and No. 74590/11.08.2006, No. 109174/11.08.2006 and No. 74591/11.08.2006, No. 109215/14.08.2006 and No. 74617/14.08.2006, No. 109215/14.08.2006 and No. 74618/14.08.2006, No. 109223/14.08.2006 and No. 74626/15.08.2006, No. 109224/14.08.2006 and No. 74627/15.08.2006, No. 109225/14.08.2006 and No. 74628/15.08.2006, No. 109226/14.08.2006 and No. 74629/15.08.2006, No. 109232/14.08.2006 and No. 74635/15.08.2006, No. 109233/14.08.2006 and No. 74636/15.08.2006, No. 109234/14.08.2006 and No. 74642/15.08.2006, No. 109235/14.08.2006 and No. 74643/15.08.2006, No. 109236/14.08.2006 and No. 74644/15.08.2006, No. 109237/14.08.2006 and No. 74645/15.08.2006, No. 109238/14.08.2006 and No. 74646/15.08.2006, No. 109239/14.08.2006 and No. 74647/15.08.2006, No. 109240/14.08.2006 and No. 74648/15.08.2006, No. 109261/14.08.2006 and No. 74669/15.08.2006, No. 109262/14.08.2006 and No. 74670/15.08.2006, No. 109263/14.08.2006 and No. 74671/15.08.2006, No. 109264/14.08.2006 and No. 74672/15.08.2006, No. 109265/14.08.2006 and No. 74673/15.08.2006, No. 109266/14.08.2006 and No. 74674/15.08.2006, No. 109269/14.08.2006 and No. 74677/15.08.2006, No. 109271/14.08.2006 and No. 74679/15.08.2006, No. 109276/15.08.2006 and No. 74680/16.08.2006, No. 109315/15.08.2006 and No. 74703/16.08.2006, No. 109316/15.08.2006 and No. 74704/16.08.2006, No. 109320/15.08.2006 and No. 74707/16.08.2006, No. 109322/15.08.2006 and No. 74709/16.08.2006, No. 109323/15.08.2006 and No. 74710/16.08.2006, No. 109325/15.08.2006 and No. 74711/16.08.2006, No. 109326/15.08.2006 and No. 74712/16.08.2006, No. 109327/15.08.2006 and No. 74713/16.08.2006, No. 109328/15.08.2006 and No. 74714/16.08.2006, No. 109329/15.08.2006 and No. 74715/16.08.2006, No. 109330/15.08.2006 and No. 74716/16.08.2006, No. 109333/15.08.2006 and No. 74719/16.08.2006, No. 109334/15.08.2006 and No. 74720/16.08.2006, No. 109490/16.08.2006 and No. 74723/16.08.2006, No. 109827/21.08.2006 and No. 75146/22.08.2006, No. 109828/21.08.2006 and No. 75147/22.08.2006, No. 111970/25.08.2006, No. 110513/25.08.2006, No. 110512/25.08.2006, No. 110511/25.08.2006, No. 75724/31.08.2006, No. 110638/25.08.2006, No. 110413/24.08.2006, No. 110414/24.08.2006, No. 109927/22.08.2006, No. 111058/25.08.2006, No. 111057/25.08.2006 and No. 75910/04.09.2006, No. 111056/25.08.2006, No. 111055/25.08.2006, No. 111054/25.08.2006, No. 111053/25.08.2006, No. 111046/25.08.2006, No. 111043/25.08.2006, No. 111034/25.08.2006, No.</p>

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RMGC internal unique code MMGA\_1080

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**Proposal** The Complainer addressed comments and observations as follows:  
The overall costs for mine closure are not realistic.  
Please see the content of the Contestation, Form 3.

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**Solution** The overall costs for mine closure are realistic. 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.

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reshaped and resurfaced. Similarly, there is a body of scientific studies and experiments that enable scientists to determine the depth of soil cover for successful re-vegetation. By multiplying the size of the areas by the necessary depth of the topsoil by the unit rate (also derived from studying similar earthmoving operations at similar sites), we can estimate the potential costs of this major facet of the rehabilitation operation. The earthmoving operation, which will total approximately US \$65 million, makes up 87% of closure and rehabilitation costs.

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We believe that—far from not being realistic—our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	<p>259, 260, 269, 270, 271, 283, 284, 285, 287, 326, 327, 328, 336, 337, 341, 342, 343, 344, 345, 346, 347, 348, 349, 351, 352, 356, 358, 359, 378, 379, 386, 387, 388, 389, 395, 396, 397, 398, 399, 400, 401, 402, 403, 424, 425, 426, 427, 428, 429, 432, 434, 435, 457, 458, 459, 461, 463, 464, 465, 466, 467, 468, 469, 470, 473, 474, 477, 544, 870, 871, 872, 880, 1440, 1441, 1442, 1443, 1456, 1484, 1504, 1505, 1509, 1515, 1516, 1517, 1518, 1519, 1520, 1527, 1530, 1539, 1541, 1542, 1543, 1544, 1545, 1546, 1547, 1548, 1549, 1550, 1551, 1552, 1553, 1554, 1556, 1558, 1560, 1598, 1599, 1600, 1601, 1602, 1604, 1605, 1615, 1616, 1617, 1618, 1619, 1620, 1621, 1688, 1694, 1695, 1701, 1778, 1779, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1838, 1839, 1864, 1888, 1896, 1902, 1919, 1921, 1926, 1927, 2269, 2602, 2614, 2615, 2616, 2617, 2867, 2868, 2989, 2990, 2991, 2992, 2993, 3015, 3016, 3019, 3022, 3025, 3026, 3028, 3034, 3064, 3075, 3075BIS, 3076, 3130, 3131, 3132, 3133, 3136, 3197, 3198, 3199, 3200, 3231, 3243, 3610, 3611, 3612, 3613, 3614, 1/D;5456/B, 10/D;5465/B, 15/D;5470/B, 16/D;5471/B, 17/D;5472/B, 18/D;5473/B, 19/D;5474/B, 20/D;5475/B, 21/D;5476/B, 22/D;5477/B, 23/D;5478/B, 24/D;5479/B, 25/D;5480/B, 26/D;5481/B, 27/D;5482/B, 28/D;5483/B, 29/D;5484/B, 5599, 5600, 5601, 5602, 5603, 5604, 5605, 5606, 5607, 5608, 5609, 5610</p>
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	<p>No. 108928/04.08.2006 and No. 74465/07.08.2006, No. 109005/07.08.2006 and No. 74477/08.08.2006, No. 109014/07.08.2006 and No. 74486/08.08.2006, No. 109015/07.08.2006 and No. 74487/08.08.2006, No. 109016/07.08.2006 and No. 74488/08.08.2006, No. 109029/07.08.2006 and No. 74500/08.08.2006, No. 109030/07.08.2006 and No. 74501/08.08.2006, No. 109031/07.08.2006 and No. 74502/08.08.2006, No. 109032/07.08.2006 and No. 74504/08.08.2006, No. 109115/09.08.2006 and No. 109117/09.08.2006 and No. 74541/09.08.2006, No. 109114/09.08.2006 and No. 74542/09.08.2006, No. 109117/09.08.2006 and No. 74543/09.08.2006, No. 109106/09.08.2006 and No. 74551/09.08.2006, No. 109104/09.08.2006 and No. 74552/09.08.2006, No. 109120/11.08.2006 and No. 74573/11.08.2006, No. 109121/11.08.2006 and No. 74574/11.08.2006, No. 109122/09.08.2006 and No. 74575/11.08.2006, No. 109123/11.08.2006 and No. 74576/11.08.2006, No. 109124/11.08.2006 and No. 74577/11.08.2006, No. 109125/11.08.2006 and No. 74578/11.08.2006, No. 109142/11.08.2006 and No. 74579/11.08.2006, No. 109143/11.08.2006 and No. 74580/11.08.2006, No. 109144/11.08.2006 and No. 74581/11.08.2006, No. 109146/11.08.2006 and No. 74583/11.08.2006, No. 109147/11.08.2006 and No. 74584/11.08.2006, No. 109152/11.08.2006 and No. 74588/11.08.2006, No. 109173/11.08.2006 and No. 74590/11.08.2006, No. 109174/11.08.2006 and No. 74591/11.08.2006, No. 109215/14.08.2006 and No. 74617/14.08.2006, No. 109215/14.08.2006 and No. 74618/14.08.2006, No. 109223/14.08.2006 and No. 74626/15.08.2006, No. 109224/14.08.2006 and No. 74627/15.08.2006, No. 109225/14.08.2006 and No. 74628/15.08.2006, No. 109226/14.08.2006 and No. 74629/15.08.2006, No. 109232/14.08.2006 and No. 74635/15.08.2006, No. 109233/14.08.2006 and No. 74636/15.08.2006, No. 109234/14.08.2006 and No. 74642/15.08.2006, No. 109235/14.08.2006 and No. 74643/15.08.2006, No. 109236/14.08.2006 and No. 74644/15.08.2006, No. 109237/14.08.2006 and No. 74645/15.08.2006, No. 109238/14.08.2006 and No. 74646/15.08.2006, No. 109239/14.08.2006 and No. 74647/15.08.2006, No. 109240/14.08.2006 and No. 74648/15.08.2006, No. 109261/14.08.2006 and No. 74669/15.08.2006, No. 109262/14.08.2006 and No. 74670/15.08.2006, No. 109263/14.08.2006 and No. 74671/15.08.2006, No. 109264/14.08.2006 and No. 74672/15.08.2006, No. 109265/14.08.2006 and No. 74673/15.08.2006, No. 109266/14.08.2006 and No. 74674/15.08.2006, No. 109269/14.08.2006 and No. 74677/15.08.2006, No. 109271/14.08.2006 and No. 74679/15.08.2006, No. 109276/15.08.2006 and No. 74680/16.08.2006, No. 109315/15.08.2006 and No. 74703/16.08.2006, No. 109316/15.08.2006 and No. 74704/16.08.2006, No. 109318/15.08.2006 and No. 74705/16.08.2006, No. 109320/15.08.2006 and No. 74707/16.08.2006, No. 109322/15.08.2006 and No. 74709/16.08.2006, No. 109323/15.08.2006 and No. 74710/16.08.2006, No. 109325/15.08.2006 and No. 74711/16.08.2006, No. 109326/15.08.2006 and No. 74712/16.08.2006, No. 109327/15.08.2006 and No. 74713/16.08.2006, No. 109328/15.08.2006 and No. 74714/16.08.2006, No. 109329/15.08.2006 and No.</p>

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RMGC internal unique code

MMGA\_1081

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Proposal

The financial guarantees have not been established;  
Please see the content of the Contestation, Form 3.

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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.

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.

Solution

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.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	<p>159, 188, 189, 191, 192, 193, 194, 202, 203, 205, 221, 230, 232, 233, 234, 242, 243, 245, 246, 259, 260, 265, 269, 270, 271, 283, 284, 285, 287, 301, 325, 326, 327, 328, 330, 335, 336, 337, 341, 342, 343, 344, 345, 346, 347, 348, 349, 351, 352, 356, 358, 359, 378, 379, 381, 385, 386, 387, 388, 389, 395, 396, 397, 398, 399, 400, 401, 402, 403, 412, 417, 419, 423, 424, 425, 426, 427, 428, 429, 431, 432, 434, 435, 457, 458, 461, 463, 464, 465, 466, 467, 468, 469, 470, 473, 474, 477, 870, 871, 872, 880, 1440, 1441, 1442, 1443, 1456, 1484, 1504, 1505, 1509, 1515, 1516, 1517, 1518, 1519, 1520, 1527, 1530, 1539, 1541, 1542, 1543, 1544, 1545, 1546, 1547, 1548, 1549, 1550, 1551, 1552, 1553, 1554, 1556, 1558, 1560, 1598, 1599, 1600, 1601, 1602, 1604, 1605, 1615, 1616, 1617, 1618, 1619, 1620, 1621, 1688, 1694, 1695, 1701, 1778, 1779, 1781, 1782, 1783, 1787, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1831, 1832, 1833, 1835, 1836, 1837, 1838, 1839, 1864, 1888, 1896, 1902, 1919, 1921, 1926, 1927, 2269, 2602, 2614, 2615, 2616, 2617, 2867, 2868, 2989, 2990, 2991, 2992, 2993, 3015, 3016, 3019, 3022, 3025, 3026, 3028, 3034, 3064, 3066, 3067, 3068, 3069, 3070, 3071, 3072, 3075, 3075BIS, 3076, 3130, 3131, 3132, 3133, 3136, 3197, 3198, 3199, 3200, 3231, 3243, 3610, 3611, 3612, 3613, 3614, 10/D;5465/B, 15/D;5470/B, 16/D;5471/B, 17/D;5472/B, 18/D;5473/B, 5599, 5600, 5601, 5602, 5603, 5604, 5605</p>
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	<p>No. 108794/02.08.2006 and No. 74346/02.08.2006, No. 108853/03.08.2006 and No. 74388/04.08.2006, No. 108852/03.08.2006 and No. 74389/04.08.2006, No. 108854/03.08.2006 and No. 74391/04.08.2006, No. 108856/03.08.2006 and No. 74392/04.08.2006, No. 108857/03.08.2006 and No. 74393/04.08.2006, No. 108858/03.08.2006 and No. 74394/04.08.2006, No. 108863/03.08.2006 and No. 74402/04.08.2006, No. 108864/03.08.2006 and No. 74403/04.08.2006, No. 108866/03.08.2006 and No. 7440504.08.2006, No. 108882/03.08.2006 and No. 74421/04.08.2006, No. 108959/04.08.2006 and No. 74435/07.08.2006, No. 108959/04.08.2006 and No. 74437/07.08.2006, No. 108957/04.08.2006 and No. 74438/07.08.2006, No. 108956/04.08.2006 and No. 74439/07.08.2006, No. 108949/04.08.2006 and No. 74447/07.08.2006, No. 108947/04.08.2006 and No. 74448/07.08.2006, No. 108944/04.08.2006 and No. 74450/07.08.2006, No. 1089493/04.08.2006 and No. 74451/07.08.2006, No. 108928/04.08.2006 and No. 74465/07.08.2006, No. 109005/07.08.2006 and No. 74477/08.08.2006, No. 109008/07.08.2006 and No. 74482/08.08.2006, No. 109014/07.08.2006 and No. 74486/08.08.2006, No. 109015/07.08.2006 and No. 74487/08.08.2006, No. 109016/07.08.2006 and No. 74488/08.08.2006, No. 109029/07.08.2006 and No. 74500/08.08.2006, No. 109030/07.08.2006 and No. 74501/08.08.2006, No. 109031/07.08.2006 and No. 74502/08.08.2006, No. 109032/07.08.2006 and No. 74504/08.08.2006, No. 109048/07.08.2006 and No. 74518/08.08.2006, No. 109116/09.08.2006 and No. 74540/09.08.2006, No. 109115/09.08.2006 and No. 109117/09.08.2006 and No. 74541/09.08.2006, No. 109114/09.08.2006 and No. 74542/09.08.2006, No. 109117/09.08.2006 and No. 74543/09.08.2006, No. 109112/09.08.2006 and No. 74545/09.08.2006, No. 109106/09.08.2006 and No. 74550/09.08.2006, No. 109106/09.08.2006 and No. 74551/09.08.2006, No. 109104/09.08.2006 and No. 74552/09.08.2006, No. 109120/11.08.2006 and No. 74573/11.08.2006, No. 109121/11.08.2006 and No. 74574/11.08.2006, No. 109122/09.08.2006 and No. 74575/11.08.2006, No. 109123/11.08.2006 and No. 74576/11.08.2006, No. 109124/11.08.2006 and No. 74577/11.08.2006, No. 109125/11.08.2006 and No. 74578/11.08.2006, No. 109142/11.08.2006 and No. 74579/11.08.2006, No. 109143/11.08.2006 and No. 74580/11.08.2006, No. 109144/11.08.2006 and No. 74581/11.08.2006, No. 109146/11.08.2006 and No. 74583/11.08.2006, No. 109147/11.08.2006 and No. 74584/11.08.2006, No. 109152/11.08.2006 and No. 74588/11.08.2006, No. 109173/11.08.2006 and No. 74590/11.08.2006, No. 109174/11.08.2006 and No. 74591/11.08.2006, No. 109215/14.08.2006 and No. 74617/14.08.2006, No. 109215/14.08.2006 and No. 74618/14.08.2006, No. 109218/14.08.2006 and No. 74620/14.08.2006, No. 109222/14.08.2006 and No. 74625/15.08.2006, No. 109223/14.08.2006 and No. 74626/15.08.2006, No. 109224/14.08.2006 and No. 74627/15.08.2006, No. 109225/14.08.2006 and No. 74628/15.08.2006, No. 109226/14.08.2006 and No. 74629/15.08.2006, No. 109232/14.08.2006 and No. 74635/15.08.2006, No.</p>

109233/14.08.2006 and No. 74636/15.08.2006, No. 109234/14.08.2006 and No. 74642/15.08.2006, No. 109235/14.08.2006 and No. 74643/15.08.2006, No. 109236/14.08.2006 and No. 74644/15.08.2006, No. 109237/14.08.2006 and No. 74645/15.08.2006, No. 109238/14.08.2006 and No. 74646/15.08.2006, No. 109239/14.08.2006 and No. 74647/15.08.2006, No. 109240/14.08.2006 and No. 74648/15.08.2006, No. 109249/14.08.2006 and No. 74657/15.08.2006, No. 109254/14.08.2006 and No. 74662/15.08.2006, No. 109256/14.08.2006 and No. 74664/15.08.2006, No. 109260/14.08.2006 and No. 74668/15.08.2006, No. 109261/14.08.2006 and No. 74669/15.08.2006, No. 109262/14.08.2006 and No. 74670/15.08.2006, No. 109263/14.08.2006 and No. 74671/15.08.2006, No. 109264/14.08.2006 and No. 74672/15.08.2006, No. 109265/14.08.2006 and No. 74673/15.08.2006, No. 109266/14.08.2006 and No. 74674/15.08.2006, No. 109268/14.08.2006 and No. 74676/15.08.2006, No. 109269/14.08.2006 and No. 74677/15.08.2006, No. 109271/14.08.2006 and No. 74679/15.08.2006, No. 109276/15.08.2006 and No. 74680/16.08.2006, No. 109315/15.08.2006 and No. 74703/16.08.2006, No. 109316/15.08.2006 and No. 74704/16.08.2006, No. 109320/15.08.2006 and No. 74707/16.08.2006, No. 109322/15.08.2006 and No. 74709/16.08.2006, No. 109323/15.08.2006 and No. 74710/16.08.2006, No. 109325/15.08.2006 and No. 74711/16.08.2006, No. 109326/15.08.2006 and No. 74712/16.08.2006, No. 109327/15.08.2006 and No. 74713/16.08.2006, No. 109328/15.08.2006 and No. 74714/16.08.2006, No. 109329/15.08.2006 and No. 74715/16.08.2006, No. 109330/15.08.2006 and No. 74716/16.08.2006, No. 109333/15.08.2006 and No. 74719/16.08.2006, No. 109334/15.08.2006 and No. 74720/16.08.2006, No. 109490/16.08.2006 and No. 74723/16.08.2006, No. 109827/21.08.2006 and No. 75146/22.08.2006, No. 109828/21.08.2006 and No. 75147/22.08.2006, No. 109829/21.08.2006 and No. 75148/22.08.2006, No. 109885/21.08.2006 and No. 75156/22.08.2006, No. 111970/25.08.2006, No. 110513/25.08.2006, No. 110512/25.08.2006, No. 110511/25.08.2006, No. 75724/31.08.2006, No. 110638/25.08.2006, No. 110413/24.08.2006, No. 110414/24.08.2006, No. 109927/22.08.2006, No. 111058/25.08.2006, No. 111057/25.08.2006 and No. 75910/04.09.2006, No. 111056/25.08.2006, No. 111055/25.08.2006, No. 111054/25.08.2006, No. 111053/25.08.2006, No. 111046/25.08.2006, No. 111043/25.08.2006, No. 111034/25.08.2006, No. 111032/25.08.2006., No. 111031/25.08.2006, No. 111030/25.08.2006, No. 111029/25.08.2006, No. 111028/25.08.2006, No. 111027/25.08.2006, No. 111026/25.08.2006, No. 111025/25.08.2006, No. 111024/25.08.2006, No. 111023/25.08.2006, No. 111022/25.08.2006, No. 111021/25.08.2006, No. 111020/25.08.2006, No. 111019/25.08.2006, No. 111017/25.08.2006, No. 111015/25.08.2006, No. 111013/25.08.2006, No. 111005/25.08.2006, No. 111004/25.08.2006 and No. 75963/04.09.2006, No. 111003/25.08.2006 and No. 75964/04.09.2006, No. 111002/25.08.2006 and No. 75965/04.09.2006, No. 111001/25.08.2006 and No. 75966/04.09.2006, No. 110999/25.08.2006 and No. 75968/04.09.2006, No. 110998/25.08.2006 and No. 75969/04.09.2006, No. 110988/25.08.2006, No. 110987/25.08.2006, No. 110986/25.08.2006, No. 110985/25.08.2006, FR.No. and No. 75983/04.09.2006, No. 110984/25.08.2006, No. 110983/25.08.2006, No. 110785/25.08.2006, No. 110714/25.08.2006, No. 110713/25.08.2006, No. 110706/25.08.2006, No. 110754/25.08.2006 and No. 76073/05.09.2006, No. 110753/25.08.2006 and No. 7607405.09.2006, No. 110751/25.08.2006 and No. 7607605.09.2006, No. 110750/25.08.2006 and No. 7607705.09.2006, No. 110749/25.08.2006 and No. 7607805.09.2006, No. 110745/25.08.2006 and No. 76082/05.09.2006, No. 110982/25.08.2006 and No. 165076/07.09.2006, No. 110981/25.08.2006 and No. 165077/07.09.2006, No. 110980/25.08.2006 and No. 165078/07.09.2006, No. 110979/25.08.2006 and No. 165079/07.09.2006, No. 110978/25.08.2006 and No. 165080/07.09.2006, No. 110977/25.08.2006 and No. 165081/07.09.2006, No. 110976/25.08.2006 and No. 165082/07.09.2006, No. 110975/25.08.2006 and No. 165083/07.09.2006, No. 110974/25.08.2006 and No. 165084/07.09.2006, No. 110972/25.08.2006 and No. 165086/07.09.2006, No. 110971/25.08.2006 and No. 165087/07.09.2006, No. 110970/25.08.2006 and No. 165088/07.09.2006, No. 110968/25.08.2006 and No.

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165090/07.09.2006, No. 110967/25.08.2006 and No. 165091/06.09.2006, No. 11096625.08.2006 and No. 165092/07.09.2006, No. 110965/25.08.2006, No. 110964/25.08.2006, No. 110939/25.08.2006, No. 110915/25.08.2006, No. 112974/25.08.2006, No. 110720/25.08.2006, No. 110905/25.08.2006, No. 110903/25.08.2006, No. 110898/25.08.2006, No. 110897/25.08.2006, No. 112975/25.08.2006, No. 112396/25.08.2006, No. 112384/25.08.2006, No. 112383/25.08.2006, No. 112382/25.08.2006, No. 112381/25.08.2006, No. 112989/25.08.2006, No. 112976/25.08.2006, No. 112983/25.08.2006, No. 112984/25.08.2006, No. 112985/25.08.2006, No. 112986/25.08.2006, No. 112987/25.08.2006, No. 112887/25.08.2006, No. 112890/25.08.2006, No. 112894/25.08.2006, No. 112904/25.08.2006, No. 111776/25.08.2006, No. 111762/25.08.2006, No. 111763/25.08.2006, No. 11087/25.08.2006, No. 112881/25.08.2006, No. 112876/25.08.2006, No. 112156/25.08.2006, No. 112157/25.08.2006, No. 112127/25.08.2006, No. 112128/25.08.2006, No. 112882/25.08.2006, No. 112961/25.08.2006, No. 112990/25.08.2006, No. 112949/25.08.2006, No. 112892/25.08.2006, No. 112158/25.08.2006, No. 112161/25.08.2006, No. 112160/25.08.2006, No. 112159/25.08.2006, No. 112955/25.08.2006, No. 112967/25.08.2006, No. 112968/25.08.2006, No. 112969/25.08.2006, No. 113003/25.08.2006, No. 111371/25.08.2006, No. 111120/25.08.2006, No. 111096/25.08.2006, No. 111091/25.08.2006, No. 111130/25.08.2006, No. 111092/25.08.2006, No. 111421/25.08.2006, No. 114722/31.08.2006, No. 114730/31.08.2006, No. 114729/31.08.2006, No. 114728/31.08.2006, No. 114734/08.09.2006, No. 112999/25.08.2006, No. 113000/25.08.2006, No. 112929/25.08.2006, No. 112988/25.08.2006, No. 112954/25.08.2006, No. 112953/25.08.2006, No. 112877/25.08.2006

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RMGC internal unique code MMGA\_1082

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**Proposal** The EIA report does not stipulate financial guarantees destined to secure the waste rock deposit.  
SEE CONTENT CONTESTATION TYPE 3

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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.

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”).

**Solution** 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.

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

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## 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.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	298, 1446, 1496, 1920
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109049/07.08.2006 and No. 74515/08.08.2006, No. 110508/25.08.2006, No. 110627/25.08.2006, No. 110904/25.08.2006
RMGC internal unique code	MMGA_1114
<b>Proposal</b>	The financial guarantees to cover the waste deposits don't exist
	<p>Detailed financial guarantees are in place, in the form of the Environmental Financial Guarantee ("EFG"), which require Roşia Montana 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.</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).</p> <p>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 Montana.</p>
<b>Solution</b>	<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>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>The current projected closure cost for Roşia Montana 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.)</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Cash deposit;</li> <li>• Trust funds;</li> <li>• Letter of credit;</li> <li>• Surety bonds;</li> <li>• Insurance policy.</li> </ul>

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	298, 1446
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109049/07.08.2006 and No. 74515/08.08.2006, No. 110508/25.08.2006
RMGC internal unique code	MMGA_1115

**Proposal** The costs for mine closure and environmental rehabilitation are deliberately undervalued by RMGC.

The costs for mine closure and environmental rehabilitation are not deliberately under-evaluated. RMGC's closure estimates, which were developed by a team of independent experts with international experience and will be reviewed by third party experts, are based on the assumption that the project can be completed according to the plan, without interruptions, bankruptcy or the like. They are engineering calculations and estimates based on the current commitments of the closure plan and are summarized in the EIA's Mine Closure and Rehabilitation Management Plan (Plan J in the EIA). Annex 1 of Plan J will be updated using a more detailed approach looking at every individual year and calculating the amount of surety, which must be set aside year by year to rehabilitate the mine before RMGC is released from all its legal obligations. Most importantly, the current estimates assume the application of international best practice, best available technology (BAT) and compliance with all Romanian and European Union laws and regulations.

Closure and rehabilitation at Roşia Montană involves the following measures:

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

**Solution**

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.

We believe that – far from “deliberately undervalued” – our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.



Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	384
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109221/14.08.2006 and No. 74624/15.08.2006
RMGC internal unique code	MMGA_1128
Proposal	-The mining operation will leave behind a moonlike landscape, a huge quantity of cyanised water, harmful for all living creatures.
Solution	<p>The mining operation will not create a “moonlike landscape.” In fact, after completion of closure and rehabilitation, the 584 hectares (of the total 1646 hectares included in the PUZ) that compose the areas between the mine pits and processing facilities as well as the buffer zone will show no visual signs of the mining project. The infrastructure projects (i.e. roads, sewage treatment facilities, etc.) will be left for community use. In the case of the remaining 1062 hectares( see Chapter 4, Section 4.7 Landscape, table 3.1, from the EIA report), though they will be altered, they will also be remediate (reshaped, treated with an engineered soil-covering system, and revegetated) to blend with the surrounding landscape to the greatest extent possible.</p> <p>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 Montana's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake</li> <li>• Covering and vegetating the tailings pond and its dam areas</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas</li> <li>• 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</li> <li>• 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.</li> </ul> <p>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.”</p> <p>Concerning the questioner's specific concern about “cyanidised water,” the cyanide content in the tailings management facility (TMF) will comply with European standards (EU Mine Waste Directive 2006/21/EC). No water with a cyanide concentration exceeding the very strict NTPA 001/2002 limit of 0.1 mg/l CNtot will be discharged into the environment or pumped from the TMF to the open pits. All seepage will be captured downstream of the TMF in a secondary containment dam. If any effluent does not comply with the CNtot limit, it will be treated to ensure that the cyanide remains confined to the TMF.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	1356, 1357
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 110300/24.08.2006, No. 110302/24.08.2006
RMGC internal unique code	MMGA_1173
Proposal	site remediation after closure
Solution	<p>RMGC's Mine Closure and Rehabilitation Management Plan (Plan J in the EIA) sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roşia Montană's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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".</p> <p>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.</p> <p>The operation of a modern mine in the already badly polluted area will improve environmental conditions. For example, once the Roşia 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 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.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	1356, 1357
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 110300/24.08.2006, No. 110302/24.08.2006
RMGC internal unique code	MMGA_1174
<p data-bbox="97 539 422 629"><b>Proposal</b></p> <p data-bbox="97 629 422 1998"><b>Solution</b></p>	<p data-bbox="422 539 1406 629">financial guarantees in case of emergency and expropriations in case the population is affected;</p> <p data-bbox="422 629 1406 763">The details of Roşia Montana Gold Corporation's ("RMGC") Environmental Financial Guarantee are discussed in the section of the Environmental Impact Assessment titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan").</p> <p data-bbox="422 763 1406 943">In Romania, the creation of an Environmental Financial Guarantee is required to ensure adequate funds are available from the mine operator for environmental cleanup. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").</p> <p data-bbox="422 943 1406 1279">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 Montana.</p> <p data-bbox="422 1279 1406 1346">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 data-bbox="422 1346 1406 1592">With respect to expropriations, RMGC has retained one of the world's leading insurance brokers, which is well established in Romania and has a long and distinguished record of performing risk assessments on mining operations. The broker will use the most appropriate property and machinery breakdown engineers to conduct risk analysis and loss prevention audit activities, during the construction and operations activity at Roşia Montana, to minimize hazards. The broker will then determine the appropriate coverage, and work with A-rated insurance companies to put that program in place, on behalf of RMGC.</p> <p data-bbox="422 1592 1406 1771">RMGC is committed to maintaining the highest standards of occupational health and safety for its employees and service providers. Our utilization of Best Available Techniques helps us to ensure this goal is achieved. No organization gains from a loss, and to that end we will work to implement engineering solutions to risk, as they are far superior to insurance solutions to risk. Up to 75% of loss risk can be removed during the design and construction phase of a project.</p> <p data-bbox="422 1771 1406 1998">Yet we recognize that with a project as large as that being undertaken at Roşia Montana, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers.</p>

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	1356, 1357
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 110300/24.08.2006, No. 110302/24.08.2006
RMGC internal unique code	MMGA_1183
Proposal	Insufficient environmental financial guarantees. What will be the minimum amount at the start?
Solution	<p>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. 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.</p> <p>The EFG must be in place to receive an operating permit to begin mining operations. An analysis is underway to determine the EFG required during each year of operation. The minimum amount at the start is expected to be approximately US \$25 million and increase from that level annually.</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).</p> <p>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>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>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.)</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Cash deposit;</li> <li>• Trust funds;</li> </ul>

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- 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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	1391
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 110599/25.08.2006
RMGC internal unique code	MMGA_1194

**Proposal**            The landscape will be modified (scarred) on an area of 1250 ha.

The questioner is correct that portions of Roşia Montana's landscape will be modified; however, the mining operation will not create a "scarred landscape". In fact, after completion of closure and rehabilitation, the 584 hectares (of the total 1646 hectares included in the PUZ) that compose the areas between the mine pits and processing facilities as well as the buffer zone will show no visual signs of the mining project. The infrastructure projects (i.e. roads, sewage treatment facilities, etc.) will be left for community use. In the case of the remaining 1062 hectares (see Chapter (4), Section (4.7) Landscape, table (3.1), from the EIA report), though they will be altered, they will also be remediate (reshaped, treated with an engineered soil-covering system, and revegetated) to blend with the surrounding landscape to the greatest extent possible.

**Solution**            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 Montana'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."

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	333, 1831, 1832, 1835, 1838
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109108/09.08.2006 and No. 74548/09.08.2006, No. 110972/25.08.2006 and No. 165086/07.09.2006, No. 110971/25.08.2006 and No. 165087/07.09.2006, No. 110968/25.08.2006 and No. 165090/07.09.2006, No. 110965/25.08.2006
RMGC internal unique code	MMGA_1220
Proposal	<p>The questioner asks the Ministry of Environment and Waters management to refuse the granting of the environment permit for the Rosia Montana Project. The questioner made the following observations and suggestions:</p> <p>Total costs for closing the mine are unrealistic;</p>
Solution	<p>The mine closure costs are not unrealistic. 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.</p> <p>Closure and rehabilitation at Rosia Montana involves the following measures:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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.</p> <p>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.</p> <p>We believe that – far from being unrealistic – our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.</p>



Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	1831
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 110972/25.08.2006 and No. 165086/07.09.2006
RMGC internal unique code	MMGA_1221
<b>Proposal</b>	Why are long term policies ignored when trying to avoid natural disasters with a possible impact on humans?
<b>Solution</b>	<p>Long-term policies and the sustainability principle are integral part of the Roşia Montana Project. Important aspects of long-term stability are the safety of the waste facilities (especially the TMF) and water treatment. Both aspects have been addressed in detail in the EIA and the Management Plans.</p> <p>The project fully complies with the EU Mine Waste Directive (2006/21/EC) and other international standards.</p> <p>Water treatment plants (passive systems with conventional plant as backup) will be operating as long as the effluents do not meet the standards of NTPA (001/2002).</p>
	<p>The TMF and all other extractive waste facilities will be designed and built according to internationally accepted safety standards which guarantee that also in the long-term no threat exists for humans and the environment.</p> <p>The environmental monitoring programm complies with the EU BREF Document "Principles of Monitoring" (July 2003), and will be carried out as long as needed to ensure the long-term safety of the site.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	872, 880, 1778, 1779, 1791, 1792, 1793, 1795, 1796, 1797, 1800, 1801, 1802, 1803, 1804, 1805, 1806, 1807, 1808, 1809, 1810, 1811, 1812, 1813, 1814, 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1838, 1839, 1864, 1888, 1896, 1902, 1919, 1921, 1926, 1927, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 2269, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 3022, 3025, 3026, 3028, 3034, 3064, 3075, 3075BIS, 3076, 3117, 3119, 3120, 3121, 3130, 3131, 3132, 3133, 3136, 3197, 3198, 3199, 3200, 3231, 3243, 10/D;5465/B, 15/D;5470/B, 16/D;5471/B, 17/D;5472/B, 18/D;5473/B, 5599, 5600, 5601, 5602, 5603, 5604, 5605
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109829/21.08.2006 and No. 75148/22.08.2006, No. 109885/21.08.2006 and No. 75156/22.08.2006, No. 110754/25.08.2006 and No. 76073/05.09.2006, No. 110753/25.08.2006 and No. 7607405.09.2006, No. 110741/25.08.2006 and No. 76086/05.09.2006, No. 110740/25.08.2006 and No. 76087/05.09.2006, No. 110739/25.08.2006 and No. 76088/05.09.2006, No. 110737/25.08.2006 and No. 76090/05.09.2006, No. 110736/25.08.2006 and No. 76091/05.09.2006, No. 110735/25.08.2006 and No. 76092/05.09.2006, No. 110732/25.08.2006 and No. 76095/05.09.2006, No. 110731/25.08.2006 and No. 76096/05.09.2006, No. 110730/25.08.2006 and No. 76097/05.09.2006, No. 110729/25.08.2006 and No. 76098/05.09.2006, No. 110728/25.08.2006 and No. 76099/05.09.2006, No. 110727/25.08.2006 and No. 76100/05.09.2006, No. 110726/25.08.2006 and No. 76101/05.09.2006, No. 110725/25.08.2006 and No. 76102/05.09.2006, No. 110852/25.08.2006 and No. 165062/06.09.2006, No. 110853/25.08.2006 and No. 165063/06.09.2006, No. 110854/25.08.2006 and No. 165064/06.09.2006, No. 110855/25.08.2006 and No. 165065/06.09.2006, No. 110856/25.08.2006 and No. 165066/06.09.2006, No. 110857/25.08.2006 and No. 165067/06.09.2006, No. 110858/25.08.2006 and No. 165068/06.09.2006, No. 110859/25.08.2006 and No. 165069/06.09.2006, No. 110860/25.08.2006 and No. 165070/06.09.2006, No. 110861/25.08.2006 and No. 165071/06.09.2006, No. 110862/25.08.2006 and No. 165072/06.09.2006, No. 110863/25.08.2006 and No. 165073/06.09.2006, No. 110864/25.08.2006 and No. 165074/06.09.2006, No. 110982/25.08.2006 and No. 165076/07.09.2006, No. 110981/25.08.2006 and No. 165077/07.09.2006, No. 110980/25.08.2006 and No. 165078/07.09.2006, No. 110979/25.08.2006 and No. 165079/07.09.2006, No. 110978/25.08.2006 and No. 165080/07.09.2006, No. 110977/25.08.2006 and No. 165081/07.09.2006, No. 110976/25.08.2006 and No. 165082/07.09.2006, No. 110975/25.08.2006 and No. 165083/07.09.2006, No. 110974/25.08.2006 and No. 165084/07.09.2006, No. 110965/25.08.2006, No. 110964/25.08.2006, No. 110939/25.08.2006, No. 110915/25.08.2006, No. 112974/25.08.2006, No. 110720/25.08.2006, No. 110905/25.08.2006, No. 110903/25.08.2006, No. 110898/25.08.2006, No. 110897/25.08.2006, No. 111829/25.08.2006, No. 111828/25.08.2006, No. 111827/25.08.2006., No. 111824/25.08.2006., No. 111823/25.08.2006, No. 111822/25.08.2006., No. 111821/25.08.2006., No. 111820/25.08.2006., No. 111819/25.08.2006, No. 111818/25.08.2006, No. 111817/25.08.2006, No. 111816/25.08.2006, No. 111815/25.08.2006, No. 111814/25.08.2006, No. 111813/25.08.2006, No. 111812/25.08.2006, No. 111811/25.08.2006, No. 111810/25.08.2006, No. 111809/25.08.2006, No. 111808/25.08.2006, No. 111807/25.08.2006, No. 111806/25.08.2006, No. 111805/25.08.2006, No. 112975/25.08.2006, No. 112093/25.08.2006, No. 112092/25.08.2006, No. 112091/25.08.2006, No. 112090/25.08.2006, No. 112089/25.08.2006, No. 112088/25.08.2006, No. 112087/25.08.2006, No. 112086/25.08.2006, No. 112085/25.08.2006, No. 112084/25.08.2006, No. 112083/25.08.2006, No. 112083/25.08.2006, No. 112082/25.08.2006, No. 112081/25.08.2006, No. 112080/25.08.2006, No. 112079/25.08.2006, No. 112078/25.08.2006, No. 112077/25.08.2006, No. 112076/25.08.2006, No. 111551/25.08.2006, No. 111552/25.08.2006, No. 111553/25.08.2006, No. 111554/25.08.2006, No. 111555/25.08.2006, No. 111556/25.08.2006, No. 111557/25.08.2006, No. 111558/25.08.2006, No.

111559/25.08.2006, No. 111560/25.08.2006, No. 111560/25.08.2006, No. 112904/25.08.2006, No. 111776/25.08.2006, No. 111762/25.08.2006, No. 111763/25.08.2006, No. 11087/25.08.2006, No. 112881/25.08.2006, No. 112990/25.08.2006, No. 112949/25.08.2006, No. 112892/25.08.2006, No. 112996/25.08.2006, No. 112995/25.08.2006, No. 112994/25.08.2006, No. 112993/25.08.2006, No. 112158/25.08.2006, No. 112161/25.08.2006, No. 112160/25.08.2006, No. 112159/25.08.2006, No. 112955/25.08.2006, No. 112967/25.08.2006, No. 112968/25.08.2006, No. 112969/25.08.2006, No. 113003/25.08.2006, No. 111371/25.08.2006, No. 111120/25.08.2006, No. 114722/31.08.2006, No. 114730/31.08.2006, No. 114729/31.08.2006, No. 114728/31.08.2006, No. 114734/08.09.2006, No. 112999/25.08.2006, No. 113000/25.08.2006, No. 112929/25.08.2006, No. 112988/25.08.2006, No. 112954/25.08.2006, No. 112953/25.08.2006, No. 112877/25.08.2006

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RMGC internal unique code

MMGA\_1230

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Proposal

The questioner requests the MMGA not to emit the environment permit for the Rosia Montana mining project. The questioner formulated remarks and proposals as follows:  
The total costs for the mine closure are unrealistic;  
SEE THE CONTENT OF THE TYPE 3 CONTESTATION

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Solution

The mine closure costs are not unrealistic. RMGC's closure estimates, which were developed by a team of independent experts with international experience and will be reviewed by third party experts, are based on the assumption that the project can be completed according to the plan, without interruptions, bankruptcy or the like. They are engineering calculations and estimates based on the current commitments of the closure plan and are summarized in the EIA's Mine Closure and Rehabilitation Management Plan (Plan J in the EIA). Annex 1 of Plan J will be updated using a more detailed approach looking at every individual year and calculating the amount of surety, which must be set aside year by year to rehabilitate the mine before RMGC is released from all its legal obligations. Most importantly, the current estimates assume the application of international best practice, best available technology (BAT) and compliance with all Romanian and European Union laws and regulations.

Closure and rehabilitation at Roşia Montană involves the following measures:

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

While the aspects of closure and rehabilitation are many, we are confident in our cost estimates because the largest expense – that incurred by the earthmoving operation required to reshape the landscape – can be estimated with confidence. Using the project design, we can measure the size of the areas that must be reshaped and resurfaced. Similarly, there is a body of scientific studies and experiments that enable scientists to determine the depth of soil cover for successful 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

We believe that – far from being unrealistic – 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

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aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	1897
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 110906/25.08.2006
RMGC internal unique code	MMGA_1233
Proposal	The questioner has the following questions and remarks:What guarantees there are that the project will be respected?
Solution	<p data-bbox="263 629 1407 831">Roşia Montana Gold Corporation ("RMGC") has invested significant time, energy, and resources assessing the viability of a mining project in the valley of Roşia Montana. This assessment has led RMGC to conclude that Roşia Montana 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.</p> <p data-bbox="263 853 1407 1111">We are also encouraged by the opportunity to pursue the project in a manner that advances the community's social, environmental, and economic welfare. During the life of the mine, the economic and social fabric of Roşia Montana will benefit from new economic opportunities. RMGC forecasts the creation 1,200 new jobs during the construction phase of the mine. Once the mine has been opened, we expect it to directly employ more than 630 people, and spark economic development in the region. This development is projected to lead to more than 6,000 new jobs, supporting the mine and the people working at the mine, in a region that has been designated a "disadvantaged zone" by the Romanian Government.</p> <p data-bbox="263 1133 1407 1267">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 data-bbox="263 1290 1407 1447">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").</p> <p data-bbox="263 1469 1407 1581">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.</p> <p data-bbox="263 1603 1407 1805">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 Montana.</p> <p data-bbox="263 1827 1407 1895">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 data-bbox="263 1917 1407 1962">There are two separate and distinct EFGs under Romanian law.</p> <p data-bbox="263 1984 1407 2013">The first, which is updated annually, focuses on covering the projected reclamation costs associated with</p>

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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 Montana 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 Montana 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 Montana project.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	1897
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 110906/25.08.2006
RMGC internal unique code	MMGA_1238
Proposal	<p>If the company goes bankrupt after 15 years, will the rehabilitation works remain at the Romanian State's charge?</p>
Solution	<p>Regardless of the financial condition of the Roşia Montană Gold Corporation ("RMGC"), the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.</p> <p>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.</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>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").</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</p>

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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.
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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	1920
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 110904/25.08.2006
RMGC internal unique code	MMGA_1247

Proposal	The mine closure and environment rehabilitation costs are by far sub-evaluated by RMGC
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The mine closure and environmental rehabilitation costs are not “sub-evaluated”. 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 Montana involves the following measures:

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

#### Solution

While the aspects of closure and rehabilitation are many, we are confident in our cost estimates because the largest expense—that incurred by the earthmoving operation required to reshape the landscape—can be estimated with confidence. Using the project design, we can measure the size of the areas that must be reshaped and resurfaced. Similarly, there is a body of scientific studies and experiments that enable scientists to determine the depth of soil cover for successful revegetation. By multiplying the size of the areas by the necessary depth of the topsoil by the unit rate (also derived from studying similar earthmoving operations at similar sites), we can estimate the potential costs of this major facet of the rehabilitation operation. The earthmoving operation, which will total approximately US \$65 million, makes up 87% of closure and rehabilitation costs.

Also, the necessity of additional technological measures to stabilize and reshape the tailings surface will be discussed in the update of the Economical Financial Guarantee (EFG) estimate, which leads to an increase in the provisions for tailings rehabilitation, especially if the TMF is closed prematurely and no optimized tailings disposal regime is applied. The exact figures depend on the details of the TMF closure strategy which can be finally determined only during production.

We believe that—far from being “sub-evaluated”—our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world’s largest gold producer has set aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	384, 1/D;5456/B
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109221/14.08.2006 and No. 74624/15.08.2006, No. 114734/08.09.2006
RMGC internal unique code	MMGA_1248
Proposal	<p>The EIM report does not mention financial guarantees regarding the safety assurance of the tailings deposit SEE THE CONTENT OF THE TYPE 3 CONTESTATION</p>
Solution	<p>Information regarding our Environmental Financial Guarantee (“EFG”) is fully discussed in the section of the Environmental Impact Assessment titled “Environmental and Social Management and System Plans” (Annex 1 of the subchapter titled “Mine Rehabilitation and Closure Management Plan”). The EFG is updated annually and will always reflect the costs associated with reclamation. These funds will be held in protected accounts at the Romanian state disposal.</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).</p> <p>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>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>The current projected closure cost for 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.)</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Cash deposit;</li> <li>• Trust funds;</li> </ul>

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- 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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	2431
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 112110/25.08.2006
RMGC internal unique code	MMGA_1255
<b>Proposal</b>	<p>The transformation of some large areas into huge excavations flooded by acid waters and into arid waste dumps which will destroy the picturesque locality;</p> <p>The mining operation will not leave behind "acid waters" or "arid waste dumps." In fact, after completion of closure and rehabilitation, the 584 hectares (of the total 1646 hectares included in the PUZ) that compose the areas between the mine pits and processing facilities as well as the buffer zone will show no visual signs of the mining project. The infrastructure projects (i.e. roads, sewage treatment facilities, etc.) will be left for community use. In the case of the remaining 1062 hectares( see Chapter (4), Section (4.7) Landscape, table (3.1), from the EIA report), though they will be altered, they will also be remediate (reshaped, treated with an engineered soil-covering system, and revegetated) to blend with the surrounding landscape to the greatest extent possible.</p> <p>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 Rosia Montana's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake</li> <li>• Covering and vegetating the tailings pond and its dam areas</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas</li> <li>• 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</li> <li>• 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.</li> </ul>
<b>Solution</b>	<p>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."</p> <p>Concerning the questioner's specific concern about "excavations flooded by acid waters," there will be only one open pit which will be filled with water (Cetate pit) and Plan J foresees active management of the pit lake to keep pH neutral. The former TMF will be resurfaced with an elaborate cover that minimizes oxygen diffusion into the wastes and, thus, prevents acidification. In terms of specific fears about "arid waste dumps," the waste facilities will be reshaped and covered with a 20cm subsoil and 10 cm topsoil to support revegetation the former waste facilities will become new landscape elements. Geochemical analyses also suggests that utilization of the waste segregation strategy (described in detail in the Mine Closure and Rehabilitation Plan) will ensure that seepage from the waste dumps is benign. The pit walls that remain visible will be covered with climbing plants or left bare in order to create new habitats for birds and other fauna.</p> <p>As for the questioner's concern about the destruction of the picturesque locality, the most beautiful and historic sections of the area (130 hectare) constitute the protected area. RMGC designed our project so that none of the area's 41 historical structures will be impacted by the new mine. Additionally, it is important to note that the area is already heavily polluted due to previous mining activity. The operation of RMGC's modern mine in particular, of the water treatment facilities will actually improve the region's environmental conditions.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	2984
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 111777/25.08.2006
RMGC internal unique code	MMGA_1274
<b>Proposal</b>	<p>It is not explained what will happen in the case when the temporary closure of the mining activity would transform into a temporary closure on long term</p>
<b>Solution</b>	<p>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 is also committed to maintaining the highest standards of occupational health and safety for its employees and service providers. Our utilization of Best Available Techniques helps us to ensure this goal is achieved. No organization gains from a loss, and to that end we will work to implement engineering solutions to risk, as they are far superior to insurance solutions to risk. Up to 75% of loss risk can be removed during the design and construction phase of a project.</p> <p>Yet we recognize that with a project as large as that being undertaken at Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers, and there will be no financial impact on the company, thus we would not expect any hypothetical temporary closure to result in a long-term closure.</p> <p>RMGC also 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>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").</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>

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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”).

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

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

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 Roșia Montană project.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	2984
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 111777/25.08.2006
RMGC internal unique code	MMGA_1276
<b>Proposal</b>	There are no drawings and cross sections to show how the waste rock dumps will be reshaped because further on these will represent a pollution source
<b>Solution</b>	<p>RMGC's geochemical analyses suggests that implementation of the waste segregation strategy described in our Mine Closure and Rehabilitation Management Plan (Plan J in the EIA) will prevent waste dumps from being a source of pollution after mine closure.</p> <p>In fact Drawing Number (4) in Plan J (Mine Rehabilitation and Closure Plan) shows the cross section how the waste rock facility will be reshaped during the rehabilitation process. Bulldozers will regrade the slopes to a 2:5:1 ratio—a ratio that allows for the placement of soil cover and revegetation.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	2984
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 111777/25.08.2006
RMGC internal unique code	MMGA_1282

**Proposal** How will the Romanian State be assured against the risk of RMGC's bankruptcy?

Regardless of the financial condition of the Roşia Montană Gold Corporation ("RMGC"), the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.

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.

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").

**Solution**

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



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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.
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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	2985
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 111784/25.08.2006
RMGC internal unique code	MMGA_1287
<p data-bbox="97 539 422 629"><b>Proposal</b></p> <p data-bbox="97 629 422 1279">The total costs for mine closure are unrealistic; SEE THE CONTENT OF THE TYPE 1 CONTESTATION Also, the questioner sends within the letter two points of view of some independent specialists</p> <p data-bbox="97 1279 422 1975">Despite the letters enclosed by the questioner, 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</p> <p data-bbox="97 1279 422 1301">Closure and rehabilitation at Roşia Montana involves the following measures:</p> <ul data-bbox="97 1301 422 1279" style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake</li> <li>• Covering and vegetating the tailings pond and its dam areas</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas</li> <li>• 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</li> <li>• 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.</li> </ul> <p data-bbox="97 1279 422 1301"><b>Solution</b></p> <p data-bbox="97 1301 422 1592">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.</p> <p data-bbox="97 1301 422 1771">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.</p> <p data-bbox="97 1301 422 1975">We believe that—far from being unrealistic—our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.</p>	

MMDD's item no. for the question which includes the observation identified by the RMGC internal code

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MMDD's identification no. for the question which includes the observation identified by the RMGC internal code

108646/28.07.2006 and No. 74260/AF/28.07.2006, No. 108647/28.07.2006 and No. 74261/AF/28.07.2006, No. 10848/28.07.2006 and No. 74262/AF/28.07.2006, No. 108649/28.07.2006 and No. 74263/AF/28.07.2006, No. 108650/28.07.2006 and No. 74264/AF/28.07.2006, No. 108624/28.07.2006 and No. 74265/AF/28.07.2006, FR.No. and No. 74266/AF/28.07.2006, No. 74271/AF/01.08.2006, No. 108698/31.07.2006 and No. 74279/01.08.2006, No. 108699/31.07.2006 and No. 74280/01.08.2006, No. 108700/31.07.2006 and No. 74281/01.08.2006, No. 108701/31.07.2006 and No. 74282/01.08.2006, No. 108702/31.07.2006 and No. 74283/01.08.2006, No. 108703/31.07.2006 and No. 74284/01.08.2006, No. 108704/31.07.2006 and No. 74285/01.08.2006, No. 108705/31.07.2006 and No. 74286/01.08.2006, No. 108707/31.07.2006 and No. 74287/01.08.2006, No. 108708/31.07.2006 and No. 74288/01.08.2006, No. 10870931.07.2006 and No. 74289/01.08.2006, No. 108710/31.07.2006 and No. 74290/01.08.2006, No. 108711/31.07.2006 and No. 74291/01.08.2006, No. 108712/31.07.2006 and No. 74292/01.08.2006, No. 108713/31.07.2006 and No. 74293/01.08.2006, No. 108714/31.07.2006 and No. 74294/01.08.2006, No. 108716/31.07.2006 and No. 74295/01.08.2006, No. 108717/31.07.2006 and No. 74296/01.08.2006, No. 108718/31.07.2006 and No. 74297/01.08.2006, No. 108719/31.07.2006 and No. 74298/01.08.2006, No. 108720/31.07.2006 and No. 74299/01.08.2006, No. 108721/31.07.2007 and No. 74300/01.08.2006, No. 108722/31.07.2006 and No. 74301/01.08.2006, No. 108715/31.07.2006 and No. 74302/01.08.2006, No. 108723/31.07.2006 and No. 74303/01.08.2006, No. 108724/31.07.2006 and No. 74304/01.08.2006, No. 108726/01.08.2006 and No. 74305/01.08.2006, No. 108733/31.07.2006 and No. 74306/01.08.2006, No. 108734/01.08.2006 and No. 74307/01.08.2006, No. 108735/01.08.2006 and No. 74308/01.08.2006, No. 108736/01.08.2006 and No. 74309/01.08.2006, No. 108737/01.08.2006 and No. 74310/01.08.2006, No. 108738/01.08.2006 and No. 74311/01.08.2006, No. 108739/01.08.2006 and No. 74312/01.08.2006, No. 108740/01.08.2006 and No. 74313/01.08.2006, No. 108741/01.08.2006 and No. 74314/01.08.2006, No. 108742/01.08.2006 and No. 74315/01.08.2006, No. 108743/01.08.2006 and No. 74316/01.08.2006, No. 108763/01.08.2006 and No. 74317/01.08.2006, No. 108764/01.08.2006 and No. 74318/01.08.2006, No. 108765/01.08.2006 and No. 74319/01.08.2006, No. 108766/01.08.2006 and No. 74320/01.08.2006, No. 108767/01.08.2006 and No. 74321/01.08.2006, No. 108768/01.08.2006 and No. 74322/01.08.2006, No. 108725/31.07.2006 and No. 74323/01.08.2006, No. 108786/02.08.2006 and No. 74338/02.08.2006, No. 108786/02.08.2006 and No. 74339/02.08.2006, No. 108792/02.08.2006 and No. 74345/02.08.2006, No. 108800/02.08.2006 and No. 74350/02.08.2006, No. 108801/02.08.2006 and No. 74351/02.08.2006, No. 108802/02.08.2006 and No. 74352/02.08.2006, No. 108807/02.08.2006 and No. 74354/02.08.2006, No. 108806/02.08.2006 and No. 74355/02.08.2006, No. 108805/02.08.2006 and No. 74356/02.08.2006, No. 108804/02.08.2006 and No. 74357/02.08.2006, No. 108793/02.08.2006 and No. 74358/02.08.2006, No. 108850/03.08.2006 and No. 74372/04.08.2006, No. 108849/03.08.2006 and No. 74373/04.08.2006, No. 108848/03.08.2006 and No. 74374/04.08.2006, No. 108847/03.08.2006 and No. 74375/04.08.2006, No. 10884603.08.2006 and No. 74376/04.08.2006, No. 108845/03.08.2006 and No. 74377/04.08.2006, No. 108843/03.08.2006 and No. 74378/04.08.2006, No. 108844/03.08.2006 and No. 74379/04.08.2006, No. 108841/03.08.2006 and No. 74380/04.08.2006, No. 108840/03.08.2006 and No. 74381/04.08.2006, No. 108842/03.08.2006 and No. 74382/04.08.2006, No. 108839/03.08.2006 and No. 74383/04.08.2006, No. 108838/03.08.2006 and No. 74384/04.08.2006, No. 108837/03.08.2006 and No. 74385/04.08.2006, No. 108836/03.08.2006 and No. 74386/04.08.2006, No. 108835/03.08.2006 and No. 74387/04.08.2006, No. 108854/03.08.2006 and No. 74390/04.08.2006, No. 108851/03.08.2006 and No. 74396/04.08.2006, No. 108860/03.08.2006 and No. 74397/04.08.2006, No. 108861/03.08.2006 and No. 74398/04.08.2006, FR.No. REGIS. and No. 74399/04.08.2006, FR.No. and No. 7440004.08.2006, No. 108862/03.08.2006 and No. 74401/04.08.2006, No. 108865/03.08.2006 and No. 74404/04.08.2006, No. 108867/03.08.2006 and No. 7440604.08.2006, No. 108871/03.08.2006 and No. 74410/04.08.2006, No.

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111615/25.08.2006, No. 111616/25.08.2006, No. 111784/25.08.2006

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**Proposal**

Financial guarantees were not fixed SEE THE CONTENT OF THE TYPE 1 CONTESTATION  
Also, the questioner sends within the letter two points of view of some independent specialists

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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. The current projected closure cost for Roşia Montană is US \$76 million, which is based on the mine operating for its full 16-year lifespan.

The EFG 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.

**Solution**

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

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

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

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

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

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	3021
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 112891/25.08.2006
RMGC internal unique code	MMGA_1307
Proposal	The project will leave behind a toxic desert instead of several villages
Solution	<p>RMGC has developed a Mine Closure and Rehabilitation Management Plan to ensure that the project will not leave behind a “toxic desert”. In fact, after completion of closure and rehabilitation, the 584 hectares (of the total 1646 hectares included in the PUZ) that compose the areas between the mine pits and processing facilities as well as the buffer zone will show no visual signs of the mining project. The infrastructure projects (i.e. roads, sewage treatment facilities, etc.) will be left for community use. In the case of the remaining 1062 hectares (see Chapter 4, Section 4.7 Landscape, table 3.1, from the EIA report), though they will be altered, they will also be remediate (reshaped, treated with an engineered soil-covering system, and revegetated) to blend with the surrounding landscape to the greatest extent possible.</p> <p>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 Rosia Montana's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake ;</li> <li>• Covering and vegetating the tailings pond and its dam areas ;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas ;</li> <li>• 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 ;</li> <li>• 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.</li> </ul> <p>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.”</p> <p>The operation of a modern mine in the already badly polluted area will improve environmental conditions. For example, once the Rosia Montana 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 Rosia Montana 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.</p> <p>In terms of the questioner's concern about the destruction of villages, it is true that some parts of Rosia Montana will be impacted by the new mine, which requires RMGC to acquire properties in four of Rosia Montana's 16 sub-comuna. However, the vast majority of villages will not be affected and the number of homes that the company must purchase to construct and operate the project over the life of the mine – 379 homes – is far smaller than the 1000 homes project opponents regularly reference. In order to acquire these 379 homes, RMGC has established a property purchase program compliant with the Resettlement and Relocation Action Plan (RRAP) guidelines developed by the World Bank.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	3023
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 112906/25.08.2006
RMGC internal unique code	MMGA_1311
Proposal	<p>The ecological reconstruction proposed by EIA seems inefficient and uncertain, not having the financial guarantees imposed by GD 349/2005</p>
Solution	<p>The environmental rehabilitation plan of the Roşia Montană Gold Corporation ("RMGC"), and the accompanying 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").</p> <p>GD 349/2005 transposes the EU Landfill Directive 1999/35/EC into Romanian Law. It is not applicable to the extractive wastes generated by the Roşia Montană project, which are covered by the new EU Mine Waste Directive 2006/21/EC.</p> <p>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").</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 Mining and Metals.</p> <p>The current projected closure cost for Roşia Montană is US \$76 million, which is based on the mine</p>

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

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

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Domain		CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	3023	
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 112906/25.08.2006	
RMGC internal unique code	MMGA_1312	
Proposal	At the time of mine closure, RMP stipulates the discharge of the tailings management facility into the Cetate abandoned open pit. This fact would be risky because in this area the rock is fractured and there is the possibility of existence of some unknown galleries.	
Solution	<p>The Mine Closure and Rehabilitation Management Plan (Plan J) does not suggest discharge of any tailings material into the open pit. Instead, it describes the transfer of decant pond water from the tailings management facility (TMF) into the Cetate pit in order to accelerate flooding and, thereby, to minimize the potential for acidification of the pit water. Any residual cyanide present in the decant pond water will be removed in accordance with the Romanian standard NTPA 001/2002 in order to prevent any spread of cyanide from the TMF to other parts of the mine site or the environment.</p> <p>Concerning fractures and galleries beneath and around the pit, all water leaving the pit will be captured by the Cetate dam and treated (again, according to the NTPA 001/2002 standard) before being released into the environment. There is no way for the pit water to leave the mining area untreated.</p>	

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	3023
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 112906/25.08.2006
RMGC internal unique code	MMGA_1320
<p data-bbox="97 539 422 629"><b>Proposal</b></p> <p data-bbox="97 629 422 2022"><b>Solution</b></p>	<p data-bbox="422 539 1412 629">Which are the financial guarantees of the RMP according to GD 349/2005?</p> <hr/> <p data-bbox="422 629 1412 741">GD 349/2005 transposes the EU Landfill Directive 1999/35/EC into Romanian Law. It is not applicable to the extractive wastes generated by the Roşia Montană project, which are covered by the new EU Mine Waste Directive 2006/21/EC.</p> <p data-bbox="422 741 1412 920">That said, 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. 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.</p> <p data-bbox="422 920 1412 1010">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).</p> <p data-bbox="422 1010 1412 1099">Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").</p> <p data-bbox="422 1099 1412 1413">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 data-bbox="422 1413 1412 1503">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 data-bbox="422 1503 1412 1592">Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p data-bbox="422 1592 1412 1816">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.)</p> <p data-bbox="422 1816 1412 1928">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:</p> <ul data-bbox="422 1928 1412 2022" style="list-style-type: none"> <li>• Cash deposit ;</li> <li>• Trust funds ;</li> </ul>

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- 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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	3023
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 112906/25.08.2006
RMGC internal unique code	MMGA_1321
<b>Proposal</b>	At what standard is the ecological reconstruction provided?
<b>Solution</b>	<p>Those wishing to learn more about ecological reconstruction at Roşia Montană after mine closure should refer to RMGC's Mine Closure and Rehabilitation Management Plan (Plan J in the EIA). The plan sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roşia Montană's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits ;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake ;</li> <li>• Covering and vegetating the tailings pond and its dam areas ;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas ;</li> <li>• 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 ;</li> <li>• 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.</li> </ul> <p>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."</p> <p>In fact, after completion of closure and rehabilitation, the 584 hectares (of the total 1646 hectares included in the PUZ) that compose the areas between the mine pits and processing facilities as well as the buffer zone will show no visual signs of the mining project. The infrastructure projects (i.e. roads, sewage treatment facilities, etc.) will be left for community use. In the case of the remaining 1062 hectares( see Chapter 4, Section 4.7 Landscape, table 3.1, from the EIA report), though they will be altered, they will also be remediate (reshaped, treated with an engineered soil-covering system, and revegetated) to blend with the surrounding landscape to the greatest extent possible.</p> <p>A general overview of the approach to environmental rehabilitation is given in Section 3 of the Mine Closure Plan. It focuses on Romanian and European Laws and Standards, but takes also international best practice from outside Europe into account, if applicable to Roşia Montană. For the technical details of the standards used see the individual sections of the Mine Closure Plan dealing with the different aspects of mine closure and rehabilitation (Section 4 with its subsections, in particular), and the Reference Section.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	3023
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 112906/25.08.2006
RMGC internal unique code	MMGA_1323
Proposal	With what funds will the ecological reconstruction be carried out: of the RMGC or of the Romanian state?
	<p>RMGC - not the Romanian state - will pay for any liabilities of the Roşia Montană Project. The current projected closure cost for Roşia Montană is US \$76 million to be paid by RMGC, which is based on the mine operating for its full 16-year lifespan. An Environmental Financial Guarantee (EFG) as required by the Romanian Mining Law and the EU Mine Waste Directive will be in place before any liability is incurred. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive ("MWD") and the Environmental Liability Directive ("ELD").</p> <p>The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roşia Montană.</p> <p>RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.</p>
Solution	<p>There are two separate and distinct EFGs under Romanian law.</p> <p>The first, which is updated annually, focuses on covering the projected reclamation costs associated with the operations of the mine in the following year. These costs are of no less than 1.5 percent per year, of total costs, reflective of annual work commitments.</p> <p>The second, also updated annually, sets out the projected costs of the eventual closure of the Roşia Montană mine. The amount of the EFG to cover the final environmental rehabilitation is determined as an annual quota of the value of the environmental rehabilitation works provided within the monitoring program for the post-closure environmental elements. Such program is part of the Technical Program for Mine Closure, a document to be approved by the National Agency for Mineral Resources ("NAMR").</p> <p>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>The annual updates to the EFG will be completed by independent experts, carried out in consultation with the NAMR, as the Governmental authority competent in mining activities field. These updates will ensure that in the unlikely event of early closure of the project, at any point in time, each EFG will always reflect the costs associated with reclamation. (These annual updates will result in an estimate that exceeds our current US \$76 million costs of closure, because some reclamation activity is incorporated into the routine operations of the mine).</p>

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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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	3027
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 111774/25.08.2006
RMGC internal unique code	MMGA_1325
Proposal	There are no financial guarantees given in the cases of emergencies and accidents
	<p>The details of Roşia Montană Gold Corporation's ("RMGC") Environmental Financial Guarantee ("EFG") are discussed in the section of the Environmental Impact Assessment titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan").</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>
Solution	<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>RMGC has retained one of the world's leading insurance brokers, which is well established in Romania and has a long and distinguished record of performing risk assessments on mining operations. The broker will use the most appropriate property and machinery breakdown engineers to conduct risk analysis and loss prevention audit activities, during the construction and operations activity at Roşia Montană, to minimize hazards. The broker will then determine the appropriate coverage, and work with A-rated insurance companies to put that program in place on behalf of RMGC, for all periods of the project life from construction through operations and closure.</p> <p>RMGC is committed to maintaining the highest standards of occupational health and safety for its employees and service providers. Our utilization of Best Available Techniques helps us to ensure this goal is achieved. No organization gains from a loss, and to that end we will work to implement engineering solutions to risk, as they are far superior to insurance solutions to risk. Up to 75% of loss risk can be removed during the design and construction phase of a project.</p> <p>Yet we recognize that with a project as large as that being undertaken at Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers.</p>

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	3027
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 111774/25.08.2006
RMGC internal unique code	MMGA_1332

Proposal	There are no financial guarantees
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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. The current projected closure cost for Roşia Montană is US \$76 million, which is based on the mine operating for its full 16-year lifespan.

The EFG 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.

#### Solution

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

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

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

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

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

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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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	3027
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 111774/25.08.2006
RMGC internal unique code	MMGA_1334
Proposal	There is no the area rehabilitation after closure
Solution	<p>RMGC is committed to responsible mine closure and rehabilitation in Roşia Montană and we have a plan to achieve it. Our Mine Closure and Rehabilitation Management Plan (Plan J in the EIA) sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roşia Montană's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits ;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake ;</li> <li>• Covering and vegetating the tailings pond and its dam areas ;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas ;</li> <li>• 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 ;</li> <li>• 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.</li> </ul> <p>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."</p> <p>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.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	<p>647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 901, 911, 1085, 1086, 1087, 1088, 1089, 1090, 1091, 1092, 1093, 1094, 1095, 1096, 1097, 1098, 1099, 1100, 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1110, 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1119, 1120, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1128, 1129, 1130, 1131, 1132, 1133, 1134, 1135, 1136, 1137, 1138, 1139, 1140, 1141, 1142, 1143, 1144, 1145, 1146, 1147, 1148, 1149, 1150, 1151, 1152, 1153, 1154, 1155, 1156, 1157, 1158, 1159, 1160, 1161, 1162, 1163, 1164, 1165, 1166, 1167, 1168, 1169, 1170, 1171, 1172, 1173, 1174, 1175, 1176, 1177, 1178, 1179, 1180, 1181, 1182, 1183, 1184, 1185, 1186, 1187, 1188, 1189, 1190, 1191, 1192, 1193, 1194, 1195, 1196, 1197, 1198, 1199, 1200, 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, 1209, 1210, 1211, 1212, 1213, 1214, 1215, 1216, 1217, 1218, 1219, 1220, 1221, 1222, 1223, 1224, 1263, 1264, 1265, 1266, 1267, 1268, 1269, 1270, 1271, 1272, 1273, 1274, 1275, 1276, 1277, 1278, 1279, 1280, 1281, 1282, 1283, 1284, 1285, 1286, 1287, 1288, 1289, 1290, 1291, 1292, 1293, 1294, 1295, 1296, 1297, 1298, 1299, 1300, 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309, 1310, 1311, 1312, 1313, 1314, 1315, 1316, 1317, 1318, 1319, 1320, 1321, 1322, 1323, 1324, 1325, 1326, 1327, 1328, 1329, 1330, 1331, 1332, 1333, 1334, 1335, 1336, 1337, 1338, 1339, 1340, 1880, 1885, 1886, 1887, 1889, 1890, 1891, 1892, 1893, 1894, 1895, 1910, 1911, 1913, 1914, 1915, 1916, 1917, 1918, 2994, 2995, 2996, 2997, 2998, 2999, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3017, 3018, 3031, 3032, 3033, 3036, 3037, 3063, 3074, 3077, 3078, 3079, 3080, 3081, 3082, 3083, 3084, 3085, 3086, 3087, 3088, 3089, 3090, 3091, 3092, 3093, 3094, 3095, 3096, 3097, 3098, 3099, 3100, 3101, 3102, 3103, 3104, 3105, 3106, 3137, 3138, 3139, 3140, 3141, 3142, 3143, 3144, 3145, 3146, 3147, 3148, 3149, 3150, 3151, 3152, 3153, 3154, 3155, 3156, 3157, 3158, 3167, 3168, 3169, 3170, 3171, 3172, 3173, 3174, 3175, 3176, 3177, 3178, 3179, 3180, 3181, 3182, 3183, 3184, 3185, 3186, 3187, 3188, 3248, 3249, 3250</p>
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	<p>No. 109602/18.08.2006 and No. 74921/21.08.2006, No. 109603/18.08.2006 and No. 74922/21.08.2006, No. 109604/18.08.2006 and No. 74923/21.08.2006, No. 109605/18.08.2006 and No. 74924/21.08.2006, No. 109606/18.08.2006 and No. 74925/21.08.2006, No. 109607/18.08.2006 and No. 74926/21.08.2006, No. 109608/18.08.2006 and No. 74927/21.08.2006, No. 109609/18.08.2006 and No. 74928/21.08.2006, No. 109610/18.08.2006 and No. 74929/21.08.2006, No. 109611/18.08.2006 and No. 74930/21.08.2006, No. 109612/18.08.2006 and No. 74931/21.08.2006, No. 109613/18.08.2006 and No. 74932/21.08.2006, No. 109614/18.08.2006 and No. 74933/21.08.2006, No. 109615/18.08.2006 and No. 74934/21.08.2006, No. 109616/18.08.2006 and No. 74935/21.08.2006, No. 109617/18.08.2006 and No. 74936/21.08.2006, No. 109618/18.08.2006 and No. 74937/21.08.2006, No. 109619/18.08.2006 and No. 74938/21.08.2006, No. 109620/18.08.2006 and No. 74939/21.08.2006, No. 109621/18.08.2006 and No. 74940/21.08.2006, No. 109622/18.08.2006 and No. 74941/21.08.2006, No. 109623/18.08.2006 and No. 74942/21.08.2006, No. 109624/18.08.2006 and No. 74943/21.08.2006, No. 109625/18.08.2006 and No. 74944/21.08.2006, No. 109626/18.08.2006 and No. 74945/21.08.2006, No. 109627/18.08.2006 and No. 74946/21.08.2006, No. 109628/18.08.2006 and No. 74947/21.08.2006, No. 109629/18.08.2006 and No. 74948/21.08.2006, No. 109630/18.08.2006 and No. 74949/21.08.2006, No. 109631/18.08.2006 and No. 74950/21.08.2006, No. 109632/18.08.2006 and No. 74951/21.08.2006, No. 109633/18.08.2006 and No. 74952/21.08.2006, No. 109634/18.08.2006 and No. 74953/21.08.2006, No. 109635/18.08.2006 and No. 74954/21.08.2006, No. 109636/18.08.2006 and No. 74955/21.08.2006, No. 109637/18.08.2006 and No. 74956/21.08.2006, No. 109638/18.08.2006 and No. 74957/21.08.2006, No. 109639/18.08.2006 and No. 74958/21.08.2006, No. 109640/18.08.2006 and No. 74959/21.08.2006, No. 109641/18.08.2006 and No. 74960/21.08.2006, No. 109643/18.08.2006 and No.</p>





110412/24.08.2006, No. 110415/24.08.2006, No. 110416/24.08.2006, No. 110417/24.08.2006, No. 110418/24.08.2006, No. 110419/24.08.2006, No. 110420/24.08.2006, No. 110421/24.08.2006, No. 110422/24.08.2006, No. 110423/24.08.2006, No. 110424/24.08.2006, No. 110425/24.08.2006, No. 110426/24.08.2006, No. 110427/24.08.2006, No. 110428/24.08.2006, No. 110429/24.08.2006, No. 110430/24.08.2006, No. 110431/24.08.2006, No. 110432/24.08.2006, No. 110433/24.08.2006, No. 110434/24.08.2006, No. 110923/25.08.2006, No. 110918/25.08.2006, No. 110917/25.08.2006, No. 110916/25.08.2006, No. 110914/25.08.2006, No. 110913/25.08.2006, No. 110912/25.08.2006, No. 110911/25.08.2006, No. 110910/25.08.2006, No. 110909/25.08.2006, No. 110908/25.08.2006, No. 110884/25.08.2006, No. 110883/25.08.2006, No. 110881/25.08.2006, No. 110880/25.08.2006, No. 110879/25.08.2006, No. 110878/25.08.2006, No. 110877/25.08.2006, No. 110876/25.08.2006, No. 111341/25.08.2006, No. 111340/25.08.2006, No. 111339/25.08.2006, No. 111338/25.08.2006, No. 111337/25.08.2006, No. 111336/25.08.2006, No. 111333/25.08.2006, No. 111332/25.08.2006, No. 111331/25.08.2006, No. 111330/25.08.2006, No. 111328/25.08.2006, No. 111329/25.08.2006, No. 111327/25.08.2006, No. 111326/25.08.2006, No. 111325/25.08.2006, No. 111324/25.08.2006, No. 111323/25.08.2006, No. 111322/25.08.2006, No. 111321/25.08.2006, No. 111320/25.08.2006, No. 112997/25.08.2006, No. 110872/25.08.2006, No. 110873/25.08.2006, No. 110874/25.08.2006, No. 110870/25.08.2006, No. 110865/25.08.2006, No. 111786/25.08.2006, No. 112950/25.08.2006, No. 112951/25.08.2006, No. 111365/25.08.2006, No. 111299/25.08.2006, No. 111366/25.08.2006, No. 111147/25.08.2006, No. 111158/25.08.2006, No. 111157/25.08.2006, No. 111156/25.08.2006, No. 111155/25.08.2006, No. 111154/25.08.2006, No. 111153/25.08.2006, No. 111152/25.08.2006, No. 111151/25.08.2006, No. 111150/25.08.2006, No. 111193/25.08.2006, No. 111192/25.08.2006, No. 111191/25.08.2006, No. 111190/25.08.2006, No. 111189/25.08.2006, No. 111188/25.08.2006, No. 111186/25.08.2006, No. 111185/25.08.2006, No. 111184/25.08.2006, No. 111183/25.08.2006, No. 111182/25.08.2006, No. 111181/25.08.2006, No. 111180/25.08.2006, No. 111179/25.08.2006, No. 111178/25.08.2006, No. 111177/25.08.2006, No. 111176/25.08.2006, No. 111175/25.08.2006, No. 111174/25.08.2006, No. 111173/25.08.2006, No. 111172/25.08.2006, No. 111171/25.08.2006, No. 111170/25.08.2006, No. 111169/25.08.2006, No. 111168/25.08.2006, No. 111166/25.08.2006, No. 111162/25.08.2006, No. 111161/25.08.2006, No. 111160/25.08.2006, No. 111159/25.08.2006, No. 111364/25.08.2006, No. 111363/25.08.2006, No. 111362/25.08.2006, No. 111361/25.08.2006, No. 111359/25.08.2006, No. 111352/25.08.2006, No. 111360/25.08.2006, No. 111351/25.08.2006, No. 111309/25.08.2006, No. 111308/25.08.2006, No. 111307/25.08.2006, No. 111306/25.08.2006, No. 111305/25.08.2006, No. 111304/25.08.2006, No. 111303/25.08.2006, No. 111302/25.08.2006, No. 111301/25.08.2006, No. 111300/25.08.2006, No. 111298/25.08.2006, No. 111297/25.08.2006, No. 111296/25.08.2006, No. 111295/25.08.2006, No. 111293/25.08.2006, No. 111292/25.08.2006, No. 111291/25.08.2006, No. 111290/25.08.2006, No. 111289/25.08.2006, No. 111288/25.08.2006, No. 111287/25.08.2006, No. 111286/25.08.2006, No. 111317/25.08.2006, No. 111316/25.08.2006, No. 111149/25.08.2006

RMGC internal unique code

MMGA\_1346

Proposal

Within the EIA report there are no financial guarantees regarding the safety assurance of the waste deposit SEE THE CONTENT OF THE TYPE 2 CONTESTATION

Solution

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

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protected accounts at the Romanian state disposal.

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.

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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	3065
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 111729/25.08.2006
RMGC internal unique code	MMGA_1368
Proposal	<p>What will happen in case of company bankrupt?</p> <p>Regardless of the financial condition of the Roşia Montană Gold Corporation ("RMGC"), the Romanian government will have no financial liability in connection with the rehabilitation of the Roşia Montană project.</p> <p>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.</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>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").</p>
Solution	<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</p>

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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 deposits ;
  - Trust funds ;
  - Letter of credit ;
  - Surety bonds ;
  - Insurance policy .
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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	159, 188, 189, 191, 192, 193, 194, 202, 203, 205, 221, 230, 232, 233, 234, 242, 243, 245, 246, 1788, 1789, 1790, 3066, 3067, 3068, 3069, 3070, 3071, 3072
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 108794/02.08.2006 and No. 74346/02.08.2006, No. 108853/03.08.2006 and No. 74388/04.08.2006, No. 108852/03.08.2006 and No. 74389/04.08.2006, No. 108854/03.08.2006 and No. 74391/04.08.2006, No. 108856/03.08.2006 and No. 74392/04.08.2006, No. 108857/03.08.2006 and No. 74393/04.08.2006, No. 108858/03.08.2006 and No. 74394/04.08.2006, No. 108863/03.08.2006 and No. 74402/04.08.2006, No. 108864/03.08.2006 and No. 74403/04.08.2006, No. 108866/03.08.2006 and No. 74405/04.08.2006, No. 108882/03.08.2006 and No. 74421/04.08.2006, No. 108959/04.08.2006 and No. 74435/07.08.2006, No. 108959/04.08.2006 and No. 74437/07.08.2006, No. 108957/04.08.2006 and No. 74438/07.08.2006, No. 108956/04.08.2006 and No. 74439/07.08.2006, No. 108949/04.08.2006 and No. 74447/07.08.2006, No. 108947/04.08.2006 and No. 74448/07.08.2006, No. 108944/04.08.2006 and No. 74450/07.08.2006, No. 1089493/04.08.2006 and No. 74451/07.08.2006, No. 110744/25.08.2006 and No. 76083/05.09.2006, No. 110743/25.08.2006 and No. 76084/05.09.2006, No. 110742/25.08.2006 and No. 76085/05.09.2006, No. 112876/25.08.2006, No. 112156/25.08.2006, No. 112157/25.08.2006, No. 112127/25.08.2006, No. 112128/25.08.2006, No. 112882/25.08.2006, No. 112961/25.08.2006
RMGC internal unique code	MMGA_1370
Proposal	<p>The questioner requests the MMGA not to emit the environment permit for Rosia Montana mining project. The questioner expressed remarks and proposals as follows:</p> <p>The total costs for mine closure are unrealistic;  SEE THE CONTENT OF THE TYPE 3 CONTESTATION</p>
Solution	<p>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.</p> <p>Closure and rehabilitation at Roșia Montană involves the following measures:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits ;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake ;</li> <li>• Covering and vegetating the tailings pond and its dam areas ;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas ;</li> <li>• 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 ;</li> <li>• 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.</li> </ul> <p>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,</p>

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makes up 87% of closure and rehabilitation costs.

Also, the necessity of additional technological measures to stabilize and reshape the tailings surface will be discussed in the update of the Economical Financial Guarantee (EFG) estimate, which leads to an increase the provisions for tailings rehabilitation, especially if the TMF is closed prematurely and no optimized tailings disposal regime is applied. The exact figures depend on the details of the TMF closure strategy which can be finally determined only during production.

We believe that—far from being unrealistic—our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	3236, 3237, 3238, 3240, 3241
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 111449/25.08.2006, No. 111068/25.08.2006, No. 111350/25.08.2006, No. 111294/25.08.2006, No. 111163/25.08.2006
RMGC internal unique code	MMGA_1422

Proposal	The final costs for the noxious effect neutralization are unrealistic;
Solution	<p>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.</p> <p>Closure and rehabilitation at Roșia Montană involves the following measures:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits ;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake ;</li> <li>• Covering and vegetating the tailings pond and its dam areas ;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas ;</li> <li>• 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 ;</li> <li>• 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.</li> </ul> <p>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.</p> <p>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.</p>

MMDD's item no. for the question  
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MMDD's identification no. for the question which includes the observation identified by the RMGC internal code

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RMGC internal unique code

MMGA\_1453

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**Proposal**

Financial guarantees for the closure and post-closure periods were not fixed. SEE THE CONTENT OF THE TYPE 5 CONTESTATION

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**Solution**

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. The current projected closure cost for Roşia Montană is US \$76 million, which is based on the mine operating for its full 16-year lifespan.

The EFG 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”)

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

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

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

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	8/D;5463/B
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 114735/15.09.2006
RMGC internal unique code	MMGA_1466
Proposal	There is no an environment remediation plan;
Solution	<p>RMGC is committed to responsible mine closure and rehabilitation in Roşia Montană and we have a plan to achieve it. Our Mine Closure and Rehabilitation Management Plan (Plan J in the EIA) sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roşia Montană's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits ;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake ;</li> <li>• Covering and vegetating the tailings pond and its dam areas ;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas ;</li> <li>• 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 ;</li> <li>• 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.</li> </ul> <p>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."</p> <p>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.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	8/D;5463/B
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 114735/15.09.2006
RMGC internal unique code	MMGA_1469
Proposal	Insufficient environment financial quarantees;
Solution	<p>The Roşia Montană Gold Corporation ("RMGC") has established robust environmental financial guarantees, which follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</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 projected 16-year 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>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").</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>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</p>

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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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	8/D;5463/B
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 114735/15.09.2006
RMGC internal unique code	MMGA_1470
Proposal	There is no financial assurance for urgent disasters.
Solution	<p>The details of Roşia Montană Gold Corporation's ("RMGC") Environmental Financial Guarantee ("EFG") are discussed in the section of the Environmental Impact Assessment titled "Environmental and Social Management and System Plans" (Annex 1 of the subchapter titled "Mine Rehabilitation and Closure Management Plan").</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>RMGC has retained one of the world's leading insurance brokers, which is well established in Romania and has a long and distinguished record of performing risk assessments on mining operations. The broker will use the most appropriate property and machinery breakdown engineers to conduct risk analysis and loss prevention audit activities, during the construction and operations activity at Roşia Montană, to minimize hazards. The broker will then determine the appropriate coverage, and work with A-rated insurance companies to put that program in place on behalf of RMGC, for all periods of the project life from construction through operations and closure.</p> <p>RMGC is committed to maintaining the highest standards of occupational health and safety for its employees and service providers. Our utilization of Best Available Techniques helps us to ensure this goal is achieved. No organization gains from a loss, and to that end we will work to implement engineering solutions to risk, as they are far superior to insurance solutions to risk. Up to 75% of loss risk can be removed during the design and construction phase of a project.</p> <p>Yet we recognize that with a project as large as that being undertaken at Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers.</p>

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

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	56
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 114674/02.10.2006
RMGC internal unique code	MMGA_1503

<b>Proposal</b>	The environment rehabilitation is summarily treated;
<b>Solution</b>	<p>RMGC is committed to responsible mine closure and rehabilitation in Roşia Montană and we have a plan to achieve it. Our Mine Closure and Rehabilitation Management Plan (Plan J in the EIA) sets out a series of measures to ensure that the mine leaves as small an imprint as possible on Roşia Montană's landscape. These measures are as follows:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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".</p> <p>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.</p>



Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	3159, 3160, 3161, 3162, 3163, 3164, 3165, 3166, 3252, 3253, 3254, 3255, 3256, 3615, 3616, 3816, 32/D;5611/B, 36, 42, 43, 44, 45, 49, 51
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 111319/25.08.2006, No. 111318/25.08.2006, No. 111315/25.08.2006, No. 111314/25.08.2006, No. 111313/25.08.2006, No. 111312/25.08.2006, No. 111311/25.08.2006, No. 111310/25.08.2006, No. 111108/25.08.2006, No. 111136/25.08.2006, No. 111135/25.08.2006, No. 111129/25.08.2006, No. 111128/25.08.2006, No. 114290/25.08.2006, No. 111137/25.08.2006, No. 111121/25.08.2006, No. 115103/13.10.2006, No. 116056/11.12.2006, No. 169324/06.11.2006, No. 169323/06.11.2006, No. 169322/06.11.2006, No. 169321/06.11.2006, No. 114373/169078/10.10.2006, No. 114903/05.10.2006
RMGC internal unique code	MMGA_1516
Proposal	The Questioner disagrees with the proposed mine. It addresses observations and proposals as follows: The overall costs for mine closure are not realistic;
Solution	<p>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.</p> <p>Closure and rehabilitation at Roşia Montană involves the following measures:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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.</p> <p>Also, the necessity of additional technological measures to stabilize and reshape the tailings surface will be discussed in the update of the Economical Financial Guarantee (EFG) estimate, which leads to an increase in the provisions for tailings rehabilitation, especially if the TMF is closed prematurely and no optimized tailings disposal regime is applied. The exact figures depend on the details of the TMF closure strategy which can be finally determined only during production.</p> <p>We believe that—far from being not realistic—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</p>

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aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	749
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109706/21.08.2006 and No. 75023/21.08.2006
RMGC internal unique code	MMGA_1525
Proposal	<p>The Questioners addressed the following observations and comments: the amount of USD 70 million allocated for mine closure represents less than 50% of the real costs; it is proposed that around USD 150 million to be deposited into the account of a certain management company (other than the Romanian State).</p>
Solution	<p>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.</p> <p>Closure and rehabilitation at Roșia Montană involves the following measures:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul> <p>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.</p> <p>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.</p> <p>We believe that—far from being too low—our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	749
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109706/21.08.2006 and No. 75023/21.08.2006
RMGC internal unique code	MMGA_1535
<b>Proposal</b>	<p>risk of destruction or discharge after the closure of mine</p> <p>The <i>Mine Rehabilitation and Closure Management Plan</i> was developed in consideration of guidelines presented in Romanian [1] and EU mine closure guidance and regulations (see Section 3.2 of - Plan J-<i>Mine Rehabilitation and Closure Management Plan</i> submitted as part of the EIA report ), supplemented as appropriate with North American [2] mine closure guidance.</p> <p>The following BREF documents are of particular relevance for this Project and its provisions have been included in the <i>Mine Rehabilitation and Closure Management Plan</i> design:</p> <ul style="list-style-type: none"> <li>▪ the Best Available Techniques for Management of Tailings and Waste-Rock in Mining Activities [3];</li> <li>▪ the Integrated Pollution Prevention and Control (IPPC) Reference Document on Best Available Techniques in the Non Ferrous Metals Industries [4] on certain aspects of water treatment;</li> <li>▪ the PIRAMID Guidelines [5] for semi-passive water treatment;</li> <li>▪ IPPC Reference Document "General Principles of Monitoring"[6].</li> </ul> <p>The project fully complies with the EU Mine Waste Directive 2006/21/EC and other international standards.</p> <p>Water treatment plants (passive systems with conventional plant as backup) will be operating as long as the effluents do not meet the standards of NTPA 001/2002.</p>
<b>Solution</b>	<p>The TMF and all other extractive waste facilities will be designed and built according to internationally accepted safety standards which guarantee that also in the long-term no threat exists for humans and the environment.</p> <p>The environmental monitoring program complies with the EU BREF Document "Principles of Monitoring" (July 2003), and will be carried out as long as needed to ensure the long-term safety of the site. Environmental monitoring (consisting of physical stability monitoring, chemical stability monitoring, and biological monitoring) will be conducted during the construction, operations, and decommissioning and closure phases of the Roşia Montană Project. An overview of the monitoring during the closure phase is provided in Plan J - <i>Mine Rehabilitation and Closure Management Plan</i>.</p> <p>Long-term policies and the sustainability principle are integral part of the Roşia Montană Project. Important aspects of long-term stability are the safety of the waste facilities (especially the TMF) and water treatment. Both aspects have been addressed in detail in the EIA and the Management Plans.</p> <p><b>References:</b></p> <p>[1] Government of Romania, op. cit.</p> <p>[2] Province of Ontario (Canada), op. cit.</p> <p>[3] Best Available Techniques for Management of Tailings and Waste-Rock in Mining Activities. EUROPEAN COMMISSION, DIRECTORATE-GENERAL JRC JOINT RESEARCH CENTRE, Institute for Prospective Technological Studies, Technologies for Sustainable Development, European IPPC Bureau,</p>

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Final Report, July 2004 (<http://eippcb.jrc.es/pages/FActivities.htm>).

[4] Integrated Pollution Prevention and Control (IPPC) Reference Document on Best Available Techniques in the Non Ferrous Metals Industries, European IPPC Bureau, Seville/Spain, December 2001.

[5] PIRAMID Consortium, 2003. Engineering Guidelines for the Passive Remediation of Acidic and/or Metalliferous Mine Drainage and Similar Wastewaters. European Commission 5<sup>th</sup> Framework Programme, 151 p.

[6] European Commission (2003): Integrated Pollution Prevention and Control (IPPC) - Reference Document on the General principles of Monitoring, July 2003.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	749
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109706/21.08.2006 and No. 75023/21.08.2006
RMGC internal unique code	MMGA_1536
Proposal	<p>the Risk of bankruptcy during mining - the Romanian State is not responsible if something like this happens, but it will need to pay for the damages</p> <p>RMGC—not the Romanian state—will pay for any liabilities of the Roșia Montană Project. The current projected closure cost for Roșia Montană is US \$76 million to be paid by RMGC, which is based on the mine operating for its full 16-year lifespan. An Environmental Financial Guarantee (EFG) as required by the Romanian Mining Law and the EU Mine Waste Directive will be in place before any liability is incurred. The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003). Two directives issued by the European Union also impact the EFG: the Mine Waste Directive (“MWD”) and the Environmental Liability Directive (“ELD”).</p> <p>The Mine Waste Directive aims to ensure that coverage is available for 1) all the obligations connected to the permit granted for the disposal of waste material resulting from mining activities and 2) all of the costs related to the rehabilitation of the land affected by a waste facility. The Environmental Liability Directive regulates the remedies, and measures to be taken by the environmental authorities, in the event of environmental damage created by mining operations, with the goal of ensuring adequate financial resources are available from the operators for environmental cleanup efforts. While these directives have yet to be transposed by the Romanian Government, the deadlines for implementing their enforcement mechanisms are 30 April 2007 (ELD) and 1 May 2008 (MWD) – thus before operations are scheduled to begin at Roșia Montană.</p> <p>RMGC has already begun the process of complying with these directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.</p>
Solution	<p>There are two separate and distinct EFGs under Romanian law.</p> <p>The first, which is updated annually, focuses on covering the projected reclamation costs associated with the operations of the mine in the following year. These costs are of no less than 1.5 percent per year, of total costs, reflective of annual work commitments.</p> <p>The second, also updated annually, sets out the projected costs of the eventual closure of the Roșia Montană mine. The amount of the EFG to cover the final environmental rehabilitation is determined as an annual quota of the value of the environmental rehabilitation works provided within the monitoring program for the post-closure environmental elements. Such program is part of the Technical Program for Mine Closure, a document to be approved by the National Agency for Mineral Resources (“NAMR”).</p> <p>Each EFG will follow detailed guidelines generated by the World Bank and the International Council on Mining and Metals.</p> <p>The annual updates to the EFG will be completed by independent experts, carried out in consultation with the NAMR, as the Governmental authority competent in mining activities field. These updates will ensure that in the unlikely event of early closure of the project, at any point in time, each EFG will always reflect the costs associated with reclamation. (These annual updates will result in an estimate that exceeds our current US \$76 million costs of closure, because some reclamation activity is incorporated into the routine operations of the mine).</p>

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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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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	750
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109707/21.08.2006 and No. 75024/21.08.2006
RMGC internal unique code	MMGA_1540

**Proposal** What will it happen if, due to negative economic circumstances, the life time of the mine will shorten?

In this case the mine will either prematurely close or will be temporarily closed until the economic circumstances have improved again.

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

Yet we recognize that with a project as large as that being undertaken at Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers, and there will be no financial impact on the company, thus we would not expect any hypothetical temporary closure to result in a long-term closure.

RMGC also 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.

**Solution** 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



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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.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	750
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109707/21.08.2006 and No. 75024/21.08.2006
RMGC internal unique code	MMGA_1544
Proposal	<p>How long will RMGC keep active the acidic waters treatment plants (how much is it willing to spend after the closure of the activity) and how long will it monitor the waters after the passive treatment plants will start operating (which are not enough tested and their size is mostly empirical)?</p>
Solution	<p>The period of operation of the treatment plant depends on how long effluent concentrations are above the Romanian discharge standards (NTPA 001/2002), not by RMGC's willingness. Time estimates for the duration of water treatment and Monitoring have been made in Sections 4.7 and 9 of Plan J (Mine Closure and Environmental Rehabilitation Management Plan), respectively.</p> <p>The monitoring of effluents of RMGC follows the principles set out in the EU BREF Document on General Principles of Monitoring (IPPC Bureau, Seville, July 2003). Monitoring and water treatment will continue for several decades.</p> <p>The approach used in the EIA to estimate the time, was conservative. It over-estimates the time needed for the ARD water to improve in quality and render it amenable to semi-passive treatment in the lagoons provided in the area downstream from the Cetate dam and eventually reach an acceptable quality so that it can be discharged into the environment without further treatment. Nevertheless, for the purpose of the EIA the conservative approach is retained, i.e., that further treatment is required.</p> <p>In order to understand better the potential of ARD generation, in 2004 RMGC started a research program of assessing waste rock ARD potential. RMGC will fund research programs for future technological processes for semi-passive/passive treatment systems. During the project's operational phase RMGC will construct semi-passive lagoons for testing and optimizing the semi-passive treatment process, in order to achieve designed criteria to comply NTPA 001/05 discharge limit for post closure phase.</p> <p>A conventional treatment plant will be in place as backup in case the passive system does not achieve the effluent limits. The monitoring of the effluents will continue as long as water treatment is needed, to ensure that the effluent standards are met.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	750
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 109707/21.08.2006 and No. 75024/21.08.2006
RMGC internal unique code	MMGA_1545
Proposal	<p>Who will be in charge with the rehabilitation and monitoring issues for the environment during the post-closure phase (RMGC itself or will it contract an experienced and specialized company)?</p> <p>In general terms, the monitoring program of the Roşia Montană Project will be carried out according to the Best Practice described in the IPPC Reference Document [1] "General Principle of Monitoring"[1].</p> <p>There are several provisions in the EU and the Romanian relevant legislation regarding to mining sector which are stipulating very clear the responsibilities for post closure monitoring, are the responsibility of the title holder/operator, which is Roşia Montană Gold Corporation.</p> <p>The provision of the Romanian <b>Mining law 85/2003</b> for the above mentioned aspects are as follows: CHAPTER IV RIGHTS AND OBLIGATIONS OF THE TITLE HOLDER, ART. 39 - (1) The Titleholder of the license/permit has the following obligations:(p) <i>To carry out upon termination of the concession the works for care and maintenance/closure of the mine/quarry, as the case may be, including the Post-closure Monitoring Program, according to the activity cessation plan.</i></p> <p>CHAPTER VII CLOSURE OF MINES ART. 53 - (1) The responsibility to monitor the obligations resulted from the closure plan of a mine or quarry belongs to the Competent Authority. For the national companies and societies, such monitoring will be done in conjunction with the line Ministry. (2) <i>During the implementation of a mine or quarry closure plan, the titleholder must satisfy the conditions and requirements of all the legal authorities that approved the closure plan.</i> (3) <i>Implementation of the Post-closure Monitoring Program shall be made by the Title Holder at its own cost; in the case of national mining companies and societies, the Post-closure Monitoring Program shall be made by the line Ministry, through its specialized directorates, with funds from the State budget.</i></p> <p>The provision of the <b>EU Directive for extractive waste 2006/21/EC</b> are as follows: An after-closure period for monitoring and control of Category A waste facilities will be laid down proportionate to the risk posed by the individual waste facility, in a fashion similar to the requirements of the EU 2006/21/EEC Directive [2]- Article 12, point 4, <i>"The operator shall be responsible for the maintenance, monitoring, control and corrective measures in the after closure phase for as long as may be required by the competent authority, taking into account the nature and duration of the hazard, save where the competent authority decides to take over such tasks from the operator, after a waste facility has been finally closed and without prejudice to any national or Community legislation governing the liability of the waste holder"</i>.</p> <p><b>References:</b> [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 (<a href="http://eippcb.jrc.es/pages/FActivities.htm">http://eippcb.jrc.es/pages/FActivities.htm</a>). [2] DIRECTIVE 2006/21/EC the management of waste from extractive industries.</p>
Solution	

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	892
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 110082/22.08.2006 and No. 75169/23.08.2006
RMGC internal unique code	MMGA_1553
Proposal	<p>- The EIA Report contains an obvious inconsistency between the overall costs for closure and the real costs required (USD 70,789,884 in comparison to the real costs of approximately, over 2 billion dollars).</p> <p>The figure of US \$768 million is both unsubstantiated and implausibly high. 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.</p> <p>Closure and rehabilitation at Roşia Montană involves the following measures:</p> <ul style="list-style-type: none"> <li>• Covering and vegetating the waste dumps as far as they are not backfilled into the open pits;</li> <li>• Backfilling the open pits, except Cetate pit, which will be flooded to form a lake;</li> <li>• Covering and vegetating the tailings pond and its dam areas;</li> <li>• Dismantling of disused production facilities and revegetation of the cleaned-up areas;</li> <li>• 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;</li> <li>• 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.</li> </ul>
Solution	<p>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.</p> <p>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.</p> <p>We believe that—far from being too low—our cost estimates are evidence of our high level of commitment to closure and rehabilitation. Just as a comparison, the world's largest gold producer has set aside US \$683 million (as of December 31, 2006) for the rehabilitation of 27 operations, which equates to US \$25 million on average per mine. The RMGC closure cost estimates, recently revised upward from the US \$73 million reported in the EIA based on additional information, currently total US \$76 million.</p>

Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	893
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 110081/22.08.2006 and No. 75170/23.08.2006
RMGC internal unique code	MMGA_1565
Proposal	-What will it happen should the Project gets closed down before the term expires? What will it happen to the area, who's going to rehabilitate it, using what finances?
Solution	<p>RMGC is also committed to maintaining the highest standards of occupational health and safety for its employees and service providers. Our utilization of Best Available Techniques helps us to ensure this goal is achieved. No organization gains from a loss, and to that end we will work to implement engineering solutions to risk, as they are far superior to insurance solutions to risk. Up to 75% of loss risk can be removed during the design and construction phase of a project.</p> <p>Yet we recognize that with a project as large as that being undertaken at Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers, and there will be no financial impact on the company, thus we would not expect any hypothetical temporary closure to result in a long-term closure.</p> <p>RMGC also 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>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”).</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. 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</p>

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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.

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Domain	CLOSURE
MMDD's item no. for the question which includes the observation identified by the RMGC internal code	893
MMDD's identification no. for the question which includes the observation identified by the RMGC internal code	No. 110081/22.08.2006 and No. 75170/23.08.2006
RMGC internal unique code	MMGA_1566
Proposal	<p>- Should RMGC fail as a company, what will it happen to: the plant site, the tailings stockpiles and cyanide, their supervision, impacted area? Who will cover the costs?</p>
Solution	<p>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.</p> <p>RMGC is also committed to maintaining the highest standards of occupational health and safety for its employees and service providers. Our utilization of Best Available Techniques helps us to ensure this goal is achieved. No organization gains from a loss, and to that end we will work to implement engineering solutions to risk, as they are far superior to insurance solutions to risk. Up to 75% of loss risk can be removed during the design and construction phase of a project.</p> <p>Yet we recognize that with a project as large as that being undertaken at Roşia Montană, there is a need to hold comprehensive insurance policies (such policies are also a prerequisite for securing financing from lending institutions). Core coverage includes property, liability, and special purpose (e.g. delayed start up, transportation, non-owned). Thus in the event of legitimate claims against the company, these claims will be paid out by our insurers, and there will be no financial impact on the company, thus we would not expect any hypothetical temporary closure to result in a long-term closure.</p> <p>RMGC also 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>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").</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>

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