How will local investors be encouraged?

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

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

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

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

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
She has submitted at the secretary the document called “Sustainable development alternative to mining at Rosia Montana – An analysis of resources and elements of strategy”, author: Sorana Olaru – Zainescu. Please find the document enclosed in copy.

We appreciate the effort put into this study and the indication it gives that the NGO Alburnus Major is seeking to invest resources in the actual development of the Roşia Montană area rather than simply opposing the Roşia Montană project (RMP). However, we believe that the study in large part effectively confirms the results of the baseline studies performed as part of the Environmental Impact Assessment study report (EIA) for the RMP, which show that the current poor environmental and social conditions in the region point to mining as the best short-term solution for economic development in Roşia Montană.

Although we agree with many of the implications of this study, we cannot agree that “The presence of the Canadian investors in the area has created a trend against development by means other than mining, such as agro tourism, ecotourism, farming or traditional crafts.” This is simply not true. Similarly, we strongly disagree with the statement that “The people in Roşia Montană do not trust development alternative to mining due to pressure from the Canadian investors.” The people of Roşia Montană have had the benefit of an extensive public consultation process and continued consultation with stakeholders. We also disagree with the claim, that “Many of the inhabitants do not have access to information about the project other than through the Roşia Montană Gold Corporation (RMGC) Community Information Centre.” Even if this were true, that would be the fault of NGOs opposed to the Project, not RMGC.

RMP covers only 25% of Roşia Montană, and the prohibition of other types of economic activity only covers this section of the commune. The remaining 75% of Roşia Montană is free from any prohibitions as a result of the mining project. Indeed, the RMP expects to generate about 6000 jobs indirectly, as well as jobs generated directly from employment at the mine.

During 2002, a General Urbanism Plan (PUG) was prepared for the entire Roşia Montană commune. This changed the PUG prepared during 2000 in order to incorporate a protected zone that includes houses important to cultural patrimony. The boundaries of the industrial zone were established based on a scientific analysis conducted to outline the areas requiring special protection.

The Alburnus Maior study notes that the infrastructure of the region for tourism is currently poor, with the absence of accommodation, restaurants, a limited running water system in the commune, and a connection to the national natural gas pipelines, and acknowledged high levels of pollution. This is generally consistent with the EIA report, which indicates that the existing baseline conditions are characterized by widespread water pollution and the presence of large areas of derelict mined land and waste heaps. This presents a serious impediment to development other than that proposed under the RMP. Ecological rehabilitation of the area would be very expensive (about 22 million Euros) and certainly beyond the means of the local community.

Chapter 5 of the EIA Report (Assessment of the Alternatives) examines alternative options for the RMP including the “no-project” option. The EIA considered alternative developments that include agriculture, grazing, meat processing, tourism, forestry and forest products, cottage industries, and flora/fauna gathering for pharmaceutical purposes. It concluded that none of these industries could provide the economic stimulus to assure sustainable prosperity for local communities as is forecast for the Project. However, it also noted that the RMP would not halt development of alternative industries in parallel and would indeed remove some of the current obstacles for sustainable development, such as pollution and
land dereliction. The RMP would therefore support the community’s initiatives to develop industries other than mining and this is central to the Community Sustainable Development Management Plan included in the EIA report.

Thus, with the infrastructure investment the RMP will bring, we believe that Roşia Montană could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de Aries as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, after the completion of the EIA study. This study and the present one, “Sustainable development alternative to mining at Roşia Montană – An analysis of resources and elements of strategy”, by Sorana Olaru-Zainescu report were not available when the EIA was prepared.

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

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

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

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

A mining project such as the one RMGC proposes would provide, through its general economic activity and through taxes, the necessary funds to improve the infrastructure. Over the life of the Project, RMGC expects to pay about $32 million in taxes to the local commune – a figure far greater than would be generated from tourism in that time given the current lack of tourist infrastructure. To date, the company has also spent approximately US$10 million to develop the most extensive archaeological research and development program of Roşia Montană Historic Area, so as to preserve and develop the archaeological and cultural-architectonical potential.

Through the RMP and its heritage management plans, the Company will invest US$25 million to support tourism. A training program will provide the necessary skills to develop tourist activities and Roşia Montană Microcredit will support people in starting businesses such as pensions and restaurants necessary to attract tourists. At the end of the project, there will be a new village, plus the restored historical center of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleştii) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
An analysis of the alternative economic activities at Rosia Monatana and neighboring areas;

Proposal

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

Information on current industries, such as agriculture and tourism is also provided in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Plan L - Community Sustainable Development Management Plan. This information was presented primarily so that an assessment could be completed on the potential effects of the proposed project on these industries. A detailed analysis of the potential for alternate businesses to develop in absence of the project is not normally undertaken under EU regulations or International guidelines. If the project is not developed it should not have any effect on alternate businesses.

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

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

"From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$ 25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monulești) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth." (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

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

This report concludes that:

"[…] tourist development could be pursued even in the absence of renewed mining, based simply upon the existing potential attractions. In the latter case however, financial support would have to be generated entirely through European Union (EU) funding, national government budgets, and private sector enterprises. Works based upon these funding sources would necessarily be promoted and undertaken by governmental agencies at levels ranging from local to national."
Much development work in Cluj-Napoca and Alba Iulia (and possibly Deva) will also be needed as we consider that these ‘gateway’ towns will have to serve as tourist attractions in their own rights, especially with regard to international tourism, and offer appropriate accommodation and other facilities for tourists. One questions how successful a tourism development in Rośia Montană would be unless it was supported by parallel development in Cluj-Napoca and Alba Iulia.

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

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

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

A very real danger to this scenario is simply that it is difficult to envisage this as anything except a more-or-less one-off capital investment in one or more individual projects. A one off or even a few limited capital investments are not likely to generate any longer-term, sustainable conservation or restoration of the heritage assets, rather remaining as a short term fix leading to even greater longer-term problems.”

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

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**Proposal**

An assessment of the potential incomes generated by tourism at Rosia Montana in case the project will not be achieved.

**Solution**

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

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
The questioner makes the following remarks and comments on sustainable development: Sustainable development means that the future generations must benefit from the development the natural resources, but this project will end faster than a single generation and consequently it is not the case of sustainable development.

The understanding advanced by the questioner defines “sustainable development” in a way that would make any non-renewable resource development impossible.

The end state is not for the same economic activity to proceed eternally, but for development of the present not to impair economic development of the future.

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

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

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

1. Five Capitals of Sustainable Development

Financial Capital

Economic Development Impact, fiscal management, taxes
- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US$ 1 billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US$ 1.5 billion procuring goods & services. US$ 400 million during construction (2 years) and US$ 1.1 billion during production, from Romania (16 years)

To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:
- The set up of a micro-credit finance facility in the area to allow access to affordable financing
- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP
but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs,

**Physical Capital**

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

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

**Human Capital**

**Health and education**

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

**Social Capital**

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

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

**Natural Capital**

Landscape, biodiversity, water quality, ecosystems

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

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

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

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

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

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

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

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

References:
[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.
[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.
Where is the principle of sustainable development? This principle states that any investment must be implemented for at least 50 years. The mining operation from Rosia Montana may last between 6 and 11 years.

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

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

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

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

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To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:
- The set up of a micro-credit finance facility in the area to allow access to affordable financing
- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs.

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

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Social Capital
Skills training, community relationships and social networks and the institutional capacity to support them, preservation of cultural patrimony
- Efforts to develop and promote Roşia Montană’s cultural heritage for both locals and tourism – RMGC is a partner in the Roşia Montană Cultural Heritage Partnership (info@rmchp.ro)
- Providing adult education opportunities and skills enhancement including training programs, funds and scholarships, to increase employment chances both direct with RMGC and indirect – RMGC is a partner in the Roşia Montană Professional and Vocational Program (info@rmptv.p.ro)
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Natural Capital
Landscape, biodiversity, water quality, ecosystems
- Measures contained in the RMP management plans and SOPs will result in mitigation of environmental impacts and conditions as identified in the EIA.
- The improved environmental condition will enhance the quality of life in Roşia Montană.
- Training & assistance in integrating environmental considerations into business plans.
- Awareness-building regarding positive environmental performance of business activities.
- Environmental standards associated with loans through the micro-credit finance facility including monitoring of environmental performance.
- Business Code of Conduct requiring suppliers to RMP to comply with RMGC’s environmental performance standards.

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

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

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

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

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

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

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Proposal

How many jobs from those 1200 will be for Romanians?

Solution

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

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

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

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

References:

Proposal

What will happen with the young miners after 14 years when they will reach the age of 30 or 40, what will they do after Project’s closure? Will they perform tourism and agriculture or not? 3. Why isn’t this possible now, and it will be possible then?

Solution

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

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

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

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. It is hoped that, under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

RMGC established Roșia Montană MicroCredit in January 2007, as “IFN Gabriel Finance” SA, to encourage the local investors. This micro lender is designed to provide funding and necessary resources to the people of Roșia Montană, Abrud, Câmpeni and Bucium. The objective is supporting local people in establishing small businesses or expanding existing ones.
The RMP closure plan is also designed to return the site to productive public use.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
The questioner wants to know how he can obtain a job for his son.

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

Please contact the RMGC’s representatives:
- at the Rosia Montana office phone number: 0258 783014,
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- Tiberiu Mera at ph.no.:0729 399430; email address: tiberiu.mera@rmgc.ro,
- Raul Gomboș at ph.no.: 0729 399428; email address: raul.gomboș@rmgc.ro

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
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<th>Domain</th>
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<td>MMDD’s item no. for the question which includes the observation identified by the RMGC internal code</td>
<td>32</td>
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<tr>
<td>MMDD’s identification no. for the question which includes the observation identified by the RMGC internal code</td>
<td>Rosia Montana, 24.07.2006</td>
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<td>RMGC internal unique code</td>
<td>MMGA_0119</td>
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**Proposal**

How the unemployment issue will be resolved with those 500 employees brought in by RMGC? Is the local workforce not needed?

Roşia Montană Gold Corporation (RMGC) is currently the Roşia Montană area’s largest employer, and the number of jobs provided will increase as the project is developed.

RMGC will not bring employees from somewhere else; it counts on the local workforce. During the 16 years of operations the Roşia Montană Project (RMP) will require 634 jobs (direct employment including contracted employment for cleaning, security, transportation, and other). It is expected that the majority of these jobs will be sourced locally, from the project impacted area [1].

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

**Solution**

RMGC currently employs 471 people of whom more than 80% are from Roşia Montană, Abrud, Câmpeni and Bucium. The RMP will create an average of 1,200 jobs during the 2 year construction period. It is expected that most of these positions will be sourced locally, from the project impacted area.

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

**References:**

### Proposal

What is the development strategy for the area and for the economy during the mine’s post closure phase?

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

Please note that according to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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

One of the most important sides of development is community and local authorities capacity building and development.

### Solution

Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. Under the auspices of the United Nation Development Plan (UNDP), a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

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

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

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
The local impacted young people should be taken into account when employment is offered.

Roția Montană gold Corporation (RMGC) actively encourages young people to apply for the jobs offered by RMGC.

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

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

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

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

References:
The questioner supports the project and believes that as long as RMGC complies with the law there are no reasons for concern, especially because the Project provides job opportunities.

Thank you for your support.

The initiation, promoting and development of the project proposed by Roşia Montană Gold Corporation (RMGC) can be made only with the observance of the applicable legal provisions. Indeed, RMGC is committed, even in the early stages of design and development to comply with the Romanian legislation, the European Union (EU) directives and the International Guides and Recommendations, while Best Available Techniques (BAT) and Best Management Practice (BMP) were used to design the Rosia Montana Project (RMP).

The environmental impact assessment procedure is a transparent procedure in which both the relevant environmental authority and the project’s titleholder are obliged to inform the interested parties, inclusively the Technical Analysis Commission and the public, in regard of the aspects related to the fulfillment of the mandatory stages for the obtaining of the environmental approval.

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

As for local economic impact, RMP will create an average of 1,200 jobs during the 2 year construction period. It is expected that the majority of these positions will be sourced locally, from the project impacted area.

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

The project will also result in the creation of approximately 6000 indirect employment opportunities locally, regionally and nationally.[1]

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

References:
[1] Roşia Montană Project, Environmental Impact Assessment Study Report (EIA), Non Technical Summary, vol.19, pp.7 identifies 5500 as the numbers of indirect jobs. With inclusion of additional hiring for contracted employment for cleaning, security, transportation, and other, direct employment is 634 and indirect 6000.
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<tr>
<td><strong>Proposal</strong></td>
<td>RMGC must think to a way of investing in the area, so as none of the people who have received their money would not leave away.</td>
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<tr>
<td><strong>Solution</strong></td>
<td>People can decide from themselves if they choose to leave or to stay in the area, but as an incentive to stay, Roșia Montană Gold Corporation (RMGC) encourages people to resettle to Piatra Albă, where a modern new village will be built.</td>
</tr>
<tr>
<td>RMGC will pay 25% of the total costs of the construction of the house for people who want a new house at Piatra Albă and the owner will pay for the remaining 75%; RMGC is committed, through the purchase-selling/exchange agreements to provide one job for each household during the construction phase of the mine.</td>
<td></td>
</tr>
<tr>
<td><strong>The injection of investment into the area, if handled correctly, should stimulate other development. RMGC is committed to promoting long term development opportunities as part of the sustainable development plan.</strong></td>
<td></td>
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</table>
**Proposal**

The questioner asks for the support of the company for an animal shelter that exists in Abrud, but needs improvements.

**Solution**

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

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
Is RMGC going to hire the people from Rosiamin who have been dismissed?

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

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

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

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

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For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project.
References:
Roşia Montană Project, Environmental Impact Assessment Study Report (EIA), Non Technical Summary, vol.19, pp.7 With inclusion of additional hiring for contracted employment for cleaning, security, transportation, and other, direct employment is 634.
The questioner accuses the titleholder that is lying, because the economic, social, and environmental issues will not be resolved.

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

As the statement of the attendant to the public consultations (i) refers to the alleged lies of the titleholder, without containing any specific indications on the alleged facts, and (ii) identifies and specifies no problems in regard of the project initiated by Roşia Montană Gold Corporation (RMGC), subject to the environmental impact assessment procedure, RMGC is not in position to answer and has not the capacity to make any comments to this end.

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

Roşia Montană Gold Corporation (RMGC) is committed to doing all it can to address and improve all economic, social and environmental issues related to the project. This commitment is identified in the Environmental Impact Assessment Study Report (EIA). In the spirit of dialogue and commitment to improvement, the company is always happy to discuss any specific issues that the questioner might have.

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

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

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

1. **Five Capitals of Sustainable Development**

**Financial Capital**

Economic Development Impact, fiscal management, taxes
Average of 1200 jobs during construction over 2 years, the majority of which sourced locally

- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US$ 1 billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US$ 1.5 billion procuring goods & services. US$ 400 million during construction (2 years) and US$ 1.1 billion during production, from Romania (16 years)

To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:
- The set up of a micro-credit finance facility in the area to allow access to affordable financing
- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs,

**Physical Capital**

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

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

**Human Capital**

Health and education

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

**Social Capital**

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

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

**Natural Capital**

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

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

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

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

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

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

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

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

References:
[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.
[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.
What will happen with the population after those 15-17 years of project’s lifetime, what will the means of living be?

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

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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Proposal

If the same importance will be granted to agriculture, tourism and mining a good thing would come up
from Apuseni Mountains. If sport and tourism was performed, why isn’t now possible to develop these
activities? Because the funds provided by the EU have been rejected. And neither the Academy nor the
Church has rejected them, but ill will people.

Solution

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

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

The company is committed to promoting long term development opportunities as part of the sustainable
development plan. Under the auspices of the United Nations Development Program (UNDP), a number of
working groups will be established one of which will be assigned the task of exploring development
opportunities. These working groups will be made up of Government, community representatives and
Roşia Montană Gold Corporation (RMGC). The working groups will welcome suggestions and
contributions from all interested parties.

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project
– annex 4.
The Community Sustainable Development Plan has no author, although it is a very important plan. At page 66 of this plan it is mentioned an independent study on Rosia Montana tourism. He would like to know who prepared this study and where this person can be found and consulted because during presentation of conclusions – presented more like some value judgments – no references have been mentioned.

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


Since then two additional relevant studies were produced: “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de Arieş as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the Ministry of Environment and Water Management.

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

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

References:
Who has prepared the tourism plan? The conclusions are merely some value judgments and no reference is made to bibliographical sources.


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Roşia Montană Gold Corporation (RMGC) has commissioned a Tourism Strategy which sets out how the potential tourism markets and how these might best be approached in an integrated project (see Annex Roşia Montană Tourism Strategy Gifford Report 13658.R01).
What will the titleholders intend to do for locals from Rosia Montana and neighboring areas, after they leave for Canada, after 14 years respectively?

**Proposal**

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

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Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

In order to spark additional Romanian economic development, RMGC established Roşia Montană MicroCredit in January 2007, as “IFN Gabriel Finance” SA, to encourage the local investors. This micro lender is designed to provide funding and necessary resources to the people of Roşia Montană, Abrud, Câmpeni and Bucium. The objective is supporting local people in establishing small businesses or expanding existing ones.

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

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

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

| MMDD's item no. for the question which includes the observation identified by the RMGC internal code | 87 |
| 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_0218 |

Proposal

Greenpeace encourages sustainable development, and admits that Apuseni Mountains and Rosia Montana area have an extraordinary tourism potential. Here tourism and agriculture may be performed and Greenpeace encourages locals to do that.

We agree with Greenpeace about the tourism potential of the area, but the first step would be finding out what the Rožia Montană community really wants and how to profitably use the potential. If the community is interested in tourism or agriculture, Rožia Montană Gold Corporation (RMGC) will support them, working in partnership with the community.

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

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

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the Rožia Montană Project (RMP) and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Rožia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Rožia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tau Gauri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth” (see Rožia Montană Initial Tourism Proposals Gifford Report 13658.R01).

Solution

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

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

Access for farm machinery is severely limited due to the terrain and most work is done by hand with transport by horse drawn cart. No synthetic fertilizers or sprays are used, largely due to the impracticality of their application.
A mining project, as it is the one proposed by RMGC, will provide, through taxes, the necessary funds to improve the infrastructure. Until the mine is closed, RMGC is ready to invest US$25 million in the protection of cultural heritage in such a way that will support tourism, given that the community wants this.

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

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

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

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

Overall, the presence of the RMP as a major investment will improve the area’s economic climate, encouraging and promoting the development of non-mining activities. It is expected that the improved investment and economic climate will lead to business opportunities that can develop concurrent with the RMP.

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

CSDP

Proposal

The questioner would like to know whether tourism may be developed together with the mining project.

Solution

Yes, the development of Roşia Montană’s tourism potential can be done in parallel with active mining operations.

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

As the Roşia Montană Project (RMP) affects only 4 of Roşia Montană’s 16 sub-comuna, tourism could be developed in many centers in the Apuseni Mountains regardless of the RMP. With the infrastructure investment, RMP will bring, Roşia Montană could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de Arieş as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the Ministry of Environment and Water Management (MMGA).

RMGC has also commissioned a study, which sets out how the potential tourism markets and how these might best be approached in an integrated project.

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$ 25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tâul Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth” (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
The questioner wants to learn if there are any financings provided by the company to Small and Medium Enterprises and for young people.

Yes, there are.

Roşia Montană Gold Corporation (RMGC) established Roşia Montană MicroCredit facility under the name of “IFN Gabriel Finance” S.A. in January 2007 to encourage local investors. This micro lender is designed to provide funding and necessary resources to the people of Roşia Montană, Abrud, Câmpeni and Bucium. The objective is supporting local people in establishing small businesses or expanding existing ones. Information regarding this scheme can be obtained in Abrud, at “IFN Gabriel Finance” S.A., the Roşia Montană MicroCredit office, 2 Horea Str. ph. no.: 0258 780 116; fax no.: 0258780112; aneta.nascu@rmgc.ro and simona.gligor@rmgc.ro.

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

Pentru mai multe informaţii, vă rugăm consultaţi anexa 4 – Roşia Montană Dezvoltarea Durabilă și proiectul Roşia Montană.
The questioner makes the following comments: In 2002, together with his family, the questioner tried to open a tourist pension. Since then, because of RMGC, the Local Council won’t grant them the construction permit and the company claims that tourism can be performed in the area. How tourism can be performed if RMGC intends to extract the gold by using cyanide?

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

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

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

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

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

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

Finally, in terms of the use of cyanide in extraction and its compatibility with tourism, cyanide ppm at the Marta Mine, Waihi, New Zealand, is above 150 ppm – compared to the projected 5 to 7 parts per million.
(ppm) in the Roșia Montană Project. Given Waihi's popularity with tourists, there is no impediment.

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

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
The questioner would like to know that after initiation of construction, contractors that will come in the area will have their own employees or locals will be hired by those companies.

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

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

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

CSDP

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

100

**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_0228

**Proposal**

Will trainings be organized for the young people of Campeni?

Yes, young people from Câmpeni can enlist for the professional training courses that we provide for the community.

A Human Resources Office set up by Roşia Montană Gold Corporation (RMGC) is located in Câmpeni at Culture House Avram Iancu, Cinema entrance, Wednesdays, from 10:30 to 14:00 (the contact person is Mera Tiberiu, ph.no.:0729 399430; e-mail address: tiberiu.mera@rmgc.ro). This office is the main source of information regarding the Professional Training Program. It also keeps a database of the names of all people interested in acquiring professional training in one of the fields for which training is available and provides information about the training opportunities and the conditions required for registration. These courses are free of charge, and the criteria required to become eligible are: the minimum educational level; the documentation for registration and the applicant’s general health.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
The company claims that over 600 direct jobs will be created and 1200 jobs for rehabilitation period and indirectly other 6,000 jobs. For how long will they exist?

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

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

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

References:
Domain | CSDP
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MMDD’s item no. for the question which includes the observation identified by the RMGC internal code | 104

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_0240

Proposal | How many citizens of Campeni will work for the company?

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

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

The questioner makes the following comments and remarks: The unemployment rate is high at Rosia Montana.

**Solution**

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
Why the Environmental Impact Assessment doesn’t include an assessment of the alternative economic activities? What can be done with those lakes and with the archaeological sites? If the Romanian state helped in the preparation of an alternative plan and a different urbanism plan, many things could be done at Rosia Montana.

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

Information on current industries, such as agriculture and tourism is provided in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Plan L - Community Sustainable Development Management Plan. This information was presented primarily so that an assessment could be completed on the potential effects of the proposed project on these industries. A detailed analysis of the potential for alternate businesses to develop in absence of the project is not normally undertaken under European Union (EU) regulations or International guidelines. If the project is not developed it should not have any effect on alternate businesses.

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

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

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

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

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

"From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the Roşia Montană Project (RMP) and its heritage management plans, US$ 25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia
Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monulești) and preserved monuments such as the one from Tâu Gâuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth. (See Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

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

This report concludes that:

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

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

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

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

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

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

References:
The questioner makes the following remarks and comments: EIA presents a series of inconsistencies such as, for example, those related to the community sustainable development plan and

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

As the statement of the attendant to the public consultations (i) refers to the existence of some so-called inconsistencies in the Environmental Impact Assessment Report Study (EIA), without containing any specific indications, and (ii) identifies and specifies no problems in regard of the project initiated by Roşia Montana Gold Corporation (RMGC), subject to the environmental impact assessment procedure, RMGC is not in position to answer and has not the capacity to make any comments to this end.

The environmental impact assessment process manages the complexity of large-project planning by identifying critical areas of reporting and information provision. Against the general complexity of an EIA, blanket claims of inconsistency cannot be evaluated.
The questioner wants to find out what will the company do in 14 years’ time, when the area’s tourist potential is going to be zero and the mining job opportunities will disappear?

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

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. It is hoped that, under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

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

RMGC has commissioned a study: Initial Tourism Proposals which sets out how the potential tourism markets and how these might best be approached in an integrated project (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

“As for expanding touristic potential, a mining project such as the one proposed by RMGC will provide, through taxes, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$ 25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană MicroCredit will support local investors in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored historical center of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions”.

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
The questioner asks RMGC to define the concept of sustainable development, taking into account that the mining operations will be completed in a short period of time, 10-17 years, and locals will have to develop alternative activities but without the current natural resources and ore deposits, as they are going to be depleted after the mining operation.

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

At the time of closure the company will do all it can for the existing workforce in providing assistance in finding alternative employment and would comply with legal requirements in this respect. According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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

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

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. It is hoped that, under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

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

The Roşia Montană Project (RMP) closure plan is also designed to return the site to productive public use. For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
At the end of the Rio Narcea project, the Spanish state will be involved in the establishment of the respective area as one with tourist potential. Does the company intend to get involved in such a project? If yes, exactly how?

First of all we would like to mention that the mining projects, generally speaking, are not similar. In this respect, art. 2 (31) of GEO no. 195/2005 on environment protection, which defines “environmental impact assessment” as “a process with the purpose to identify, describe and establish, depending on each specific case and in accordance with the enforceable legislation, a project direct, synergetic, cumulative, main and secondary effects on health and environment”.

Each project subject to the environment impact assessment has its own features and therefore the assessment is made for each specific case. Starting with the project classification within the environmental impact assessment based on art. 6 (5) of GD no. 918/2002 [1], “the relevant authority for environment protection shall decide on the need for environmental assessment by examining all projects, case by case […].”

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

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

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

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

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

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

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

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$ 25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth.”(See Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).

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

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

References:
[1] We mention that GD no.918/2002 was repealed by GD no.1213/2006 on the framework-procedure for environmental impact assessment for certain public and private projects, published in the Official Gazette, part I no.802 of 25/09/2006 (“GD no. 1213/2006”). However, considering the provisions of art. 29 in GD no. 1213/2006 specifying that “The project submitted to a relevant environment protection authority in order to obtain the environment approval and subject to the environmental impact assessment prior to this decision coming into force, shall be subject to the procedure for environmental impact assessment and issue of environment approval in force upon the submitting of the request” we mention that as regards RMGC project the provisions of GD no.918/2002 are still incident.
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**Proposal**

Would RMGC agree with the fact that 20 years from now, one could say “RMGC might symbolize the end of Rosia Montana mining industry”

**Solution**

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

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

Which is it going to be the economic and social impact on locals from Zlatna and neighbouring villages?

**Solution**

The increase in economic development because of the Roşia Montană Project (RMP) will have spin off benefits to towns and localities around Roşia Montană, including Zlatna.

It is true that most of the direct job opportunities for the RMP will be sourced locally (Roşia Montană, Abrud, Câmpeni). But the project will also result in the creation of approximately 6000 indirect employment opportunities, and the Zlatna community can benefit from them.

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

There is another positive economic impact related to the possible use of the Zlatna railway for the transportation of various items necessary for the development of the RMP.

RMGC will pay some US$ 1 billion in taxes, royalties and fees to Romanian local, regional and national government.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
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159

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_0338

Proposal

Will the young people in Zlatna have access to the jobs that the project generates?

Solution

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

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

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

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

References:

[1] Roşia Montană Project, Environmental Impact Assessment Study Report (EIA), Non Technical Summary, vol.19, pp.7 identifies 5500 as the numbers of indirect jobs. With inclusion of additional hiring for contracted employment for cleaning, security, transportation, and other, direct employment is 634 and indirect 6000.
The questioner makes the remark that out of EI A's 4000 pages only 4 pages are dedicated to the community's sustainable development. The questioner wants to know whether the company, throughout its 10 years of presence in Romania, has financially supported - "even with one dollar" – local projects dedicated to the development of the infrastructure, social services, communitarian services, professional training.

Roșia Montană Gold Corporation (RMGC) has supported with many dollars programs and initiatives that will support stable, sustainable development in Roșia Montană and in the region.

Even though RMGC has yet to mine one gram of gold, it has spent a lot of money on local projects dedicated to the development of the infrastructure, social services, communitarian services, professional training. For example, during the past year we paid US$ 341,000 for infrastructure in Abrud, US$ 208,000 for the Good Neighbor Program in Roșia Montană commune, and US$ 437,692 for the vocational training program.

In terms of overall economic impact, the Roșia Montană Project (RMP) will create an average of 1,200 jobs during the 2 year construction period. It is expected that the majority of these positions will be sourced locally, from the project impacted area, therefore they’ll be Romanian.

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

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

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

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

What new businesses develop will depend on market demand, the viability and feasibility of the business relative to the market, and the initiative of people in the community to develop those businesses. During the life of the mine RMGC is committed to a proactive campaign to create an enabling business environment promoting local sustainable development. Elements of this include: availability of affordable micro-financing, business incubator providing business advice, training & skills enhancement and education opportunities. The goal is to have established well before mine closure a robust economy not dependent on the mine able to continue following mine closure.

For more information, please see Roșia Montană Sustainable Development Programs and Partnerships annex 4.
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**Proposal:**

The questioner makes the following comments and remarks:

This activity will get to its end in several years: how much does the community pay and how much does it gain, if the investment is developed? The losses will be for sure larger than the benefits. Even if observing all the regulations, there it is going to be a severe pollution. Will the future price be worthwhile paying, for these 200-300 jobs?

In terms of economic benefit, we do not believe that the losses will be larger than the benefits for the community.

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

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

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

**Solution:**

We believe that bringing new economic opportunities to a community with 70% unemployment and improving residents’ health will have a major positive social impact. We also believe that it is important to note that our project will economically benefit România as a whole. In addition to the royalty the Romanian government will receive from the project, Roşia Montană Gold Corporation (RMGC) will infuse $ 2.5 billion USD into Romanian economy over the life of the mine. The injection of investment into the area, if handled correctly, should stimulate other development. RMGC is committed to promoting long term development opportunities as part of the sustainable development plan.

Finally, as the project employs modern mining practices designed to strict EU and international standards, RMP will in fact remediate historic pollution from poor past mining practices.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
If money will be invested in infrastructure, what will it bring in and for what will it be good for?

Improved infrastructure is a prerequisite for any successful development. Given the US$ 637 million cost of building the Roşia Montană Project (RMP), this includes roads, accommodations, water supply systems, sewerage, domestic waste services, electrical supplies, and so on.

Roşia Montană Gold Corporation (RMGC) will collaborate in a participatory process regarding community development issues with interested parties from the community and the authorities. This approach allows the community to own, direct and control all relevant development issues in a multi-stakeholder and integrated manner.

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

An improved infrastructure will encourage and support tourism activities.

RMGC has commissioned a study, which sets out how the potential tourism markets and how these might best be approached in an integrated project:

"From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$ 25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01)."

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

How many jobs will be when the activity starts? During the public debates, it was said that 500, 600, but on the company's site are mentioned 248 in the 8th year of mining operation, therefore making an arithmetical mean for the 15 operational years, it results 216 jobs. This is not a way to solve the issue of employment at Rosia Montana.

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

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

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

**Solution**

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

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

**References:**

Domain

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

225

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_0455

Proposals

The questioner makes the following comments and remarks: The questioner considers that people in Rosia Montana suffer because of the lies told by RMGC representatives and gives examples:

- at a public meeting, RMGC representative stated that they are going to finish with Rosia Montana in 10 years, with 500 workers that they will bring and that they won't need the working force from the locality or from the area.
- At the end of the same public meeting, RMGC stated that it isn't a benevolent institution to guarantee jobs to those 600 people who are working at Roșia Montana mining operation.

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

Solution

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

As the statement of the attendant to the public consultations (i) refers to the existence of alleged statements made by company representatives, and (ii) identifies and specifies no problems in regard of the project initiated by Roșia Montană Gold Corporation (RMGC), subject to the environmental impact assessment procedure, RMGC is not in position to answer and has not the capacity to make any comments to this end.

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

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

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

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

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

References:
At Rosia Montana the ore deposit contains 300 tons of gold and 1600 tons of silver. Experts say that all expenses (operational, transportation, wages, technology and so on) are going to be covered by 1600 tons of silver, and that means that 300 tons of gold are received by Gold as a substantial gift. Given these conditions, what is the salvation of Rosia Montana? How does Gold save Rosia Montana? Why does the Romanian Government believe that Gold is the saver of Rosia Montana?

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

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

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

In effect, the cost of developing the mine is a risk that RMGC will take on itself and its shareholders in exchange for completing the Roşia Montană Project, while the Romanian Government and Romanian economy receive an infusion of US$ 2.5 billion with no share of the risk over the life of the mine. We believe that bringing new economic opportunities to a community with 70% unemployment and improving residents’ health by will have a major positive social impact. We also believe that it is important to note that our project will economically benefit România as a whole.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
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| 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_0468 |

Proposal: At what extent does Rosia Motana project reduce the mining dependence?

Solution:

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

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

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
It is stated within the study that “the current life conditions within the community are far from EU standards” and that very few homesteads have inside plumbing and toilets. The questioner wants to know the figures, at national level, regarding the number of rural homesteads having inside plumbing and toilets because Rosia Montana population is tendentiously presented within the EIA.

While it may be a fact that in many regards the socio-economic baseline conditions in Rosia Montana are similar to other rural areas in Romania, that information does not change the impact assessment presented by Roşia Montana Gold Corporation (RMGC) in the Environmental Impact Assessment Study Report (EIA), nor is it required to be included in the EIA Report by the relevant legal provisions of Order no. 863/2002 – Annex 2- Methodological Guide of the screening stage and of completion of the report to the assessment study – Part II (the structure of the report to the environmental impact assessment study).

It is expected that infrastructure improvements, including water supply and sewage discharge systems, will be part of the development process with the project acting as a catalyst.

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

Regarding the Impact study, the questioner considers that it includes the greatest manipulation, and that is the fact that RMGC, when they want, when they have to answer, they will establish a Foundation. A ghost Foundation that hasn’t been established yet, but it will exist in the future. The questioner wants to receive in writing: the Organizational Statute of this Foundation, its founding members, its liabilities, the rights of this Foundation and how it is going to be independent and transparent of RMGC.

**Solution**

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

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

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

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

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

**Solution**

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

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

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
What does the company understand by sustainable development?

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

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

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

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

1. **Five Capitals of Sustainable Development**

**Financial Capital**

Economic Development Impact, fiscal management, taxes

- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US$ 1 billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US$ 1.5 billion procuring goods & services. US$ 400 million during construction (2 years) and US$ 1.1 billion during production, from Romania (16 years)

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

- The set up of a micro-credit finance facility in the area to allow access to affordable financing
- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs,
Physical Capital
Infrastructure – including buildings, energy, transport, water and waste management facilities
- Increases in revenue to government agencies, of the order of US$ 1 billion over 20 years (construction + production + closure) will result in additional money the government may allocate to improving community infrastructure
- RMGC will also develop the resettlement sites of Piatra Albă and Dealul Furcilor in Alba Iulia. Piatra Albă will contain a new civic centre, commercial and residential areas. These will be transferred to the local authorities once complete. The RRAP contains full details of these initiatives

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

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

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

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

In order to achieve its commitments, RMGC acknowledges that it needs to collaborate with the Community, Authorities and civil society on issues that impact the area’s development. This approach allows the Community to own, direct and control all relevant development issues in a multi-stakeholder and integrated manner.
In the spirit of that commitment, to date, RMGC has conducted extensive consultations, including 1262 individual meetings and interviews, and the distribution of questionnaires for which over 500 responses have been received, 18 focal group meetings, and 65 public debates, in addition to holding discussions with government authorities, non-governmental organisations and potentially affected stakeholders. Feedback has been used in the preparation of the Management Plans of the RMP's Environmental Impact Assessment (EIA) as well as the drafting of the Annex to the EIA.

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

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

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

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

References:
[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.
[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.
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**Proposal**

Regarding the sustainable development, the speaker considers that RMGC establishes a development policy for the Gabriel Rosia Montana Corporation, and by no means a sustainable development as stipulated in environmental management standards. The questioner asks Ministry of Environment and Water Management to observe the principle under g) paragraph of Emergency Ordinance nr. 195/2005 on the sustainable usage of natural resources.

**Solution**

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

According to the provisions of art. 45 of Order no.860/2002 on the procedure for environmental impact assessment and the issue of environment approval ("Order no.860/2002") "subsequent to the examination of the report on the environmental impact study, of conclusions of the parties involved in the assessment, of the possibilities to apply the project and of the motivated evaluation of public proposals, the relevant environment protection public authority makes the decisions on the issuance of the environment approval/integrated environment approval or the motivated refusal of the project on the respective location". The company cannot answer for the Ministry of Environment and Water Management.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
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**Proposal**
The questioner wants answers for the following questions: Concerning the issue of granting scholarships for Rosia Montana students: is this program intended to be developed in the future or is it developing now?

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
Answer to Contestation 30110

RMGC has fully taken these issues into consideration in the development of the comprehensive, detailed EIA for the Roșia Montană project. Our specific responses to the Contestation no. 30110 are as follows:

The EIA report responded fully and professionally to the Terms of Reference proposed by the Ministry of the Environment and Water Management. More than 100 independent experts and specialists, certified by the Romanian Government and renowned at the national, European, and even international levels, prepared the report. We are confident that the EIA provides sufficiently detailed information and reasoning for its conclusions to permit the Ministry to make its decision on the Roșia Montană Project.

Whenever the EIA team considered it necessary, there is a bibliography; in other cases, there are footnotes.

Subsequent to submission of the EIA, it has been reviewed by two different sets of experts. Several international private sector banks and export credit agencies have concluded that the EIA complies with the Equator Principles designed to promote responsible lending by financial institutions to projects which raise environmental and social concerns, and an ad hoc committee of European experts (IGIE) has publicly stated that the EIA was well-developed, taking into consideration their recommendations and suggestions.

The Contestation claims that choices on important technical issues have not been resolved, citing the question of whether or not to line the tailings pond and choosing a definitive route for cyanide transport. However, the tailings pond will be lined. And a final preferred cyanide transportation route will not be selected until closer to the date that cyanide will be transported, as the regional routes and infrastructure are in a constant state of change and we want the best route. A detailed route survey to identify all potential transportation alternatives and hazards, together with needed mitigation measures, will be completed before operations begin. The survey will be conducted as close to the beginning of operations as possible to take advantage of the most updated rail and highway network improvements, as per EU guidelines.

Neither Romanian nor European law would permit “glaring conflicts of interest” and RMGC has no interest in participating in any. Indeed, this is one very important reason why Romanian and European law requires submission of an Environmental Impact Assessment subject to review by the competent government authorities.

Romanian laws in force make it clear that only the EIA Report has to be prepared by certified natural/legal persons, while the authors of the baseline reports or management plans are not required to be certified. Details related to all companies involved in the impact study may be found at the beginning of the non-technical summary. The 5 pages presenting all the organizations involved in the study contain company names, the names of their representatives and web pages.

Professor Radu Drobot is unintentionally omitted from the list of contributors, although it is stated that this list does not include all the contributors. In any event, the baseline reports are contributory documents to the EIA; the EIA itself was produced by the EIA experts registered with the Ministry of Environment.

Gabriel, a Canadian company listed on the Toronto Stock Exchange, has a management team with 60 years of experience permitting and operating seven mines on four continents, including gold and silver mining operations.

The Company has already raised the USD 150 million equity component and is in final negotiations for the debt component. Subsequent to submission of the EIA, technical experts
representing several international private sector banks and export credit agencies have concluded that it complies with the Equator Principles designed to promote responsible lending by financial institutions to projects which raise environmental and social concerns, which should make obtaining debt financing significantly easier for the Company.

To clarify two points regarding cyanide made in section B of the Contestation:

The consumption of cyanide will vary on average between 11,000 and 13,000 tons per year.

Solid sodium cyanide shall only be transported in UN-approved ISO (or similar) containers that are dedicated to such service, and are designed to be used for controlled dissolution upon delivery. All containers shall be returned to the supplier for re-use.

In fact, the proposed Tailings Management Facility (TMF) does include a liner. The TMF will include a low permeability liner that is compliant with Best Available Techniques as defined by EU Directives.

Specifically, to protect the groundwater, RMGC will install an engineered liner system within the TMF basin which consists of clay, compacted 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 in 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 extract groundwater if contamination is detected. The extracted water will be pumped back to the reclaim pond where it will be incorporated into the processing plant water supply system.

Concerning the waterproofing and the base of Corna Valley, the bed shall be waterproofed by a natural layer of clay (collovium), existent in situ on Cornei Valley, the location proposed for the steriles tailings bed.

Moreover, the danger of earthquakes has been assessed for a period longer than 17 years. There has been taken into account the maximum credible earthquake (MCE). It would be the largest-size earthquake for the respective area, possibly foreseen both based upon calculation assessment and probabilistic ones, by taking into view the whole ober 30-year history if the earthquakes in the area.

The design of the TMF dam incorporates all International, EU and Romanian design criteria to reduce the risk of failure (see Section 3.0 and the TMF management plan). In addition, a comprehensive monitoring program as outlined in Section 6 of the TMF report will be established to confirm the design and operational parameters are being met.

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.

As stated above, RMGC’s Tailings Management Facility will comply with all Romanian and E.U. laws as well as international best practice for the mining industry. In the highly unlikely event of a tailings dam failure, RMGC has developed an Emergency Preparation and Spill Contingency Management Plan.

The TMF is located approximately 2 km above the town of Abrud; therefore, the design criteria for the dam have been established to address the consequences of a dam failure.
Specifically the design criteria incorporate all international, E.U. and Romanian criteria to reduce the risk of failure (see Section 3.0 and the TMF management plan). In addition, a comprehensive monitoring program (as outlined in Section 6 of the TMF report) will be established to confirm that the design and operational parameters are being met.

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

Because the TMF is located approximately 2 km about the town of Abrud, the design criteria for the dam have been established to address consequence of a dam failure.

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

In the unlikely event of a dam break, RMGC’s modeling shows that the solid part of the steriles released following the dam break may cover a 1.6 km area below the dam in the Corna Valley. This mass of material will affect structures within the Roșia Montană project (the secondary collection dam, the water-treatment station, access roads) as well as the population and the properties below the dam in the Corna Valley. The dam break might also cause the release of a quantity of water—resulting in floods—containing cyanide. The correct operation of the monitoring system allows the warning of the population below the dam in due time and the possibility of taking all measures necessary to diminish the effects. Following the implementation of an adequate program on the prevention and intervention in case of an accident, human losses may be avoided.

Were a break in the Corna tailings pond dam or in the secondary collection dam to occur, RMGC would immediately implement our Plan on the Prevention and Control of the Accidental Pollutions at C-Level. This would entail:

• the immediate alarming and mobilization of the local and site organizations, immediate coordination with the external emergency plans applicable to local communities;
• First aid management;
• Immediate notification and eventual evacuation of the inhabitants downward the secondary tailings pond and in Abrud town;
• Immediate notification of the site top management and of the local, regional and national authorities; notification of the representatives of the legislative and regulatory military institutions, in case of a potential terrorist attack;
• Implementation of the emergency systems, closing of the processing plants and of the mining tailings and performance of the actions intended to stabilize the site (e.g.: repairing of breaks, filling, strengthening and installation of dams or deviation structures) to the extent imposed by the incident nature;
• Investigation of the incident and of the correction and prevention actions;
• Implementation of other specific emergency actions.

In fact, once processed, the ore is converted into tailings and dissolved Au ions. The Au ions are recovered using activated carbon, precipitated using electrowinning and it this precipitate together with any sludge generated in the electrowinning cells that is smelted to produce the doré

The Contestation also claims that the process will produce 0.5 kg of mercury per day. In fact, more than 90% of the Hg in the ore will not dissolve and will be deposited in its natural form in the TMF. The recovered mercury will be a marketable by-product from the process. The mercury will be recovered at a rate of between 0.7 to 1.5 kg per day.
The company will use 150 tons trucks to transport 70,000 tons of material per day (ore and waste). The average transport distance will be of approx. 6 km, the average transport speed will be of approx. 30 km/hour, the average time of a trip is 20', including loading and unloading. Taking into consideration that a working day is 20 hours long and that a truck makes 3 trips per hour, a truck can transport up to 9,000 tons every day. 8-9 trucks will be necessary for the total amount of transported material. These trips will be made on different routes: from Cetate pit to the processing plant or Cetate waste rock dump or low grade ore stockpiles, and from Cârnic pit to the processing plant or Cârnic waste rock dump or low grade ore stockpiles. For this reason, the calculation provided in the Contestation is incorrect.

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.

RMGC stands behind our highly reliable closure estimates, which were developed by a team of independent experts and reviewed by third party experts. They are derived from the precise calculations of scientists and engineers and are set out in detail in the EIA’s Mine Closure and Rehabilitation Management Plan (Plan J in the EIA). 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
- 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 measured exactly. Using the project design, we can measure the exact 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 with precision the necessary depth of topsoil 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 very accurately measure 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.

These examples of previous mines are not representative of the situation at Roșia Montană -- the geological settings at the TMF are different, the low-grade ore stockpile at Roșia Montană will have a regular water management system in place during its existence, and the LGO stockpile will be removed and processed towards the end of the project's lifetime.

Our project in Roșia Montană bears no comparison to the mine in Baia Mare. From design to management of the facility itself, financial assurance, public reporting, stakeholder involvement, verification procedures, and compliance – all of which are followed to the highest standards in our project – the two projects are vastly different.
In fact, the Roşia Montană project is subject to even stricter standards because of the Baia Mare accident. The Romanian Government, in our Terms of Reference, requested that we follow the new European Directive on Waste Management even before it became law in Europe or Romania.

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

No one wants to see “another Baia Mare.” Efforts made in the international mining community and the strict measures of the International Cyanide Management Code – implemented after Baia Mare – make it impossible for any new mining project to adopt the design and operating procedures that allowed Baia Mare to occur.

We need to see clearly the differences in the projects, as failure to do so would penalize projects that are far superior to Baia Mare – and perhaps more important – disallow the gold mining industry of progressing from Best to even better practices, and raising the bar on expectations for future operations. RMP is in no way comparable to Baia Mare.

On the critical issue of cyanide, as mentioned elsewhere in this response, the Tailings Management Facility at Roşia Montană will be constructed to the highest international standards -- environmentally safe for permanent deposition of detoxified tailings, with sophisticated equipment used for geotechnical and water level monitoring, and detoxification conducted before the tailings are deposited to the TMF. As mentioned above, the tailings will contain very low concentrations of cyanide (5-7 ppm), below the regulatory limit of 10 ppm recently adopted by the EU in the Mine Waste Directive.

By way of comparison, the cyanide concentration at Baia Mare was 120-400 mg/l.

In terms of construction of the TMF embankment, Baia Mare was built of coarse tailings materials. RMP will be built on the centerline method, using borrowed rockfill and waste rock – which is BAT for the industry.

As for seepage, Baia Mare had no control for exfiltrations after the original deposition of the tailings.

RMP has 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.

In terms of management, Baia Mare was rated a Category C facility – requiring no special surveillance and monitoring. Roşia Montană Project is Category A.

Baia Mare lacked a Cyanide Management Plan. RMP has a Cyanide Management Plan, in compliance with the ICMC – Best Available Techniques (BAT) for today’s projects.

As pointed out above, the Baia Mare incident was reviewed by the governments of Romania and the EU, as well as the international mining industry, resulting in far stricter standards, which the RMGC project will meet.

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

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

In order to acquire the necessary properties, the company has established a property purchase program compliant with the RRAP guidelines developed by the World Bank.

Due to the fact that the mining Project will develop in stages, it is not necessary for the properties to be acquired from the beginning. The company has focused on properties required for the construction and operation of the mine in its first five years. To date, more than 56% of the properties needed to construct the project and operate the mine for the first five years have been acquired.

It is interesting to note that of those properties needed but not yet acquired, 98% have been presented for surveying by their owners—a step that implies an interest in selling the property to the company. The survey rate suggests that little more than a handful of properties are held by people who might prove unwilling to entertain a sale.

Of that small number, some will lie in areas not needed for construction and early operation of the mine. For the near-term, therefore, owners of these properties need not prove any impediment to the mine development, and they can continue to live as they wish. Of the even smaller number of homes that are located in areas in which the construction and early operation of the mine will take place, the company will seek options to redesign the mine plan to allow those owners to retain their property, unaffected by the mine.

Ultimately, however, it is possible that if a few property owners seek to stop the project by refusing to sell their land, at that point, the decision falls to Romanian relevant authorities as to whether they will exercise the legal instruments available to them to expropriate the properties and will decide whether development of Romania’s mineral wealth—using advanced E.U. and international standards—constitutes a strategic national interest or if development as a whole to benefit from $2.5 billion USD infused into Romania, much of it into a rural region that was designated a “Disadvantaged Zone” and knows only extreme poverty at present is a regional interest.

In fact, the RMP will make it possible for many important archeological artifacts to be preserved. Far from destroying Roșia Montană’s patrimony, the Special Rapporteur from the Parliamentary Assembly/Council of Europe has called the company-sponsored rescue archaeology programme—an investment of $10 million USD to date led by an internationally renowned mining archaeologist—an exemplary project of responsible development.

The EIA reflected the most current urbanism plans then available for Roșia Montană. The urbanism plans approved for Roșia Montană commune include the development of an industrial area. They also include a protection area for the respective industrial perimeter in order to develop the industrial activities that are included in the proposed mining project. The impact of these activities is assessed in the EIA report. In the urbanism plans prepared and approved in 2002, due to the 5 years validity term of the plan, only activities corresponding to this interval have been described; the subsequent development activities have also been mentioned.

Two of Roșia Montană’s 10 churches must be relocated under the mine plan. Those churches will be moved in accordance with the wishes of the congregation, at the expense of RMGC. Church construction is a central element in the new community of Piatra Albă being built by the company.
This is a good example of ways in which the RMP will make it possible for many important archeological artifacts to be preserved. Should this project fail to be implemented, according to the mine closure procedures, the galleries network in Roşia Montană would be closed down for good. In that case, most of the galleries would collapse in time because of water accumulating inside them.

The RMP does not imply the destruction of the underground mining works from Roşia Montană. Indeed, the four planned pits cover most of the over 140 km long network of existing mine galleries and underground mining works. All the accessible galleries have been investigated and inventoried in order to identify ancient mining works as well as for their archaeological discharge. Approximately 7 km of galleries have been identified where traces of ancient mining works have been found. But parts of these galleries have been deteriorated by medieval, modern and recent reworkings done during the Ceauşescu period, done without regard to the archaeological impact. The way some of these ancient and medieval mining works are going to be conserved is presented in the Cultural Heritage Management Plan (e.g. the Cătălina Monuleşti gallery, the Pâru Carpeni gallery and the Plătia Corbului area). Apart from these historical galleries, other galleries, both modern and older, will remain outside the planned pits.

The impact will not lead to the loss of any specie. The Project has been designed even from the beginning to fully comply with the requirements and norms imposed by Romanian and European environmental legislation.

In fact, the investments required to ecologically restore/rehabilitate Roşia Montană area in order to address current complex environmental issues, are only achievable following the implementation of economic projects based on sustainable development. Clean processes and technologies may be developed only in the presence of a solid economic environment fully compliant with the environment that will also resolve previous impacts of anthropic activities.

Some of the Roşia Montană species that are under a certain protection status stand for an insignificant percentage of the scale of populations estimated at national level. The characterization of species from their habitat point of view exists in the species tables presented in the Biodiversity Chapter of the EIA Report and its annexes, although this is not a requirement imposed by the Habitats Directive. Due to their large volume of information, the annexes of chapter 4.6 Biodiversity can be found in the electronic version of the EIA disclosed by the company both in Romanian and English through approx. 6000 DVD/CD copies, being accessible on the company website, and on the websites of Ministry of Environment and Water Management, local and regional environmental protection agencies of Alba, Sibiu, Cluj, etc.

From practical point of view, the low value of conservation of the impact area is also indirectly emphasized by the fact that there is no proposal to designate the area a SPA (avifaunistic special protected area) and by the denial as unfounded of the proposal to designate the area as a pSCI area (sites of community importance).

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

While it may be a fact that in many regards the socio-economic baseline conditions in Roşia Montană are similar to other rural areas in Romania, that information does not change the impact assessment presented in the EIA Study Report: The demographic composition of Roşia Montană is shifting, undermining prospects for the future. The fact that some of the socio-economic data for Roşia Montană is also valid in other parts of Romania does not undermine the need to create wealth. Indeed, it just makes the RMP all the more important, given its contribution to revenues for the Government of Romania.
Section 4.8, Social and Economical Environment, of the EIA Study Report presents relevant baseline information for the communa of Roșia Montană (which includes the village of Roșia Montană), and the City of Abrud and Campeni.

The company did not propose a Foundation to be established in order to transfer to another entity its own legal liabilities. Starting with the concept of sustainable development, the Foundation was intended as an instrument to manage in a viable and responsible manner all social-related issues and Roșia Montană’s cultural patrimony on a long term, by establishing partnerships with local community and with other stakeholders. The company has already acquired by now 14 historical monument buildings. These can be sold or even donated only by complying with laws, which stipulate the liabilities of the owners of historic monument buildings.

The foundation will be duly incorporated as soon as the permits are secured for the commencement of the proposed mining project. It is preferably that the individuals who will work for the Foundation to be first of all from local community and civil society and secondly from the academic environment, respectively from institutions with activity fields covering activities that will be performed here in the years to come (geology, archaeology, architecture and urban planning, history and ethnography, plastic arts, economy, tourism and sustainable development, sociology, etc). During the progress of the mining project, the funds will be provided to a great extent by the company, through an annual subsidy, which will be estimated so it will meet all company’s environmental, social and patrimony–related commitments. Moreover, the Company has committed to rehabilitate and restore several buildings from the Roșia Montană’s “Historical Centre” Protection Area, and further on, to donate such buildings to the Foundation. Subsequently the company will rent them, generating thus another income for the foundation. The same shall apply also to the commitments taken by the company on constructing a Mining Museum and restoring and developing several significant archaeological vestiges. All these will become future tourist attractions, generating resources for the foundation and implicitly also for the community. All these issues were stipulated and transparently communicated in the Cultural Heritage Management Plan, and we should stress the fact that only following public consultation process, will this project be validated by relevant authorities and its implementation allowed.

RMGC will establish this Foundation due to the very fact that wants independence of project’s cultural management. We have previously stated Foundation’s organization (we are awaiting for your constructive completions on this). It will be possible for the activity of the foundation to be monitored exactly under the same legal conditions that govern Company activities’ monitoring process. The funds made available to the foundation have been made public (Vol. 32, p. 78-79; Vol. 33, p. 93-94), and their proper spending shall be done in a transparent manner, their accounting balances being also public, as per current legal provisions. Even from the beginning, RMGC will get involved only in order to make sure that what has been stipulated in the Management Plan will be applied, and that the money will be spent correctly and exactly for their initial purposes. On the other hand, now, following the conclusion of final meetings, when we have learned public’s high interest on this activity area, we are sure that we will benefit from the civil society’s knowledge, logistic and financial support. These will be fairly represented in this Foundation, therefore the RMGC control is first of all undesired by the title holder and secondly, we hope impossible. The success of this depends on many issues, as you have also noticed.

RMGC received its urbanism certificate in 2002 (prior to the passage of GD 1076/2004). Nevertheless, the modifications to the PUZ have been minimal and, in most cases, were made in the interest of promoting mine safety or environmental preservation in the protected area.

Indeed, paragraph 2 point 3.12 of the enforcement handbook of GD 1076/2004 stipulates that environmental assessment for plans and programs must be performed prior to environmental assessment for projects. However, in the case of the Roșia Montană project, urbanism documentation (PUG/PUZ for the industrial zone) was approved in 2002.

Following the initiation of environmental permitting procedure and the development of environmental impact assessment process, in December 2004, and detailed development of the
project, several alterations have been made to the limits of mining facilities. The changes are set forth below:

• The Northern outline of Cârnic open pit has been reduced in order to increase the buffer zone between protected area and open pit;
• The Southern outline of Orlea open pit has been reduced in order to create a buffer zone between open pit and Greek Catholic church;
• The surface covered by Jig pit has been reduced by one third (South-Eastern area), to increase the buffer zone between open pit and Roșia Montană protected area;
• Some haulage roads have been re-designed so as to increase the buffer zone required to protect certain buildings listed as historical monuments and included on the list published in the Official Gazette;
• The Roșia Montană protected area (the historic centre and the buffer zone) increased from 52 ha to 135 ha.

All these alterations are the result of the environmental assessment process and are meant to increase the Project’s environmental performances and its safety level, as well as to maintain the quality of the environmental factors in the protected area, which functions as a residential area, in accordance with the quality standards established for residential areas. All these small alterations have led to modifications of the territorial balance, resulting in the alteration of the PUZ prepared for the Roșia Montană industrial area.

The EIA reflected the most current urbanism plans then available for Roșia Montană. The urbanism plans approved for Roșia Montană commune include the development of an industrial area. They also include a protection area for the respective industrial perimeter in order to develop the industrial activities that are included in the proposed mining project. The impact of these activities is assessed in the EIA report. In the urbanism plans prepared and approved in 2002, due to the 5 years validity term of the plan, only activities corresponding to this interval have been described; the subsequent development activities have also been mentioned.

RMGC’s mining license—which does not specify a production capacity—complies with all Romanian laws.

The concession license for exploitation in the Roșia Montană perimeter no. 47/1999 (“the Roșia Montană License”) was concluded based on and according to the procedures provided by the former Mining Law no. 61/1998, in force as at the conclusion of the License. The Roșia Montană license was approved by the Government Decision no. 458/10.06.1999, published in the Romanian Official Gazette, Section I, no. 285/21.06.1999.

According to the Mining Law, the Roșia Montană license has a period of 20 years, with the possibility of being extended. As per the legal provisions, the object of the Roșia Montană License is the exploitation of the mineral resources in the perimeter Roșia Montană and not the activity of CNCAF Minvest SA, which is a company affiliated to the license.

Pursuant to the exploration-development activities of RMGC, the resources and reserves existing in the Roșia Montană perimeter have been identified in detail. The mining project proposed by RMGC considers the exploitation of these resources and reserves discovered pursuant to the ensemble of studies and activities for the identification of the deposits, the quality and quantity evaluation, as well as by determining the technical and economic conditions for capitalization. The new mining exploitation is planned and designed according to international standards and shall involve the use of the best available techniques for the proper operation of the mine, environmental protection, and impact mitigation.

According to GD 349/2005 on the land filling of waste which transposes Directive 1999/31/EC, the proposed tailings pond and waste dumps are defined as waste deposits. According to those legal provisions, a waste deposit has to be situated at least 1.000m away from an inhabited community. It is also explicitly prohibits to build a waste deposit on fissured based rock (i.e. such as the rock of Corna valley), in the buffer areas around potable water sources (i.e. such as are
the water sources for Abrud) or in areas protected due to their cultural or natural patrimony (i.e. the archeological vestiges in the Cârnic massif as well as the natural monuments of Piatra Corbului and Piatra Despicată). What’s more, according to these legal provisions, a waste deposit should have 8 layers of artificial protection alignment. The operator also has to present, when submitting the documentation to obtain an environmental accord/authorization, an avis for water management obtained from the competent authority.

Regarding the requirement that a waste dump must be situated at least 1.00m away from an inhabited community, according to the provisions of HG 349/2005 Article 3 letter d, in the case of waste dumps resulting from the open pit operation, the provisions of this decision do not apply. Both in the case of Corna Valley tailings management facility and waste dumps the provisions of the Mine Waste Directive regarding the disposal of waste from extractive industry are applied (Directive 21/2006 EC). In May 2005 the Ministry of Environment and Water Management, through the guidelines regarding the environmental impact assessment domains expressly required that Roșia Montană Project comply with the provisions of Mine Waste Directive.

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

In accordance with Romanian and E.U. laws, RMGC has a detailed financial guarantee in place to cover all closure and environmental rehabilitation costs associated with our mining project.

Information regarding our Environmental Financial Guarantee ("EFG") is fully discussed in the section of the Environmental Impact Assessment titled “Environmental and Social Management and System Plans” (Annex 1 of the subchapter titled “Mine Rehabilitation and Closure Management Plan”). The EFG is updated annually and will always reflect the costs associated with reclamation. These funds will be held in protected accounts at the Romanian state disposal.

The EFG is governed by the Mining Law (no. 85/2003) and the National Agency for Mineral Resources instructions and Mining Law Enforcement Norms (no. 1208/2003).

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

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

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

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

The current projected closure cost for 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.)

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.


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

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

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

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

This claim is not true. The safety report was submitted together with the EIA Report on May 18th, 2006, and was available for public consultation at the locations where the EIA Report was submitted, both as hardcopy and in electronic form. The electronic copy of the report could be accessed both on the web page of the Ministry of Environment and Water Management, and on www.povesteaadevarata.ro

The EIA Report considered all alternative developments, including the option of not proceeding with any project – an option that would generate no investment, allowing the existing pollution problems and socio-economic decline to continue. (Chapter 5 – Assessment of Alternatives). The report also considered alternative developments – including agriculture, grazing, meat processing, tourism, forestry and forest products, cottage industries, and flora/fauna gathering.
for pharmaceutical purposes – and concluded that none of these industries could provide the economic, cultural and environmental benefits brought by the RMP.

Chapter 5 also examines alternative locations for key facilities as well as alternative technologies for mining, processing and waste management, in line with best practice and as compared against published EU best available techniques (BAT) documentation.

To respond to a couple of specific suggestions raised at this point in the Contestation: To the best of our knowledge, the Romanian Government has not allocated any funds for environmental rehabilitation at the Roşia Montană mining site. The amount of €1.17 million mentioned in the Contestation was actually assigned beginning in 2005 for safety-related work – the consolidation of the slope downstream by rock fill ballast – at the Valea Selistei settling pond dam.

On June 1, 2006, mining activity by the Romanian Government at Roşia Montană ceased. Thus far, an Activity Cease Plan (ACP) has been prepared, which needs to be approved by a government decision. Only then can funds be allocated for the closure and rehabilitation of the site, including funds for environmental rehabilitation.

In the ACP, the estimated amount for the closure in 2006 and rehabilitation of the mining site in Roşia Montană is €29 million.

The biodiversity baseline report (vol. 13, Chapter 4.6.), as a technical and administrative assessment instrument has a required list of the species. These include invertebrates and contain both data collected on site based on well known techniques (direct observations, use of traps, sampling using various techniques etc.) as well as bibliographic data available to us.

As yet, an exhaustive scientific study about the biodiversity-related issues has not been taken into account yet. Part of the reason for this is the usefulness of the technical and administrative instrument used to facilitate and serve the decision-making process.

The report complies with the specific laws in force, i.e. with Ministry Order 863/2001 regarding the preparation of impact studies.

Volume 13, Chapter 4.6. Biodiversity, Annex 1, presents plant species in tables, together with their ecological attributes, such as frequency or ecological preference for certain types of habitats.

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 archeological artifacts.

With respect to the vibrations produced by traffic and blastings during operations, it must be underlined that the EIA report includes a series of specific surveys on vibrations, respectively the Noise and Vibration Management Plan.

Moreover, research was conducted in March 2006 to assess the condition of each of the buildings classified as historical monuments. This study, conducted by IPROMIN S.A, a Romanian company together with the Technical University of Bucharest, proposed emergency measures to be taken to consolidate these buildings. Moreover, the same institutions have conducted an experimental study based on the measurements of the vibrations occurred in the protected area and in the area where these houses classified as historical monuments are located, outside the protected area that have been caused by blasting activities. Measurements were conducted for a major blasting performed by using 3000 kgs of explosives detonated under normal conditions, without delays or without using other modern technology which is currently common practice at modern mining activities.
In order to avoid degradation or deterioration of buildings classified as historical buildings (and others) due to blasting, a condition was adopted based on which the maximum oscillation speed should be of maximum 0.2 cm/s when measured near the building to be protected. In theory, these speeds have to ensure the integrity of the most sensitive and deteriorated buildings with patrimonial value from Roşia Montană. This value was adopted based on the consultation of standards applied in countries with tradition in this field and it meets the requirements of the German DIN 4150/83 standard, which is the most severe standard at European level.

Special types of blasting will be performed for smaller distances in order to ensure a maximum oscillation speed of 0.2 cm/s that will be measured in the proximity of the construction, respectively an insignificant seismic effect.

A monitoring system will be implemented in order to assess the blasting-generated impacts on buildings located in the protected area as well as on other buildings of patrimonial value located outside the protected area. This system will consist of a fixed network of digital seismographs with three components located on the main objectives that need to be protected and a mobile network with three mobile seismographs placed on a longitudinal profile between the objective that needs to be protected and detonations core. Thus, the blasting technologies will constantly be adjusted in order not to exceed the maximum oscillation speeds allowed in the proximity of buildings.

It must be noted that the explosive-based blasting technology is not the real threat for the 41 patrimonial buildings, but the real hazard is posed by their advanced deterioration, which will unavoidably lead to their ruin, in the absence of competent intervention.

As well, RMGC initiated during 2001 the process of specific urbanism documents – General Urban Plan (PUG) and Zonal Urban Plan (PUZ). They have been prepared by Romanian certified companies and they have complied with the legal permitting procedure. The permit for establishing “Roşia Montană Historical Center” Protected Area was issued by the Ministry of Culture and of Religious Affairs (MMC) during the year 2002 (permits no. 61/14.02.2002 and no. 178/20.06.2002) as a part of the permitting procedure of urbanism documents. According to such permits, the Ministry of Culture and of Religious Affairs has requested that a Zonal Urban Plan for the Central Historical area should be prepared. Thirty-five out of the 41 buildings, classified as historical monuments are located in the Roşia Montană Historical Centre Protected Area. By now, a series of permits have been secured, they are being required for the final approval of this document at Roşia Montană Local Council and a first presentation has been submitted to the National Monuments Committee of the Ministry of Culture and of Religious Affairs.

As far as the patrimony assets located in the future industrial development area are concerned (about 6 building historical monuments), they are included in the Industrial Zonal Urban Plan (PUZ) prepared by S.C. Alba Proiect S.A., which has been submitted in June 2006. During the public meetings organized for these two projects – in full compliance with current legal provisions – no comments that could cause an alteration of these documents have been registered from stakeholders; such documents have been well-received by local community.

In conclusion, the urbanism studies and the specific studies prepared to outline protected areas in the territory where we intend to develop this project are currently in permitting phase, in compliance with the legal provisions, at institutions and commissions with competences in this area of interest. We must underline that all 41 historic monument houses will be included in a complex restoration program (see Management Plan). This program is absolutely mandatory, because of their current advanced degradation status. Moreover, after over seven years of archaeological research conducted at Roşia Montană through the Alburnus Maior National Research Program financed by RMGC in full compliance with the legal provisions, the List of Historical Monuments has been enriched, by including on it four additional areas (the Roman vestiges from Alburnus Maior, the Carpeni area; the Roman funerary monument from “Hop-
Găuri” Area, the “Cătălina Monulești” Gallery for the protected area of the town’s historic centre, the Roman galleries from Cîrnica, “Piatra Corbului” positions 143-146 in the Official Gazette).

The Company never used the expropriation as an argument to persuade the locals to sell their properties.

The Resettlement and Relocation process follows the norms and standards set-up by the World Bank for similar projects. The company does not want to take the expropriation approach, creating personal development opportunities that should avoid the expropriation.

It is a “willing to buy-willing to sell approach” subject to an offer made by the company. All are simple property transactions similar to thousands of others that are signed daily in Romania.

In terms of the law, Romanian law not grants the titleholders of the exploitation license a preferential right to acquire the usage the lands for carrying out mining activities (the usage without which the Roșia Montană Project would not be developed, according to the license).

Public consultation and information during the environmental impact assessment procedure, including the publication of the EIA Report documentation for consultation purposes, have been made in compliance with the provisions of (i) Articles 11 (2), 12 and 15 of Government Decision no. 918/2002 2002 regarding the environmental impact assessment framework procedure and the approval of the list of public or private projects forming the object of this procedure (“Government Decision no. 918/2002”)[1], (ii) Chapter 3 regarding the public information and participation in the environmental impact assessment procedure of Order no. 860/2002 of the Minister of Waters and Environmental Protection regarding the environmental impact assessment and environmental permitting procedure (“Order no. 860/2002”), and of the principles established by the Aarhus Convention on access to information, public participation in decision-making and access to justice in environmental matters[2], and also of the provisions of Directive 85/337/EEC on environmental impact assessment of the effects of certain public and private projects on the environment.

The chairmen have been appointed in accordance with the provisions of Order no. 860/2002, as follows:

Article 42 - Before the public debate meeting, the project titleholder and the competent public authority for environmental protection shall appoint a chairman and a secretary to enlist the participants. The participants’ comments shall be recorded in the minutes of the meeting. The minutes of the meeting shall be signed by the chairman, the secretary and, at the public’s request, by one or more public representatives.

References:


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

The limits are in the validity term of such a document. The time limits in buying properties are not mentioned anywhere.

The allegation is incorrect. With the exception of the industrial area required for the mine – a large part of which was the location of prior mining under the now-closed state run mine – the vast majority of Roșia Montană and the surrounding area are open and available for the locating of new business enterprises.

The General Urban Plan of Roșia Montană Commune, approved in 2002, modified the plan approved in 2000, incorporating the protected area, which comprises the historic buildings. After this modification, the industrial area occupied by the mining project proposed by Roșia Montană Gold Corporation (RMGC) has remained unchanged, covering only 25% of the Roșia Montană commune, and the restrictions related to the construction of facilities, other than the industrial ones, apply only to this part of the commune. These restrictions related to the industrial area were also included in the PUG developed in 2000, therefore the current changes are not related to the proposed mining project.

The remaining 75% of the Roșia Montană Commune territory does not form the object of any restriction generated by the mining project.

The modified Zonal Urban Plan – the Industrial Area Roșia Montană – is currently under approval. This is a town-planning documentation which was approved in 2002 as well, but it is currently being changed given the advanced stage of the Roșia Montană project. All these changes were made following the environmental impact assessment and the measures meant to prevent, minimize and eliminate the potential impact that were established as a result of the environmental impact assessment process).

The boundaries of the industrial area have been established based on a scientific survey, which also served as a basis for establishing the boundaries of the protected areas. The town-planning regulations of the Zonal Urbanism Plan (PUZ) will establish in detail the future uses of the protected areas, while the restriction related to constructions and to the development of other activities will be maintained only on the footprint of the planned facilities.

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

The company understands community sensitivities on such issues. Romanian law establishes the accepted methods for exhumation of remains and reburial, and the company is pledged to follow those laws to the letter. To put the number of graves in context, 410 graves of the Roșia Montană’s 1905 graves will be affected by the mining project, as the company has to the maximum extent possible designed the mining operations to leave established graveyards in place.

Graves will be relocated according to the wishes of the family and at RMGC’s expense. Abandoned graves will be relocated, with full respect and reverence, to Piatra Alba’s new cemetery.

The relocation of the earthly remains and their reburial takes place after the discussions with the community and with the church authorities, in compliance with the religious rites and the applicable legal provisions. As for the applicable enactments, these are:

(i) Law no. 489/2006 on the religious liberty and the general regime of religious affairs, published in the Romanian Official Gazette, Section I, no. 11/08.01.2007;
(ii) Law no. 98/1994 on the establishing and sanctioning of the misdemeanors to the hygiene and public health legal norms, published in the Romanian Official Gazette, Section I, no. 317/16.11.1994, as subsequently amended and supplemented (“Law no. 98/1994”);
(iii) The hygiene norms and recommendations concerning the population’s life environment, approved by Order no. 1028/2004, published in the Romanian Official Gazette, Section I, no. 140/03.07.1997, as subsequently amended and supplemented (“Hygiene Norms”):
(iv) GD no. 955/2004 on the approval of the framework Rules for the organization and operation of the public services for the administration of the public and private domain of local interest, published in the Romanian Official Gazette, Section I, no. 660/22.07.2004;
(v) Order no. 261/1982 on the approval of the standard Rules for the administration of graveyards and the crematories of the localities, published in the Official Gazette no. 67/11.03.1983;
(vi) Rules for the administration of the church riches, approved by the Decision of the Ministry of Religious Affairs no. 32-234/29.09.1950;
(vii) Rules for the organization and operation of the parish and monastery graveyards within the eparchies of the Romanian Orthodox Church, approved by Decision of the Religious Affairs Department no. 16.285/31.12.1981.

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

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

In the case of any grave, there must be a very strong reason for that grave to be removed. And yet it is also true that communities are themselves living entities, and without the RMP – with unemployment rising from 70% today to more than 90% -- refusing to bring new development to Roșia Montană could mean the end of the village’s ability to support itself.

Contrary to what the opponents of the mining project claim, no one wants to destroy churches or graveyards. To put the number of graves in context, only 410 graves of the Roșia Montană’s 1905 graves will be affected by the mining project, as the company has to the maximum extent possible designed the mining operations to leave established graveyards in place.

All reburials will be done at the request of the families, and the expense of RMGC. The process will follow to the letter Romanian law on reburials (Art 151 of the Order 536/1997) with the company’s commitment to act with respect and reverence. Abandoned graves will be relocated, also with full respect and reverence, to Piatra Alba’s new cemetery, for which 13 hectares have been set aside.

Under Romanian law these documents are available only to persons holding a special permit issued in accordance with Government Decision no. 585 regarding the enforcement methodology of Law no. 182. The information comprised in these documents is not available to the public.

Mining Lease no. 47/1999 Roșia Montană is a document classified as “Classified Document” and the information therein complies with Law no.182/2002 regarding the protection of classified information. Other documents such as: the annual production estimate, the endorsement of the estimate; the control documents; the findings notes issued by Romanian National Agency for Mineral Resources are also classified as “Classified Documents”. These documents are available only to persons holding a special permit issued in accordance with Government Decision no. 585 regarding the enforcement methodology of Law no. 182. The information included in these documents is not available to the public.
The public meetings have been performed in several ways:

1. The PUZ documentations have been made available at the Roșia Montană, Bucium, Campeni and Abrud town halls and registers have been opened to receive population's comments. Moreover, such documentations have been also made available at the company’s information centres in Roșia Montană and Abrud and have been posted on the RMGC website and on the Alba APM website.

2. Public meetings have been organized in Roșia Montană, Bucium, Campeni and Abrud, and the representatives appointed by mayors have concluded records of proceedings, including the population’s comments.

All these records together with the audio and video records of these public debates, which have been organized in the above mentioned towns may be consulted to support our statements.

According to the relevant legal provisions, the stakeholders may submit justified proposals on the environment impact assessment. Art. 44 (3) of the Minister of Waters and Environment Protection Order no. 860/2002 on procedures governing the environmental impact assessment and the issuance of environmental permits ("Order no. 860/2002") provides that "based on the results of the public debate, the relevant authority for the environmental protection evaluates the grounded proposals/comments of the public and requests the titleholder the supplementation of the report on the environmental impact assessment study with an appendix comprising solutions for the solving of the indicated issues”.

As the statement of the attendant to the public consultations (i) refers to the existence of a potential criminal investigation, and (ii) identifies and specifies no problems in regard of the project initiated by Roșia Montană Gold Corporation (RMGC), subject to the environmental impact assessment procedure, RMGC is not in position to answer and has not the capacity to make any comments to this end.

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

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

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

The Constitutive Act of RMGC, which represents the result of the agreement regarding the terms and conditions of the association between the Romanian State and investor, is a document accessible for public. This document belongs to the category of documents which according to the Law no. 26/1990 on Commerce Register are published into the Official Gazette of Romania. The Commerce Register Office is obliged to issue certified copies on the expenses of the person who made the application.
Meanwhile, we mention that the participation of the shareholders to the RMGC benefits and losses was settled according to their contribution to the company’s registered capital. The current percentages of 80% for Gabriel Resources Ltd. and 19.31% for CNCAF Minvest SA are the result of the initial and subsequent contribution of the shareholders to the company’s capital, considering also Gabriel Resources Ltd. payment in advance of all costs and expenses afferent to the development – operation activities and permitting of Roșia Montană Mining project.

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

The archaeological research has been conducted by surveying all the areas accessible and proper for human dwelling, taking into account bibliographical information and the observations made during survey campaigns, magneto-metric analysis, electric resistivity surveys and photogram-metric flights. The investigations’ organization has occurred where the archaeological realities have required it.

Out of a total area of approx. 2000 ha, often claimed to be illegally discharged from archaeological point of view when compared to the actual excavated area, it should be clearly underlined the fact that the area accessible to archaeological research has been of approx. 765 ha, the remaining area being represented by pits, waste dumps, woods, constructions, roads, rivers, lakes, rocks, and cemeteries. All these data are included in the EIA and are properly illustrated in the Cultural Heritage Baseline Report, on the Exhibit 4a – Locations of archaeological excavations in relation with inaccessible areas.

Where the archaeological realities have required it or where the historical monuments were located close to industrial facilities, the latter have been redesigned in order not to impact any historical monument. Basically, the in situ preservation and restoration of the facility as it is the case of the double-circular funerary Monument at Hop-Găuri (Mihaela Simion et colab., Alburnus Maior II, Bucharest 2004) or the area has been declared an archaeological reservation, like it is the case of the Carpeni hill (LMI Code 2004, AB-I-m-A-00065.03), Piatra Corbului archaeological reservation or the area that includes architectural assets (35 historic monument houses). On the other hand, as far as the other discoveries are concerned, the archaeological research has been fully performed and only subsequently archaeologist teams have proposed the issuance of the archaeological discharge certificate.

The aerial photography (1984, 2000, 2004), the archaeological magneto-metric and the electric resistivity studies have been used to identify potential habitat structures. to manage the research units and the subsequent discoveries 4 satellite images (a SPOT Pancromatic (10 m) archive satellite image since 1997; 2 LANDSAT 7 MS (30 m) archive satellite images since 2002, 2003, a SPOT 5 SuperMode color main programming satellite image (2.5 m resolution) July 19, 2004) have been used, and all data have been recorded in an extensive GIS project, backed up by an MS Access 2000 database.

The archaeological investigations at Roșia Montană began during 2000 through the participation of archaeologist teams of Alba Iulia National Union Museum and Bucharest National Institute of Historical Monuments. In March 2001, the “Alburnus Maior National Research Program” was initiated, following an order issued by Ministry of Culture and of Religious Affairs (no. 2503), Teams of archaeologists from various institutions (museums, research institutes, universities) belonging to the Ministry of Culture, Romanian Academy or Ministry of Education and Research have been involved in this research program. According to current legal provisions, the research teams will propose whether a discharge certificate should be issued for a clearly outlined area.
Regarding the map 4.9.5. from Chapter 4: The potential impact of the EIA Report, sub-chapter 4.9. refers to the precise location of the archaeological sites, the way in which they have been outlined by archaeologists based on the investigations’ results. The investigated area is much more extensive, and this fact results after reading the enclosed material. Thus, map 4.9.5. does not present the areas of Roşia Montană commune for which archaeological discharge certificates have been secured. The Tâul Corna area was archaeologically discharged at the end of 2002; the discharged area being identified by using the STEREO 70 coordinates. The archaeological discharge certificate was issued by the Ministry of Culture and Cults based on the results of the archaeological research activities performed in Corna Valley and at Tâul Corna and on the analysis of the relevant documentations by CNA.

The preventive archaeological research developed within the perimeter of Roşia Montană mining project was conducted through a series of techniques, respectively by surveying of all the accessible areas that are proper for human dwelling, taking into account bibliographical information and the observations made during survey campaigns, geophysical surveys and analysis of the photogram-metric flights. Currently, there is no research standard concerning preventive archaeology either in Romania, or at the level of the European Union. At Roşia Montană, the archaeological investigations have been performed on extensive areas, being comprehensive in the areas with archaeological potential, and the archaeological discharge certificate was granted in compliance with the investigations’ results and assessment, and in full compliance with the provisions of the current in force law.

The Orlea massif is scheduled to be built only during the second half of the project’s development period. This division into phases of the construction works does not mean that historical monuments will be deteriorated. The above mentioned aspects are consistent with the legislation in force.

According to the EIA, comprehensive archaeological research for the Orlea open pit, coupled with research of the underground sector Orlea – Țarina, is scheduled to begin in 2007 and last most likely till 2012.

The Cultural Heritage Baseline Report stipulates that field archaeological research is due to continue in the area of the Orlea massif, respectively in an area with an alleged or identified archaeological potential. The report also mentions the fact that the research carried out so far in the respective area was only preliminary. As the report points out: “Site development plans for the Project will not result in impacts or construction activities in the Orlea area, which will be researched starting 2007. As a result, construction activities will not begin in these areas until proper archaeological investigation consistent with Romanian law and international best practice is concluded.”

The organization of an underground area open to visitors, under safety conditions, implies strict compliance with extremely drastic conditions. This is one of the reasons why a number of underground archaeological sites, such as painted caves or ancient and medieval mining operations in the European Union, have been closed to public access, and the visitors were presented replicas of the remains.

In countries such as France (the replicas of the Lascaux and Cosquer painted caves) or the UK (the Killhope lead mine in Scotland) replicas are practically impossible to distinguish from the genuine sites. Not only the underground morphology and the wall texture are accurately recreated, but also the general environment, respectively the humidity, temperature, dim lighting, air currents, etc. Moreover, these surface or underground constructions allow a rigours control of the potential risk factors, such as floods, caving, ventilation, which cannot be controlled in an underground maze over 75 km long and displayed on several levels (difference in level of over 400m), as it is the case in Roşia Montană.

The Mining Museum will be a real attraction for the tourists genuinely interested in discovering ancient and modern mining in Roşia Montană. This new museum will counterbalance the loss of
part of the ancient remains, valorising all the mining remains values of Roşia Montană: mining works, artefacts, devices, preparation methods, etc.

Parts of these galleries have been deteriorated by medieval, modern and recent reworkings done during the Ceausescu period, done without regard to the archaeological impact. The way these ancient and medieval mining works are going to be conserved is presented in the Cultural Heritage Management Plan.

The reopening of the Cătalina-Monuleşti adit started in 2002 and, at the beginning of March 2003, the Roman mining works in the Coş mining sector were intercepted. This adit was abandoned after 1948, and it is still not clear enough how access to the gallery was obstructed: natural caving or deliberate caving by the former owners of the gold mines.

The Cătalina Monuleşti gallery is still accessible, as it undergoes a continuous maintenance program, which is normal for any active mining operation. In order to improve the traffic conditions in this adit, since the winter of 2006/2007 RMGC has been reshaping the gallery to facilitate access and transport of materials. At the same time, the permanent drainage of the mine waters will be ensured, given that in any mining perimeter there are at all times important mine water volumes that must be drained towards the surface.

Orthodox and Greek-Catholic Churches and the grave of the hero Simeon Balint will not be impacted by the project. It says that access to these will be sometimes limited, due to security reasons. Access to such monuments with critical social and spiritual implications will be established as per normal, in mutual agreement with the community and with parishioners of each and every church.

Guarantees provided for the integrity of monuments are provided by urbanism regulations, which establish their protection areas. Such documents are prepared by specialists and will also be approved by special established committees of the Ministry of Culture and of Religious Affairs. The permits and recommendations granted by such authorities represent the guarantees needed for the project’s implementation and by the civil society for learning which conditions need to be met to perform the monitoring process.

The ‘Chance Find’ Protocol is an essential component of the Cultural Heritage Management Plan, which presents the way RMGC will ensure the adequate identification and management of the archaeological remains that may be discovered throughout the lifetime of the Project. Considering the nature of the site, it is possible that other archeological remains be discovered during certain activities carried out during various stages of the project. For this reason, an archeological surveillance program will be implemented, based on a ‘Chance Find’ Protocol. This protocol aims to prevent any accidental damaging of the surface and underground archaeological resources during the project stages.

‘The ‘Chance Find’ Protocol was designed by RMGC as an instrument for the management of the archaeological heritage from the Roşia Montană area. It is a strategic document to be prepared by independent archaeological experts, and subsequently undertaken by RMGC as an operational policy. This document is based on the valid legal provisions regarding archaeological surveillance, and on the Archaeological Standards and Procedures prepared by the Ministry of Culture and Religious Affairs (set by Order no. 2392/06.09.2004 of the Ministry of Culture and Religious Affairs), and also by RMGC’s sustainable development policy, that acknowledges the importance of the cultural heritage from the Roşia Montană area.

Regarding the institutional component, Chapter 4 of the EIA Report – Potential Impact, subchapter 4.9., pages 8 – 12, 47 – 49, as well as the Cultural Heritage Management Plan, part III, p. 19, 37 – 39, stipulate that the archaeological surveillance assistance team will be an independent structure, which will comply with the valid legal provisions. The obligation
undertaken by RMGC is to make available the financial resources and logistics necessary for the development of this team’s activity. Based on the provisions of Law 462/2003 (recently modified and supplemented by Law 258/2006), and also on several specific pieces of regulations, such as the Regulations Regarding Archaeological Diggings in Romania (Order no. 2071/30.06.2000 of the Ministry of Culture and Religious Affairs) and other international good practice recommendations and guidelines, the scientific coordination of this team will be the responsibility of the Romania National History Museum.

In Chapter 7 “Risk Cases”, Table 7-4 presents a selective list comprising only 15 of the over 30 major accidents associated to all types of mining operations, between 1975-2000, namely the ones associated with gold extraction mining operations that we considered relevant for the Roşia Montană Project.

Regarding risk cases, it should be kept in mind that the proposed project is designed according to “Best Available Technique” (BAT) criteria as laid down under relevant EU criteria for mining projects. This BAT includes the proposed gold ore processing using cyanide. The Project design and management plans were subject to Risk Assessment that is documented in Chapter 7 of the EIA Study Report. This information indicates that the project is designed to very high standards of safety felt appropriate for this Project.

Professor Radu Drobot’s study it was based on a vast collection of data regarding the largest 24 hr precipitations recorded for Romania (more than 100 years of measurements). There were significant precipitation events throughout Romania in 2005. But these precipitation and flood events in 2005 were 100-year return events, and in some special cases 200-year return events. However, the 24-hour, probable maximum precipitation (PMP) event used for Roşia Montană designs far exceeds these precipitation events lasting 3-4 days usually and were outside of the Roşia Montană region.

The intent of the EIA was to present information as required by the Romanian legislation and data to indicate the extent of the current impacts without overwhelming the reader. Therefore, the data presentation focused on key regulated constituents.

In any event, groundwater is not a significant component of the Roşia Montană hydrological system, as documented in the Hydrogeology Baseline Report (Volume 2) and Section 2.3 of Chapter 4.1 of the EIA (Volume 11). Where groundwater is present (including in the existing mine galleries) it is generally a shallow extension of the surface water regime.

It must be appreciated that a distinction needs to be made between the baseline data presented for an EIA, where the objective is to identify and define the mitigations required in respect of significant impacts that may be generated by the project; and the baseline data that will be required in the future for operation and compliance purposes (assuming the project is permitted) where for example the requirements of IPPC (Integrated Pollution Prevention and Control) permits will include a wider-ranging parameter list defining the baseline. Because the IPPC permit holder will have to account for divergences from the baseline during the duration of the permit, in those circumstances it is clearly in the holder's interest to analyse for a wide range of elements, including especially EU List I and List II substances, to ensure that they are not held liable for contamination that they were not responsible for.

The future monitoring programme will evolve in scope as required to address all regulatory requirements and will be subject to continual review under the Environmental Management Plan (EMP) as new legislation such as the Water Framework Directive is rolled out.

The baseline monitoring has continued since the Water Baseline Report was first compiled.

Data was presented in the EIA for seven sampling events spanning seasonal conditions (four stations were only sampled five or six times during the period presented). Sample data were
presented for: May and October 2001, April and November 2002, May, August and November 2003. Sampling has continued and the newer data will be provided to the public.

The biodiversity baseline report (vol. 13, Chapter 4.6.) is a technical and administrative assessment instrument. It has the required lists of all the species, including the invertebrates, and contains both data collected on site based on well known techniques (direct observations, use of traps, sampling using various techniques etc.), as well as bibliographic data available to us.

The list of those 404 superior plant species which have been identified up to now within the project’s development area is going to be made available together with the rest of systematic lists in the framework of several annexes which are to be published. The list includes an entire series of potential species (meaning that their presence is highly possible within the implementation perimeter of the project) which are going to be considered during the closure, ecological reconstruction and development stages of the proposed Compensatory Functional Ecologic Network.

The technical and administrative instrument is used to facilitate and serve the decision-making process. An exhaustive scientific study on biodiversity-related issues has not been taken into account yet. In fact, Torsvik & coll. 1990 emphasized that "nobody has ever succeeded in making a complete inventory of any habitat, at least at a local level".

Therefore, many species, especially highly mobile species such as birds, are still to be identified. In the following stages, all the information will be included in a database using the GIS IT platform. We expect the list to remain open and to complete it in time especially with regards to extremely mobile species, like the bird species mentioned above. The size and design of the Compensatory Functional Ecological Network (CFEN) will take into consideration all the species of interest from the impact area.

The Biodiversity Management Plan (Volume 27), Section 2.8 (page 10), respectively Section 5, proposes for year “0” (page 25) an inventory of the highly significant flora and fauna populations, including the invertebrates (bio-indicative species, key-species, protected species). This will also include the assessment of populations, included in a database using the GIS platform and connected to a Biodiversity Information Management System (BIMS), the assessment process remaining extremely objective and transparent.

The survey in the Biodiversity Baseline Report complies with the specific legislation in force, namely the Ministry Order no. 863/2001 on the elaboration of impact surveys.

For Romania’s current situation, none of the species mentioned can be considered so valuable as to impose the establishment of some protection perimeters or the enforcement of some special management measures. Many of these species remain relatively commune, widely spread at national level and with very large, stable populations.

The aforementioned associations are also those that may be met at local level (with special reference to the biomes within the Arieș Valley), some of these having rather advanced degradation status (impact) in the project implementation perimeter. The aim of this zonal framing was to illustrate an accurate image upon the natural framework of the areas in the close vicinity.

This is edifying for an endemic habitat R6209 South-East Carpathian Communities on calcareous cliffs with Asplenium trichomanes ssp. quadrivalens and Poa nemoralis (see Romanian Habitats/Nicolae Donita, Aurel Popescu, Mihaela Pauca-Comanescu, ... - Bucharest: Tehnica Silvica Publishing House, 2005), extremely valuable in terms of preservation.

The presence of the sub-layer which might support this habitat appears only in the north-western boundary of the project implementation perimeter, on a surface totalling about 100sqm – see p.
11 Biodiversity Baseline Conditions Study, outside the impact footprint and included in the environmental protection area. Moreover, according to the Biodiversity Management Plan, starting with the year 16 of mining operations, extensive areas within the operation perimeter are going to be subject to ample ecologic reconstruction activities, aiming rehabilitation/creation of rocky habitats having special ecologic value and which are going to closely observe the recreation of the aforementioned habitats.

Other plant associations are edifying for certain priority habitats, as far as their preservation is concerned, such as the associations Nardo – Festucetum rubrae Maloch 1933, together with Violo declinatae – Nardetum strictae Simon 1966, more exactly habitat *6230 Meadows with Nardus rich in species (see Romanian Habitats/Nicolaie Donita, Aurel Popescu, Mihaela Pauca-Comanescu, ... - Bucharest: Tehnica Silvica Publishing House, 2005).

As it has been shown at page 12 from the Biodiversity Baseline Study within the perimeter which has been considered for the project implementation “natural relations between species in the area are extremely limited by permanent anthropogenic intervention” therefore there is “little point in referring to preservation of habitats in their natural state” and thus in identifying and correlating the structure of such habitats with the natural ones.

Next, at page 13 of the same study it is being emphasized that “for the present stage” “we have chosen to identify major formations, for better overall characterization, and especially for a good understanding of the issues related to future impacts on the site.”

Far from us the intention to overlook or keep silent certain aspects related to the presence and distribution of natural habitats within the perimeter in question.

Due to the recent issuance (the end of 2005 – Base document; the beginning of 2006 the document including amendments in compliance with the amendments proposed by Romania and Bulgaria at the Directive 92/43/EEC) of the valuable documentation describing the habitats from Romania, during the following stage a map is going to be prepared in GIS format, that will be a complete and complex map including the habitats from the project implementation perimeter (detailed map), namely the adjacent area (the map of major habitats in correlation with the habitats from the project implementation perimeter).

Habitat 4070* has been assimilated in Romania together with the south-eastern Carpathian bush-woods and juniper tree (Pinus mugo) with Rhododendron (Rhodondendron myrtifolium). According to the Directive 92/43/EEC, the initial version is that of associating Pinus Mugo with Rhodondendron hirstum, the latter is not present on Romanian territory.

However, none of the habitats similar to 4070 category has been found within the investigation spots; there hasn’t been found any bibliographical reference with regard to this topic, this habitat appears (as it is defined for Romania) only within the framework of high mountain areas from the South-eastern Carpathians; On the highest peaks of the Apuseni Carpathians (Vladeasa) there are exceptional cases where bushwood of Pinus Mugo appear, but not in the characteristic facies of the 4070 habitat. In this respect, in order to develop the proposed Compensatory Functional Ecologic Network, it would be of major interest if the location of this habitat was accurate, in order to take several ecologic conservation or compensatory measures, so as to consider the existing value within this habitat.

Habitat 6230* is quite common for the Romanian Carpathians (quite rare in the rest of Europe) and which according to Annex I of the Directive 92/43/EEC is under the strict protection in the Continental eco-region (the project is still within the Alpina eco-region); in order to have a protection status on Romanian territory, there has been made a differentiation and a correlation with the national classification system for habitats (according to Habitattele din Romania/ Nicolae Donita, Aurel Popescu, Mihaela Pauca – Comanescu - Bucuresti: Editura Tehnica Silvica, 2005); the habitats R3608 and R3609 are integrated in this type of habitat which can be found only in the south-eastern Carpathians.
Therefore, at least from biogeographic and administrative points of view, this habitat cannot be found and is not the protection object within the project implementation area. However, we would be particularly interested to reveal the exact location of these habitats, in order to take some special conservative management measures.

The classification according to pests/useful species is indeed obsolete and new concepts are currently being used. However, this classification has been made strictly for the forest management area. Here, the major existing and possible future impacts and habitat disequilibrium will occur. Some invertebrate populations will be taken into consideration with priority in order to limit such impacts using integrated control techniques. The aim of these measures is to prevent the occurrence and possible extension of certain focal points having a potentially aggressive impact upon the nearby nemoral habitats.

The information presented in Figure 4.3 regarding Roșia Montană age pyramid is poorly presented, and RMGC regrets the confusion.

The section was meant to demonstrate that, in regards to females, the most prominent age category is 40-49 years of age, while for males the most dominate age category is 20-29 years of age.

As such, in place of "In Roșia Montană the largest population groups are married men" it should read "In Roșia Montană the largest population groups are elderly women and young males". The correct reference is: Institutul de Cercetare a Calitatii Vietii, Roșia Montană Gold Corporation – Socio-Economic Baseline Report, 2002. Which would be abbreviated to ICCV, socio-economic survey 2002.

The correction does not change any of the conclusions about the potential impacts or the proposed mitigation strategies of the project that are presented in the EIA. Apologies are levied for any confusion this may have caused.

Regarding the employment information provided in Roșia Montană Population & Employment Dynamic, in Plan L of the Community Sustainable Development Management Plan, the source for this information is the Alba Lulia Statistical Department and the information was obtained in 2005.

These jobs are classified as being in the mining sector because the impetus for the jobs was the Roșia Montană Project. Without the activities of RMGC, the archaeologists, construction and transportation workers hired to work on the project would not have had the same opportunities for work.

The Project provides the creation of a protected area, within which no mining activity shall be performed, as well as the preservation in situ of the historical monuments located outside this area, as detailed in the Cultural Heritage Management Plan - Plan M from the EIA Report.

As for the Roșia Montană Foundation, it is shifting in focus. The CSDP activities initially conceived as coming under the Foundation umbrella have been advanced independently, via partnerships and with community participation in decision-making – a preferable way to advance social and economic development programs.

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

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

The competent authority must communicate to the public the solutions presented by the titleholder as answers to the questions/comments raised by stakeholders during the development of public consultation and disclosure process of EIA. We strongly believe that every stakeholder who raised any question or answer will receive an answer after the environmental competent authority will send the annex with the solutions for the raised issues.

As described above, detailed financial guarantees are in place, in the form of the Environmental Financial Guarantee ("EFG"), which require 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.

Regardless of the financial condition of the Roșia Montană Gold Corporation ("RMGC"), the Romanian government will have no financial liability in connection with the rehabilitation of the Roșia Montană project. RMGC has already begun the process of complying with several European directives, and once their implementation instruments are enacted by the Romanian Government, we will be in full compliance.

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

Roșia Montană Gold Corporation ("RMGC") has invested significant time, energy, and resources assessing the viability of a mining project in the valley of Roșia Montană. This assessment has led RMGC to conclude that Roșia Montană presents an attractive long-term development opportunity – an opinion confirmed by a variety of lending institutions, 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 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. Under the terms of this guarantee, the Romanian government will have no financial liability in connection with the rehabilitation of the Roșia Montană project.

RMGC’s closure estimates, which were developed by a team of independent experts and reviewed by third party experts, are highly reliable. They are derived from the precise calculations of scientists and engineers and are set out in detail in the EIA’s Mine Closure and Rehabilitation Management Plan (Plan J). Most importantly, the current estimates assume the application of international best practice, best available technology (BAT) and compliance with all Romanian and European Union laws and regulations.

While the aspects of closure and rehabilitation are many, we are confident in our cost estimates because the largest expense—that incurred by the earthmoving operation required to reshape the landscape—can be measured exactly. Using the project design, we can measure the exact 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 with precision the necessary depth of topsoil 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 very accurately measure 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.

Closure and rehabilitation at Roşia Montană involve several measures, including 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.

An Environmental Financial Guarantee (“EFG”), which must be established in connection with the beginning of mining operations at Roşia Montană, will always reflect the costs associated with closure and reclamation, as it will be updated annually. The funds needed to cover closure and post-closure costs will be held in protected accounts at the Romanian state disposal.

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

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

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

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

There are two separate and distinct EFGs under Romanian law.

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

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

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

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

The annual updates capture the following four variables:

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

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

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

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

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

The baseline monitoring has continued since the Water Baseline Report was first compiled. Data were presented in the EIA for seven sampling events spanning seasonal conditions (four stations were only sampled five or six times during the period presented). Sample data were presented for: May and October 2001, April and November 2002, May, August and November 2003. Sampling has continued and the newer data will be provided to the public.

It must also be appreciated that a distinction needs to be made between the baseline data presented for an EIA, where the objective is to identify and define the mitigations required in respect of significant impacts that may be generated by the project; and the baseline data that will be required in the future for operation and compliance purposes (assuming the project is permitted) where for example the requirements of IPPC (Integrated Pollution Prevention and Control) permits will include a wider-ranging parameter list defining the baseline.

We recognize that the subject raised is an important issue and therefore the future monitoring program will be subject to continual review and be developed in scope, as required, to address all regulatory requirements including any new legislation such as any resulting from the Water Framework Directive. The details of any resulting amended monitoring requirements during construction, operation and closure of the project will be contained in updates of the relevant Environmental and Social Management System Plans. The most relevant of these are:

- Biodiversity Management Plan
- Waste Management Plan
- Water Management and Erosion Control Plan

The boreholes, piezometric and hydraulic testing data for the site are summarized in the EIA by hydrogeologic unit. The supporting data are voluminous and would have added substantially to the EIA mass. However, it is agreed that the additional technical support could be a benefit to some people reviewing the project. Inclusion of these data in the EIA would have significantly added to the mass, and there was an effort to keep the volume of material down. In this case, it may not have been the correct approach. It is recognised that such data are useful to parties wanting to conduct a detailed technical review the hydrogeologic data. Because of this, the data discussed in the comment will be provided in an updated Baseline Hydrogeology Report.
The water levels used to construct Fig. 4.1 were collected in January 2004. Additionally, seasonal piezometric maps were not generated since there is typically very little seasonal variability in water levels and flow directions, as shown on the hydrographs, which will be included in the updated Hydrogeology Baseline Report. In addition, because of the steep hydraulic gradients that mirror topography seasonal changes in water levels have very little affect on the overall groundwater flow patterns.

10. Provide summary tables of the well / piezometer completion and development details, and descriptions of the methods used.

NO ANSWER PROVIDED

11. Provide maps summarizing the results of all baseline hydrogeologic analysis, including water-level maps, ground water flow direction maps, fracture analysis / lineament maps – and descriptions, graphs and maps of aquifer testing, short and long-term, together with descriptions of the test interactions between ground water, underground workings, pits, surface waters, etc.

NO ANSWER PROVIDED

12. A detailed water balance using actual site-specific data, with specific descriptions of how the data were collected and the assumptions used.

NO ANSWER PROVIDED

13. Present and describe the unit water prices RMGC pays, or will pay, for the use of both surface and ground water.

NO ANSWER PROVIDED

14. Discuss baseline human health monitoring, and the extent to which such monitoring will continue during the operational and post-closure phases. Compare population health with health of population from similar mining areas from within Romania and from Europe; assess whether current health status is due to Minvest mining or “historical” mining together with supporting data and data sources.

E3. Environmental Monitoring – Operational Phases / Post-Closure

1. Conduct environmental monitoring during all operational and post-closure phases, that collects data at the same sites and for the same parameters, as a minimum, as are described above for the baseline monitoring. These EIA section should include detailed description of sample collection and handling procedures, together with quality assurance and quality control procedures (QA/QC). Routine precision data should be based on statistically-valid sampling programs, which require more split samples than simple duplicates.

NO ANSWER PROVIDED

2. Provide a list of specific water quality parameters to be monitored following closure. Describe what specific criteria will be used to determine whether the new mine / processing operations have created contamination in addition to the pre-existing, historical contamination.

NO ANSWER PROVIDED

3. Describe in detail the types and amounts of explosives and fuels and greases that will be used. In addition, the EIA should discuss the processes and concentrations of chemical by products released into the environment (waters, soils, air) as a result of the use of these explosives and fuels.
4. Tabulate the specific types and amounts of chemicals and process reagents that will be used throughout the mine and processing facility. Commercial reagents should be described by their chemical name or chemical components, not simply by some generic or trade name. Such tabulations should also describe the toxicity of these compounds to humans and aquatic life, or should state where no detailed testing information is available.

NO ANSWER PROVIDED

5. Provide site baseline environmental toxicity testing data and discuss, including the types and durations of tests performed, test organism used, detailed descriptions of the effluent solution utilized, and names of the specific labs performing the tests.

NO ANSWER PROVIDED

RMGC has made an extensive effort to seek the views of the people affected by the proposal. We set up 45 information centers where copies of the EIA were available, and 5000 copies of the EIA were printed. Beyond this, the Company has engaged in a long process of public consultation, including 14 public meetings in Romania and 2 in Hungary. Before submission of the EIA, RMGC changed various parts of the proposal, notably a reduction in the size of several proposed pits as well as enhancing sustainable development activities, and a stronger commitment to preservation of cultural patrimony including a reduced impact on local churches, in response to stakeholder consultations. From the reactions to the proposal in our extensive efforts at public consultation, we are confident that the vast majority of the people of Roșia Montană support the project.

RMGC has also committed to work with community stakeholders in an open, transparent and participatory manner. In this regard, RMGC has developed appropriate policies and is implementing strategies and a number of initiatives in a number of areas – social, environmental and economic.

These initiatives include cooperation between RMGC and a number of local stakeholder groups – setting up local and regional partnerships supporting education initiatives, youth development and training. These include: Roșia Montană NGO Partnership, Roșia Montană Youth Partnership, Apuseni Youth Resource Center, Roșia Montană Educational Partnership.

RMGC is working with Stakeholders regarding setting up several environmental partnerships to aid RMGC and the community in the monitoring and management of environmental aspects. These include: The Roșia Montană Research Center for Environment and Health to monitor health impacts and changes; the Roșia Montană APELL Center for Community Awareness of Risks will continuously monitor the RMP’s environmental risk management; bio-physical aspects will be monitored and co-managed through various partnerships such as the Roșia Montană Biodiversity Partnership and the Roșia Montană Forestry Partnership.

To promote and develop the economic opportunities presented by the RMP, RMGC is cooperating with local Stakeholders regarding setting up a business center, to be called the Apuseni Business Center.

For the purpose of this project, the term ‘stakeholders’ is taken to include the public sector (local governments and authorities), the private sector (businesses and commercial operations), the civic sector (residents, NGOs, Community Based Organisations (CBOs), etc) and the mining company. For any development to achieve maximum potential it requires the full cooperation and integrated efforts of all stakeholders in an open participatory process that identifies common goals and then designs, implements and executes the measures necessary to achieve them. This is discussed in detail in Sections 8 and 9 of the CSDP.
In recognition of international best practice and experience in development it is imperative for the community to own its own destiny. Hence, RMGC is committed to contributing to a Community-driven development process which would take ownership of many of RMGC’s development initiatives if so desired and warranted.

RMGC is committed to advancing the existing consultation process to ensure that the local community, and other stakeholders, are wholly involved in the process of enabling development. To date, RMGC has conducted extensive consultations with a wide range of stakeholders. This consultation has included 1262 individual meetings and interviews, the distribution of questionnaires for which over 500 responses have been received, 18 focus group meetings, and 65 public debates, and additional discussions with government authorities, non-governmental organisations and potentially effected stakeholders. The resulting feedback has been incorporated into the preparation of the Management Plans of RMGC’s Environmental Impact Assessment as well as the drafting of Partnerships and development programs.

2. Present specific details describing the methods by which environmental and socioeconomic regulations and agreements at the Roșia Montană site will be enforced, and describe which agencies will be responsible for such enforcement. This section should also discuss the means by which civil society can enlist the assistance of these regulatory agencies in the event that problems are noted.

NO ANSWER PROVIDED

Regarding land, pursuant to the Romanian legislation in force, the beneficiary of an investment must pay a series of fees before removing the land from the forestry fund or changing the use of arable lands. Moreover, the beneficiary of the investment is under obligation to ensure the reforestation and/or fertilization of new land surfaces at least equal to the impacted ones. This means that the costs to be covered by the beneficiary will double.

The project’s water balance is based on the strategy of water management that is illustrated in Exhibit 4.1.18 - Chapter 4 section 4.1 Water of EIA Report. More details regarding the flow and storage facilities of the system are presented by Exhibits 4.1.8, 4.1.10, 4.1.11 and 4.1.12 of the abovementioned section.

The Company currently holds an exploration license covering part of the Bucium Communa within which the Company is conducting exploration activities. At the moment no projects are planned. However studies are being conducted in the area consisting of exploration and feasibility studies. Should any of the projects in the Bucium License become feasible then they will be permitted and evaluated as required under Romanian Law, EU directives and International guidelines in respect to all aspects of the projects.

5. Describe the general contents of the Pre-Feasibility and Feasibility Studies performed for RMGC, and should also describe how and where civil society can review copies of these important documents.

NO ANSWER FOUND

6. Describe the methods by which the Romanian government will audit the gold and silver productions from the Roșia Montană mine, so that accurate payment of taxes and royalties can be assured.

NO ANSWER FOUND – NOT PROVIDED

Based on the provisions of art. 11 (1) of Government Decision no. 918/2002 on the setting of the framework-procedure for environmental impact assessment and for the approval or the list of public and private projects subject to this procedure (“GD no. 918/2002”), "the environmental impact assessment study shall be made based on the guidance provided at art. 8 (1), through
specialized economic agents, whether natural or legal persons independent of the project holder and certified under the law”.

In accordance with the Order no.978/2003 of the Ministry of Agriculture, Forests, Waters and Environment for the approval of the Regulation for the certification of natural and legal persons drafting environmental impact studies and environmental balances, art. 3 expressly mentione “for the authorization in the environmental area in accordance with the law on environment protection (“LPM”) only the assessment of the environmental impact […] made by certified parties shall be considered by the romanian environmental authorities.”

Furthermore, under Annex no. 2, part II, item 1 of Order no.863/2002 of the Ministry of Waters and Environment Protection on the approval of the methodological guidances applicable to the steps of the framework-procedure in the study for environmental impact assessment (“Order no.863/2002”), document drafted for the consideration of a corresponding methodological guide made by a group of experts on the request of the European Commission, the report to the study for environmental impact assessment must provide “information on the certified author of the study for the environmental impact assessment and of the report to this study: name and address (of the natural or legal person), name, phone and fax number of the contact person”.

The Ministry of the Environment and Waters Management has the capacity, based on the legal competences hereof, to decide whether it is necessary to supplement the report for the study on the environmental impact assessment.

The concept of independence as expressed in this question is very simplistic, it implies that the only determinant of independence is the source of funding and to an extent shows a lack of understanding of what a professional is. If professionals were willing to change their professional judgement depending on who is paying their fees, then they would be of little use as their professional reputation would quickly suffer as a result. The independent EIA team was composed by a respected group of professionals with a long career in Romania and internationally with a proven track record of independent professional judgement.

8. Describe the social, environmental and economic impacts of the proposed project on neighbouring protected sites such as the Apuseni National Park.

NO ANSWER FOUND – NOT PROVIDED

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

S.C. Rom Aur S.R.L.was founded in 2005 and has a unique administrator, Mr. D-I Gary O’Connor, who is not part of RMGC’s Administration Council. Moreover, RMGC holds no stock in S.C. Rom Aur S.R.L. Rom Aur solicited, from the Natural Agency for Mineral Resources, an exploration licence for a perimeter located in the Cluj district, which it received in July 2006. Therefore, this company could not have evaluated the resources at Roşia Montană because, as of 2005 when the company was founded, our resources calculations were already finalized. S.C. Rom Aur has produced no documentation for RMGC.

The RomAnalize company was only set up in 2005, after the completion of all resource estimation work at Roşia Montană for the sole purpose of the transfer and sale of the chemical testing and analysis facilities previously managed by Analabs and after their buy-out, SGS of Switzerland. RomAnalize was taken over, in July 2006, and is now run by ALS Chemex, Australia and up to now never performed any analytical work used in the resource estimation work at Roşia Montană.
The samples collected from Roșia Montană deposit were assayed by a laboratory with an independent management. During the assaying of these samples a checking program was implemented with internal and external checking procedures for the laboratory. Duplicate samples were send to two independent external labs from Australia and Canada for re-assaying and also standard samples, duplicate samples and blanks were included in the laboratory sample flowsheet. All the internal and external control checking proved the accuracy of the assays performed at the Gura Rosiei laboratory.

10. Describe provisions whereby the interested public will have free and unhindered access to all agreements between RMGC and the Romanian government until the present.

NO ANSWER PROVIDED

11. Compare the various environmental quality criteria utilized in this RMGC project (such as water discharge criteria) with those employed at similar gold mine projects in Canada, the U.S.A, or Western Europe / Scandinavia.

NO ANSWER PROVIDED

E5. Technological Processes
1. EIA sections describing mining processes should include figures showing each open pit in both plan (map) view and cross section, with scales so that both actual elevations and pit depths can be readily determined. Such figures should also show the approximate positions of oxide, mixed and sulphide-rich ores.

NO ANSWER PROVIDED

• Additional graphical data summarising the acid-base accounting sample (ABA) data are presented in Chapter 4.5 (see exhibit 4.5.3). This is attached to this comment response document.
• Page 26 presents the conclusion to the 78 cycles of unsaturated column testing. The columns did not go acidic despite ABA data indicating ARD potential – this is not an interpretation. Possible explanations are presented, including silica encapsulation of the sulphide.

As discussed in the EIA, the field column data indicate that waste rock behaves generally as predicted by the ABA testing and rock that is indicated as potentially acid generating, tends to form ARD. Conversely, if predicted to be non-ARD generating the rock produces neutral or alkaline effluents.

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3. Describe the details of all geochemical sampling / testing approaches employed.

NO ANSWER PROVIDED

4. Document and summarize examples of open-pit gold / metal mines that have had their pits backfilled and the resulting long-term pit lake and ground water quality associated with such efforts.

NO ANSWER PROVIDED

5. Document and summarize examples of open-pit gold / metal operations mining sulphide-rich ores that have installed active water treatment plants, and were successful post-closure reclamation allowed the water treatment plants to be closed – examples where long term success (probably about 10 years or more, post-closure) can be verified.
6. Document, describe and summarize examples of open-pit gold / metal operations mining sulphide-rich ores that have successfully met water quality discharge standards using passive treatment technologies. Example should be limited to those having long-term, post-closure experience.

NO ANSWER PROVIDED

E.6 Water Treatment Issues.
1. Summarize, in tabular form, the water quality parameters that will be measured / determined in the effluents, and the acceptable water quality concentrations for treated waters discharged from the treatment plant. State whether these are legally-negotiated criteria / standards. Describe the effluent discharge criteria / standards for both operational and closure periods. Provide water treatment testing data from the various Feasibility reports.

NO ANSWER PROVIDED

2. Provide tabular comparisons of the Roşia Montană treated water discharge criteria and comparable criteria / standards utilised in Western Europe, Canada, the U.S.A., and by the World Bank / IFC.

NO ANSWER PROVIDED

3. Describe water treatment including discussions of which beneficial uses are expected for the treated waters.

NO ANSWER PROVIDED

4. Discuss and define the loads of total chemical constituents (those measured by analysis of unfiltered samples) described above (see baseline monitoring comments), which are expected to be released in effluents from the water treatment plant.

NO ANSWER PROVIDED

WHAT CAN WE SAY ABOUT PROCEDURES THAT WILL BE EMPLOYED? CAN WE REFER TO PLAN G OF THE EIA?

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 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, 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.

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

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.

2. Present test data (from Feasibility or other studies) showing the detailed chemical concentration of tailings effluents (water and solids) resulting from the INCO treatment of Roșia Montană ores. Such data should include most of the parameters listed above for baseline water quality monitoring. Compare these test concentrations to international water quality criteria.

NO ANSWER PROVIDED

3. Demonstrate by means of toxicity testing that discharged waters (whole effluents) are not toxic to aquatic organisms, regardless of the WAD cyanide concentrations determined in effluent samples.

NO ANSWER PROVIDED

4. Describe the detailed methods and procedures used for transporting and handling cyanide.

RMGC is committed to meeting all requirements to ensure safe transportation and handling of cyanide. The following information is in addition to the information included in Plan G of the EIA.

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

Since RMGC will not be certified for cyanide transportation, it will not do so. A company with expertise, that is qualified under CEFIC and ICMI standards, will be selected and under review by both producer and user. Cyanide in a solid, briquette form (not as a liquid), will be transported within specially-designed “isotainers” that are resistant to accident or damage. A detailed route survey to identify all potential transportation alternatives and hazards, together with needed mitigation measures, will be completed before operations begin. The survey will be conducted as close to the beginning of operations as possible to take advantage of the most updated rail and highway network improvements, as per EU guidelines.

During operations our plans are to maximize the use of rail to a depot near the project site whenever possible. When using trucks, our operating procedure will most likely be to group the transport into convoys of 12 trucks once per week to reduce the possible risk of accident. The shipment will occur only after an assessment of current conditions and confirmation of ability to receive shipment at site. RMGC and its suppliers will fully comply with ADR and RID, the European regulations covering the international carriage of dangerous goods by road or rail.

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

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

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

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

It must be noted UNESCO (UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION) cannot replace the relevant national authorities competent in cultural heritage field. The national and governmental bodies empowered by law to manage monuments included on the World Heritage List (i.e. UNESCO monuments) are the Ministry of Culture and Religious Affairs, the National Institute of Historical Monuments and the National Commission for Historical Monuments.

The provisions regarding these specific attributions, included in the Romanian legislation on historical monuments, i.e. Law 422/2001 on the protection of historical monuments, as amended (“Law 422/2001”) as follows:

- art. 28, (1)-25 – the Ministry of Culture and Religious Affairs […] cooperates with interested international bodies and takes part in the co-financing of protection programs for historical monuments, including those listed on the World Heritage List […]
- art. 29, paragraph (3), point d) – The main responsibilities of the National Institute of Historical Monuments are:
  [...] d) preparation of documentation for the historical monuments proposed to be included on the World Heritage List […]
- art. 35, (1), point l) – the National Commission for Historical Monuments has the following responsibilities: […] to propose historical monuments for inscription on the World Heritage List, as well as on the List of endangered sites, prepared by UNESCO […]

In conclusion, the proposals for inscription on the UNESCO World Heritage List – are made by the Romanian state and competent bodies, i.e. the Ministry of Culture and Religious Affairs, the National Institute of Historical Monuments and the National Commission for Historical Monuments (in accordance with the abovementioned legislation).

Furthermore, under the current legal provisions, local public administration authorities also have responsibilities in this regard; among these are the responsibilities to develop annual management and protection plans for the historical monuments listed on the World Heritage List and located on the respective administrative territorial unit, and to ensure their monitoring and provide the necessary personnel (as per Law no. 422/2001, art. 46, (1), point i).

The aim of the Environmental Impact Assessment Study for the Roșia Montană area, submitted to the Ministry of the Environment and Water Management in May 2006, was to prepare the implementation of a mining project by RMGC and not to help include a very large area, generically named „Țara Moților” on the World Heritage List. Upon assessment of this document, the competent authorities in the cultural heritage field will form a well-grounded opinion as to whether to approve or reject the Roșia Montană Project.
The legislative framework regarding the archaeological research carried out in Romania is currently governed especially by Government Ordinance no. 43/2000 regarding the archaeological heritage protection and the establishment of some archaeological sites as areas of national interest, modified by Law 258/2006. This law brings significant changes and amendments to the legislation for the period 2000-2004 on the protection of the archaeological heritage (i.e. the Government Ordinance 43/2000; Law 378/2001 and Law 462/2003). It should be noted that the notion “independent archaeologist” the questioner refers to is not mentioned in the text of any Romanian legislation.

Under the legal provisions, the archaeological research is undertaken by specialized staff, certified and registered in the in the National Register of Archaeologists, in accordance with the provisions of the Romanian Regulations for Archaeological Excavations and with the provisions of the Standards and Procedures in Archaeology and the provisions of the Romanian Archaeologists’ Code of Practice (Law 258/2006, article 3, paragraph 2).

The Regulations of Archaeological Excavations in Romania were established in 2000 through the Order 2071/30.06.2000 of the Minister of Culture and Religious Affairs. The Register of Archaeologists in Romanian was established in the same year through the Order 2072/03.07.2000 of the Minister of Culture and Religious Affairs. In 2004, the Romanian Ministry of Culture and Religious Affairs established the Standards and Procedures in Archaeology (through the Ministerial Order 2392/06.09.2004), which came to complete the existing regulations in the archaeological field.

Under the provisions of the Regulations for Archaeological Excavations in Romania:
- Chapter III, article 8, point g). – the site manager is responsible for [...] drafting and keeping the site records/documentation (archaeological excavations report, plans, profiles, films, etc), which belong to the institution that organizes and finances the research;
- chapter IV, article 1- The authors of archaeological excavations have the right and obligations to enhance the results thereof through publications and public disclosure;
- Chapter IV, article 2 – The full enhancement of the archaeological finds is mandatory and it is carried out once the excavations are completed; it consists the drafting of an overall report or of a monographic work, as appropriate. In the case of permanent or long-term archaeological sites, partial reports or studies shall be presented, every 3-5 years, and monographs shall be prepared for longer periods.
- Chapter IV, article 5 – The results of the archaeological research can be presented to the public through exhibitions, publications, etc. in compliance with the intellectual copyrights of the researchers who conducted works on those sites.
- Chapter V, article 7 – Every researcher’s copyright on his/her scientific work, irrespective of its form, including designs, exhibits, graphic works, or any other materials resulting from an intellectual creation effort, is guaranteed and protected in accordance with the provisions of Law 8/1995 on copyright and neighboring rights. The scientific works created under an individual employment contract are governed by article 44 of Law 8/1996 on copyright and neighboring rights.
- Chapter V, article 8 – The researcher’s exclusive scientific property on the results of the excavations is guaranteed for a period of five years after the date the excavations are completed; then the organizing institution can decide, upon consent of the National Commission of Archaeology, to transfer these rights to another researcher;
- Chapter VI, article 13 – Once it is prepared, the site documentation becomes the property of the institution that finances the archaeological research;

From this it is clear that the Romanian National Museum of History owns the intellectual property right for the research archive and for its management and publication of the results of the archaeological researches conducted on the archaeological site of Roșia Montană.

Given that the Romanian legislation on the environment does not comprise specific regulations regarding the drafting of heritage documentation required in the case of an Environmental Impact Assessment Study and that the archaeological researches are still in progress on the
Roșia Montană site while the publication of the results of these archaeological researches is underway, the Romanian National Museum of History was responsible for contributing with detailed information and data to the preparation of such specific reports in co-operation with other competent institutions.

Thus, these reports were drawn up by authorized Romanian and French archaeologists, who worked in compliance with the Codes of Practice and professional customs as regards the practicing of this profession which has certainly a contractual perspective having in regard that the preventive archaeology is performed in connection with public or private economic interest.

3. The documentation tries to impose the idea that Rosia’s unique archaeological patrimonia is in a precarious conservation state. The fact that temples that were discovered had walls as high as 50-60 cm proves it as utterly false.

NO ANSWER FOUND

Although their presence was known for more than 150 years, the Roșia Montană Roman galleries had never been archaeologically investigated prior to 1999. Basically, prior to 2000, this type of archaeological remains have never been subject to a specialized research, but only mentioned empirically. At present, following the extensive archaeological research conducted in the last 7 years, the nature, features and distribution of this special category of heritage i.e. the historic mining galleries from Roșia Montană are well understood.

The comprehensive research conducted in the underground and the complex specialized studies undertaken in the area in the period 2000-2006 have helped creating a comprehensive picture of these remains and have led to the adoption of specific measures for their protection. Here is a brief list of these conclusions:

- the mining remains from the massifs located in the southern part of the Roșia valley have been thoroughly researched and specific preservation measures have been taken for the Cățălina Monulești and Piatra Corbului areas;

- the mining remains from the northeastern part of the Rosia valley have been thoroughly researched and conservation measures have been proposed, which are specific for the Văidoaia area.

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

- as regards the complex of heritage assets from this area, note that 13 archaeological sites have been identified and researched during the preventive archaeological investigations undertaken in the period 2001-2006; once this comprehensive research were completed, a decision was made for the archaeological discharge of some on these sites, while other structures will be preserved in situ (e.g. the funerary precinct of Tâu Găuri or the Roman remains from the Carpeni hill);

- the development of the mining project would not affect the 41 historic buildings from Roșia Montană. Measures will be taken for the restoration and conservation of these structures. Specialized documentation necessary for the initiation of the restoration and conservation process is currently being prepared for 11 of these structures.

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

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

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

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

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

Given that the specialists’ access to the underground remains found in the Cârnic massif is extremely difficult and that tourist access is practically impossible, it was concluded that the only way to enhance the main types of mining works is to created replicas of them. Among the specialized studies conducted by the team of French mining archaeologists from the University Le Mirail of Toulouse (France) the detailed topographical survey of the ancient mining works and the making of a complete inventory of photos of the underground Roman mining works are noteworthy. Moreover, the 3D modeling made by the French specialists allowed the reconstruction of the original morphology of the ancient mine, removing the deteriorations caused by the flow of time and by the subsequent mining works. These scientific results will represent the starting point in the creation of replicas of the ancient mining works.

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

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

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

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

“[..] Concern has been expressed by critics over the procedure (allegedly superficial archaeological discharges) and conservation ethics, involving the programmed destruction of Roman galleries. This concern does not appear to be entirely justified. The reworked galleries in the areas of the main pits Cârnic and Cetate appear empty of any archaeologically interesting remains. Tourist access to most galleries would be impossible. However, the condition must clearly be imposed of continued archaeological excavation and monitoring of what is found [..].”

“[..] Research does not necessarily imply the need for everything found to be preserved and the academic ideal of total in situ preservation is perhaps not always and altogether appropriate in a situation of rescue archaeology and a commercial world. This is certainly so in the case of in situ preservation of the Roman galleries at Roșia Montană. There are over 5 km of them, apparently with a limited variety of distinctiveness between them and few surviving remains in them. Most of them are inaccessible, indeed dangerous of access to tourists. Alternative proposals such as designation of the whole area as a cultural landscape to be developed for tourism lack viability [..].”

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

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

In conclusion, in response to your question, note that the company does not plan to destroy the Roman galleries from Roșia Montană or to create replicas thereof, without having a clear alternative in this respect. Complex specialized studies have been conducted during eight years and their conclusions served as a basis for the adoption of a series of specific measures which
imply complex works for the conservation of certain original sectors of galleries and their development for public access, while others will be preserved for future research (the archaeological reserves), and replicas will be made for other segments of galleries.

Note that we are now facing some sort of a paradox, specifically given the state of preservation and the nature of these remains, their physical existence would be threatened in the absence of archaeological research. On the other hand, any archaeological research implies, to a certain extent, the irretrievable loss of an archaeological context in order to save the information. However, this type of research – known as rescue/preventive archaeological research – is conducted everywhere in the world in relation to the economic interest for certain areas. And the costs for this research as well as the costs for the enhancement and maintenance of the areas preserved are covered by the investors through a public-private partnership for the protection of the cultural heritage, in compliance with the provisions of the European Convention of Malta (1992) on the protection of the archaeological heritage [1]


5. It is unfeasible for a team of archaeologists doing preventive archaeological surveys on-site while about 35 000 tons of dynamite will be exploded daily; and to be on-site daily for 17 years. What’s more the Ministry of Culture approved the General Urbanistic Plan in 2002, before researching archaeologically the protected area that, courtesy of the approved plan became industrial area. The Ministry of Culture has proven is complacency towards RMGC by according archaeological discharges on punctual discoveries, choosing to ignore that these discoveries were actually part of complex sites.

In compliance with the existing legislation, RMGC has provided the necessary funds for the investigation and assessment of these types of archaeological remains through preventive archaeological research. Specific investigative tools and methodologies are used for the organization and development of this type of research, which are adjusted to meet the real conditions of every site researched. The archaeological research of the Rošia Montană site consisted in the following steps:

- studies of the archive;
- archaeo-anthropoligical surveys, trial trenches (test trenches);
- aerial reconnaissance/survey and aerial photo interpretation; high resolution satellite images;
- mining archaeology studies; underground topography and 3D modeling;
- geophysical surveys;
- thorough archaeological investigations in the areas with an identified archaeological potential- this implied carrying out archaeological excavations;
- interdisciplinary studies- sedimentology, archaeo-zoology, comparative palynology, archaeo-metallurgy, geology, mineralogy;
- Radiocarbon dating and dendrochronology;
- This research and its outcomes were included in an integrated database;
- traditional and digital archaeological topography and development of the GIS project; generate a photo archive- both traditional and digital;
- restoration of artifacts;
- an inventory and a digital catalogue of the artifacts;
- studies conducted by specialists in order to enhance the outcomes of this research - publication of monographs / scientific books and journals, exhibitions, websites, etc.

All the preventive archaeological researches conducted at Rošia Montană since 2000 have been carried out within a complex research program; permits for preventive archaeological excavations being issued in compliance with the legislation in force. These archaeological investigations have been carried out by representatives of 21 specialized institutions from Romania and 3 others from abroad, under the scientific coordination of the Romanian National
Museum of History. The investigations conducted during each archaeological research campaign were authorized by the Ministry of Culture and Religious Affairs based on the Annual Archaeological Research Plan approved by the National Commission of Archaeology.

The specific techniques employed during the preventive archaeological investigations conducted on the RMP perimeter consisted in a survey of all the areas, which are accessible and, at the same time, suitable for human settlements, and took into account bibliographical data and observations made during field surveys, geophysical surveys, as well as data resulting from the analysis of photogrammetric flights. The archaeological investigations were developed in surface where required by the archaeological conditions. The archaeological investigations conducted at Roșia Montană have covered large areas, and all the areas with an archaeological potential have been thoroughly investigated. Thus, all the perimeters that were archaeologically discharged had been previously investigated. All the investigations undertaken starting with the 2004 campaign have been conducted in accordance with the legislation in force, specifically the Order of the Minister of Culture and Religious Affairs no. 2393/06.09.2004 on the establishment of Archaeological Standards and Procedures.

Under the same Romanian legislation in force, the researchers who have conducted the investigations are entitled to propose the archaeological discharge of a certain area. Based on the findings of the complex archaeological investigations, the team of archaeologists prepares a comprehensive documentation of the area investigated. Upon consultation of this documentation, the National Commission of Archaeology decides whether or not to recommend the issuance of the archaeological discharge certificate. The archaeological discharge certificate for the preventive archaeological researches conducted in the period 2001-2006 was issued directly by the Ministry of Culture and Religious Affairs or by its decentralized departments.

The statement that “no human settlements were found during the archaeological researches” is not consistent with the archaeological reality. In this respect, please note that the habitation structures identified and investigated were published in preliminary form, after each campaign, in the Chronicle of Archaeological Researches in Romania and in the first volume of the Alburnus Maior monographic series. For convenience, the publications of the investigations of habitation structures dating from the Roman period are: Hop-Găuri, Carpeni, Tăul Țapului (CAR 2001 (2002), p. 254-257, no. 182; 261-262, no. 185; 264-265, no. 188; 265-266, no. 189. Alburnus Maior I, 2003, p. 45-80; 81-122; 123-148; CAR 2001 (2002), 257-261; CAR 2003 (2004), 280-283; Alburnus Maior I, 2003, p. 387-431, 433-446, 447-467).

With regard to your request for a radiocarbon dating, we note that your request did not comply with the administrative and professional procedures. As a member of the research team from the Museum of Dacian and Roman Civilization in Deva, you should have submitted this request to the person in charge in that sector, namely Dr. Adriana Pescaru Rusu. According to the legislation in force, the manager of an archaeological site is entitled to solve the requests submitted by a member of the team. Your request was dismissed because it remained only a verbal one as you didn’t proceed with it. Moreover, the following year, your colleagues requested a radiocarbon dating on a wood sample taken from a burial in the Țârina necropolis. Their initiative was successful as they followed all the necessary procedures in this respect.

However, note that this type of research-known as preventive/rescue/contractual research- is conducted all over the world in relation to the economic interest for certain areas and the costs thereof as well as the costs for the enhancement and maintenance of the areas preserved are covered by the investors through a public-private partnership for the protection of the cultural heritage, in compliance with the provisions of the European Convention of Malta (1992) on the protection of the archaeological heritage [1].

Pursuant to current legislation in Romania, RMGC has ensured the necessary financial resources for assessing and studying these remains. The Company provided the necessary resources to cover various expenses like endowments, working equipments, safety equipments, labor costs, respecting the opinions and conclusions of researchers and observing the decisions.
issued by competent authorities like the Ministry of Culture and Religious Affairs – the National Commission of Archaeology, and the National Commission of Historic Monuments, as required by law.

The concept of archeological research does not entail only archaeological excavations.

This type of research is conducted by specific means and methodologies adapted to the conditions of a specific site. these are set forth below for our case at Roșia Montană:

In accordance with current Romanian legislation (the Ministerial Order no. 2392 from 06. 09. 2004 regarding the establishment of Archaeological Standards and Procedures by Ministry of Culture and Religious Affairs), the authors of researches are not entitled to grant archaeological discharges. Following a complex research process, exhaustive documentation must be prepared for the study area, which will include the archaeologists' proposals. After considering this documentation, the National Commission of Archaeology will recommend or not the issuance of the certificate by the Ministry of Culture and Religious Affairs.

For further details related to the legal framework and duties of the Project titleholder that arise from the mandatory compliance with the legal requirements please see the Cultural Heritage Annex called “Information on the Cultural Heritage of Roșia Montană and Management Thereof”. Also, further details may be found with respect to the researches conducted within the “Alburnus Maior” National Research Program developed between 2001 and 2006.

References:

No clear reference to any kind of habitats is included in the text of Bern Convention to which Romania has adhered to, which is transposed into Romanian legislation by Law 13/1993; their listing is missing from its annexes. These habitats are included in Resolution 4 of the Convention that was adopted on December 6, 1996 and addressed to the State Members of European Union that were signing parties of Bern Convention at that time. Thus, Law 13/1993 lists flora species in Annex 1, and fauna species in Annex 2.

For Roșia Montana area, none of the species listed in Annex 1 have been identified (flora species). Some of the fauna species existing in the project’s implementation area have been identified as being species included in the scope of work of Bern Convention, but there are no populations that would require some special measures of conservation to be taken as required under art. 1 and 2 of the respective Convention.

The stipulations of the Convention under art.14 through which it is recommended to “take appropriate and necessary legislative and administrative measures to ensure the conservation of the habitats of the wild flora and fauna species ”, are explained through Resolution 1 (1989) of the Convention Committee and addressed to all signing parties. Thus, these measures will be aimed towards the protection of “critical sites”, which are defined as essential for the conservation of species, which are included in the Convention’s Annexes.

The measures included in Biodiversity Management Plan (Plan H) that is proposed by the company, fully comply with the provisions of Law 13/1993 on conservation of natural habitats, a term that defines “maintenance and, where necessary, restoration or improvement of biotic and abiotic features of a habitat of a species or of a natural habitat […]”, pursuant to the provisions of Resolution 1 from 1989, guaranteeing the maintenance in the respective area of the species included in Law 13/1993, through ample measures of restoration of some natural habitats.

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

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

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

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

The description of Compensating Functional Ecologic Network can be found in Biodiversity Management Plan (Plan H).

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

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

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

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

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

As described above, detailed financial guarantees are in place, in the form of the Environmental Financial Guarantee (“EFG”), which require 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.

Chapter 7-Risks includes detailed provisions concerning the hazardous natural phenomena, such as heavy rains, landslides etc, based on probabilistic analysis assessing the possibility that such phenomena exceed normal values. Extreme rain events and earthquakes are among the most significant natural hazards, considering the negative effects which they might have on the structures existing on the site and especially on the Corna pond. The Corna pond was designed to store rainoff resulting from two consecutive PMPs (450 mm/24 h+450 mm/24 h) and to withstand an 8 Richter Scale earthquake.

The Probable Maximum Precipitation, defined as “theoretically the greatest depth of precipitation for a given duration that is physically possible over a given size storm area at a particular geographical location at a certain time of year” without taking into consideration long-term climate changes (WMO, 1986) has been estimated to occur at an average return period from 1:100 000 000 to 1:1 000 000 000 years.

The design parameters already mentioned go beyond the recommendations of the national and European standards for this type of structure.

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

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

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

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

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

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

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The Roșia Montană Project will not create cyanide rain.

The EIA states precisely that a “cyanide rain” phenomenon will not occur. This phenomenon has never been encountered in other places or situations. Moreover, the specialty literature mentions only the “acid rain” phenomenon which has no connection with the behavior of the cyanide compounds in atmosphere.

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 are contained in the EIA Report, Chapter 2, Chapter 4.1 and Chapter 4.2 (Section 4.2.3).

As stated in the EIA, we are confident that our project will not create cyanide rain for the following reasons:

• The sodium cyanide handling, from the unloading from the supplying trucks up to the processing tailings discharge onto the tailings management facility, will be carried out only in liquid form, represented by alkaline solutions of high pH value (higher than 10.5 – 11.0) having different sodium cyanide concentrations. The alkalinity of these solutions has the purpose to maintain the cyanide under the form of cyan ions (CN-) and to avoid the hydrocyanic acid formation (HCN), phenomenon that occurs only within environments of low pH;

• The cyanide volatilization from a certain solution cannot occur under the form of free cyanides, but only under the form of HCN;

• The handling and storage of the sodium cyanide solutions will take place only by means of some closed systems; the only areas/plants where the HCN can occur and volatilize into air, at low emission percentage, are the leaching tanks and slurry thickener, as well the tailings management facility for the processing tailings;

• The HCN emissions from the surface of the above mentioned tanks and from the tailings management facility surface can occur as a result of the pH decrease within the superficial layers of the solutions (that helps the HCN to form) and of the desorption (volatilization in air) of this compound;

• The cyanide concentrations within the handled solutions will decrease from 300 mg/l within the leaching tanks up to 7 mg/l (total cyanide) at the discharge point into the tailings management facility. The drastic reduction of the cyanide concentrations for discharging into the TMF will be done by the detoxification system;

• The knowledge of the cyanide chemistry and on the grounds of the past experience, we estimated the following possible HCN emissions into air: 6 t/year from the leaching tanks, 13 t/year from the slurry thickener and 30 t/year (22.4 t, respectively 17 mg/h/m² during the hot season and 7.6 t, respectively 11.6 mg/h/m² during the cold season) from the tailings management facility surface, which totals 134.2 kg/day of HCN emission;

• Once released into air, the hydrocyanic acid is subject to certain chemical reactions at low pressure, resulting ammonia;

• The mathematical modeling of the HCN concentrations within the ambient air (if the HCN released in the air is not subject to chemical reactions) emphasized the highest concentrations being at the ground level, within the industrial site namely within the area of the tailings management facility and within a certain area near the processing plant. The maximum concentration is of 382 μg/m³/h;

• The highest HCN concentrations within the ambient air will be 2.6 times lower than the 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/m³, over 250 – 12.5 times lower than limit value stipulated by the national legislation for labor protection (the national legislation and EU legislation on the Air Quality don’t stipulate limit values for the population’s health protection);

• Once released in air, the evolution of the HCN implies an insignificant component resulted from the reactions while liquid (water vapors and rain drops). The reactions are due to HCN being weak water-soluble at partially low pressures (feature of the gases released in open air), and the rain not effectively reducing the concentrations in the air (Mudder, et al., 2001, Cicerone and Zellner, 1983);
• The probability that the HCN concentration value contained by rainfalls within and outside the footprint of the Project to be significantly higher than the background values (0.2 ppb) is extremely low.

If the RMP were to be operated without low grade ore stockpile, the project would suffer two main negative effects:
1- environmental, the low grade ore would in all probability be deposited in the waste rock increasing the amount of rock with a potential to generate acidity, and
2- economic, the extra resources generated from the processing of these assets at the end of the life of the mine would be lost to the project and its stakeholders.

Despite the fact that it is feasible to operate the RMP without a low grade ore stockpile, it is not advisable nor desirable due to the reasons explained here.

The health risk assessment is based on specific data only.

The health risk assessment has been carried out taking into account three categories of information:
- the health baseline conditions, resulting from the assessment of all medical records available from all general practitioners and from the two hospitals in the area, referring to the entire population from more than 40 localities;
- the quality of the environmental media with regard to the distribution of the hazardous substances under investigation, before the development of mining operations and predictions on the distribution of the contaminants’ concentrations in the environmental media, for different time periods during the life time of the project.

The health risk assessment has taken into account predictions on the distribution of hazardous substances concentration in the environmental media, as they have been presented in the EIA study, and not the causes and/or factors that have contributed to those concentrations.

Chapter 10 of the EIA Report concludes that under normal operating conditions there would be no significant transboundary impact which could, for example, affect the Mures Valley in Hungary.

The project design also reduces the risk of large scale accidents to a very low level and this is explained in Chapter 5 (Risk Cases).

The issue of a possible accidental large-scale release of tailings to the river system was recognized to be important and the public meetings conveyed stakeholder concern in this regard. As a result, further work has been undertaken to provide additional detail to that provided in the EIA Report on impacts on water quality downstream of the project and into Hungary. This work includes modeling of water quality under a range of possible accident scenarios and flow conditions and confirms that the design of the project, in line with the new EU Mining Wastes Management Directive and associated Best Available Technique documentation, performs satisfactorily and safely.

Because of the mitigation measures adopted (for example, the use of a cyanide destruct process for tailings effluent that reduces cyanide concentration in effluent stored in the TMF below 10 mg/l), even a large scale unprogrammed release of tailings materials (for example, following failure of the dam) into the river system would not result in transboundary pollution that could significantly affect sensitive receptors in Hungary.

12. Provide a list of each component accumulated in the TMF (heavy metals, sulphur, water, etc.) in the operating years of 8-12 and years 13 and 14
As mentioned above, while there will be specific legal provisions regarding the establishment of certain guarantees, RMGC will take all the necessary measures for the observance of all the legal provisions.

From a theoretical point of view, the biodiversity value of a site is provided by quantitative and qualitative indexes of biodiversity.

Considering the conditions of site ecosystem defined by elements related to major impacts, action area, and extension in time, the identification of several natural habitats in the true meaning of the word and as it is defined in specific handbooks has remained at the stage of a hope.

The legal requirements governing the assessment of biodiversity refer to the assessment of specific and ecosystems richness and to conservative identification of species and habitats. Both aspects have been adequately covered within the Environmental Impact Assessment Study.

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

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

From practical point of view, the low value of conservation of the impact area is also indirectly emphasized by the fact that there is no proposal to designate the area a SPA (avifaunistic special protected area) and by the denial of the proposal to designate the area as a pSCI area (sites of community importance). The proposal was denied by the Committee of Technical Experts of Ministry of Environment and Water Management that was summoned to assess the Natura 2000 proposals.

Roșia Montană needs investment and infrastructure in order to pursue economic growth from tourism, agriculture or other industries. As well, the area requires environmental reclamation from previous mining projects. The RMGC will help in all of these areas.

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

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

A mining project such as the one proposed by RMGC would provide, through its general economic activity and through taxes, the necessary funds to improve the infrastructure. The company has also spent approximately US$7 million to develop the most extensive archaeological research and development program of Roșia Montană Historic Area, so as to preserve and develop the archaeological and cultural-architectonical potential.

Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training
program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old center of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Catalina Monulesti) and preserved monuments such as Tau Gauri - all of which would serve as tourist attractions.

Moreover, RMGC has designed the mine project to ensure that all of Roșia Montană’s 41 historical structures remain unaffected. We are committing funds to restore these buildings and constructing a museum for the archeological 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 revegetated 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 Roșia Montană.

As well, to encourage local investors RMGC established Roșia Montană Microcredit in January 2007. This micro lender, is designed to provide funding and necessary resources to the people of Roșia Montană, Abrud, Campeni and Bucium. The objective is to support local people in establishing small businesses or expanding existing ones.

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

RMP is committed to giving priority to local businesses and other enterprises when awarding contracts for the project.

As described above, the RMGC investment is crucial to economic revitalization, and to the growth of other industries. A large industrial project could provide the infrastructure and other forms of investment needed to spawn and support other businesses.

With regard to tourism, with the infrastructure investment the RMP will bring we believe that Roșia Montană could continue to develop its potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roșia Montană and Baia de Arieș as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, after the completion of the EIA study.

The INCDT and Sustainable development alternative to mining at Roșia Montană – An analysis of resources and elements of strategy”, by Sorana Olaru-Zainescu report were not available when the EIA was prepared.

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

In fact, RMGC has commissioned a Tourism Strategy which sets out how the potential tourism markets and how these might best be approached in an integrated project (see Roșia Montană Tourism Strategy Gifford Report 13658.R01). This report makes the point that the potential for tourism development, without the existence of a significant economic driver, will be difficult to achieve because of the scale of investment - by both public sector and private individuals - that would be required.
Other industries – such as agriculture – may also offer potential sources of revenue and sustainable development for Roșia Montană and the region. But to reiterate – there is a vast difference between proposing other business activities as alternatives to a major industrial project, and the development of such businesses over time supported by the infrastructure investments driven by a large industrial project.

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

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

Studies were made by the relevant governmental authorities when the area was classified as “undeveloped zone” in order to enable investment in the area.

18. List all existing INCO exploitations in Europe and their performance in meeting present EU environmental requirements; if any such exploitation does not meet current standards discuss and evaluate costs to upgrade said exploitation as to meet standards.

NO ANSWER FOUND: for each of these- is the correct answer simply to note that such information is not required under the legal terms of the EIA? This entire section seems to be “make-work” which the contest will later use to raise more objections/.

19. List all closed INCO exploitations in Europe and present status of the environment on the closed sites.

NO ANSWER FOUND

20. List all existing open-pit cyanide gold exploitations in Europe and their performance in meeting the current-day environmental requirements as well as the technology used at each site.

NO ANSWER FOUND

H. Concerns regarding the objectivity of the government:

1. On August 2, 2006, the Hungarian Ministry of Environment released a communicate stating that “it would be better even for Romania if the project were never realized”. The Romanian Environment Ministry choose to answer by calling a press conference on August 3, to tell the public that EU authorities are supportive of the EIA process) and that the only problem with the project is deforestation in the area – a strong signal that the decision to approve the project is a political decision that has already been taken. What is more, the Hungarian press release states that “the ambassador … initiated the meeting to discuss bilateral environmental cooperation”.

NO ANSWER FOUND

2. The Contestation asks for comment on a list of government officials who have allegedly collaborated in the past with Gabriel Resources or RMGC – and have allegedly either benefited financially from this collaboration or unconditionally supported the company against the local population.

a) Radu Berceanu  
 b) Dana Mihai,  
 c) Nicolae Heredea  
 d) Dan Ioan Trestieni, ex- RMGC staff  
 e) Campeanu Septimiu  
 f) Paul Damian and Oana Damian  
 g) Dan Petrescu
Frank Timis is no longer involved with our Company as a director, officer or consultant and he has sold his shares. Frank Timis has no connection to us. Period. I can't be any clearer or more categorical than that.
From Speech By Alan Hill, Sept. 8, 2005

4. The contestation claims that "virtually all of the key persons implicated in the birth of the project and in pushing the project forward were collaborating with the communist secret services."

Without getting into the issue of political responsibility, RMGC can only reiterate that the project offers enormous benefits to the people of Roşia Montană and Romania as a whole.

That includes an average of 1200 jobs during construction over 2 years, of which 1140 (95%) will be sourced locally; 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other, for 17 years, of which 602 (95%) will be sourced locally.

It also includes some 6000 indirect jobs for 20 years, locally & regionally. Moreover, it will generate , US$ 1billion in taxes, royalties & fees to Romanian local, regional & national government, and benefits to the economy of US$ 1.772 billion procuring goods & services, US$ 450 million during construction (2 years), and US$ 1170 million during production, from Romania (17 years). There will also be social, cultural and environmental benefits, as demonstrated elsewhere in this document.

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

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

At the time of closure the company will do all it can for the existing workforce in providing assistance in finding alternative employment. Given the skills base and experience that the workers will have acquired, this might mean jobs on other mining projects, as Roşia Montană is situated in a region well-known to be rich in natural resources. Alternatively, Roşia Montană will provide the opportunity of re-training and support in setting up alternative businesses.

The Roşia Montană Project (RMP) will be a catalyst for local and regional economic development. Beneficial impacts will be maximised by involving local and regional governments and other relevant parties from the community in development initiatives as part of a participatory approach of the Community Sustainable Development Management Plans. Negative impacts will be mitigated through measures as described in the EIA study report. RMGC is committed to working proactively to create an enabling business environment promoting local sustainable development to be developed during the life of the project and designed to operate independently following mine closure.

RMGC recognizes that sustainable development is a multi-dimensional concept which combines five key interrelated areas of capital, some of which are reiterated from above:

**Financial Capital**
- Economic Development Impact, fiscal management, taxes
Average of 1200 jobs during construction over 2 years, of which 1140 (95%) sourced locally
634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other, for 16 years, of which 606 (96%) sourced locally
Some 6000 indirect jobs for 20 years, locally & regionally
US$ 1billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government[2].
US$ 1,5 billion procuring goods & services[3]. US$ 400 million during construction (2 years) and US$ 1,1 billion during production, from Romania (16 years)
The set up of a micro-credit finance facility in the area to allow access to affordable financing
To promote local & regional business development, set up a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice

Physical Capital
- Infrastructure – including buildings, energy, transport, water and waste management facilities
  Increases in revenue to government agencies, on the order of US$ 1 billion over 23 years (construction + production + closure) will result in additional money the government may allocate to improving community infrastructure
  RMGC will also develop the resettlement sites of Piatra Alba and Dealul Furcilor in Alba Iulia. Piatra Alba will contain a new civic centre, commercial and residential areas. These will be transferred to the local authorities once complete. The RRAP contains full details of these initiatives

Human Capital
- Health and education
  A private dispensary & health clinic in Piatra Alba (see RRAP), accessible to wider community through health insurance
  Upgrading of a wing of Abrud hospital, accessible to the wider community through the national Romanian health system
  Implementation of the SMURD medi-vac system in the area
  The building of a new school, residential & civic centre in Piatra Alba. This is fully described in the RRAP
  Health awareness campaigns (in partnership with local authorities & NGOs) covering: reproductive health, diet, and lifestyle amongst others
  Partnerships with education providers & NGOs concerning access to & improvement of education facilities in the area, eg: Ovidiu Rom & local authorities

Social Capital
- Skills training, community relationships and social networks and the institutional capacity to support them, preservation of cultural patrimony
  Efforts to develop and promote Roșia Montană’s cultural heritage for both locals and tourism
  Providing adult education opportunities and skills enhancement including training programs, funds and scholarships, to increase employment chances both direct with RMGC and indirect
  Programs assisting vulnerable people & groups, and to consolidate social networks particularly in Roșia Montană (Good Neighbour Program, Social Program)
  Partnerships with NGOs working with the youth in the area to improve and increase the capacity of the community

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

These five capital spheres in turn support the three pillars of sustainable development -- social, environmental and economic. RMGC’s view of the social and economic benefits of the RMP is described in the Community Sustainable Development Plan and EIA Chapter 4.8 – the Social and Economic Environment.

RMGC will collaborate on community development issues with interested parties from the Community. RMGC’s commitment to collaboration will extend to local, regional and national authorities.

This approach allows the Community to own, direct and control all relevant development issues in a multi-stakeholder and integrated manner.

In the spirit of that commitment, to date, RMGC has conducted extensive consultations with the community, as described earlier in this document. Feedback has been used in the preparation of the Management Plans of the independent Environmental Impact Assessment as well as the drafting of Partnerships and development programs.

A comprehensive monitoring programme is currently being developed by RMGC to evaluate our socio-economic mitigation and enhancement measures. This monitoring programme will include the input and considerations of impacted and potentially impacted stakeholders. To institutionalize this input, RMGC -- in association with a number of local stakeholder groups -- is in the process of setting up local and regional partnerships to aid RMGC and the community in monitoring the progress of the RMP.

RMGC’s monitoring programme will be conducted in a transparent manner, allowing parties to evaluate progress of the effectiveness and to suggest implementing improvements. This process will continue throughout the life of the project with the aim of maximising benefits and minimising negative impacts.

A preliminary framework that will assist in guiding the development of the monitoring plan has been set up (see Volume 14, Section 4.8, Social and Economical Environment, Table 7-1, of the Roșia Montană project EIA).

Partnerships include initiatives concerning education and youth development and training, such as:
• Roșia Montană NGO Partnership,
• Roșia Montană Youth Partnership,
• Apuseni Youth Resource Center,
• Roșia Montană Educational Partnership.

Other partnerships concern monitoring and management of environmental aspects, including The Roșia Montană Research Center for Environment and Health. Bio-physical aspects will be monitored and co-managed with the Roșia Montană Biodiversity Partnership and the Roșia Montană Forestry Partnership.

To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local Stakeholders regarding setting up a business center.
It is expected that training programs offered by RMGC and its partners, as well as employment experience gained during the RMP, will result in a highly trained and skilled workforce across a range of disciplines. This should place people in a competitive position for work with other mining companies. Such skills are also transferable to the non-mining sector.

Beyond direct skill-building, the presence of the RMP as a major investment will improve the area’s economic climate, encouraging and promoting the development of non-mining activities. It is expected that the improved investment and economic climate will lead to business opportunities that can develop concurrent with the RMP, even as they extend well beyond economic activities related directly to mining operations. This diversification of economic development is a critical benefit of the investments generated to realize the RMP.

The PUZ detailing the land surface required by the RMP affects only about 25% of Roșia Montană commune, leaving open many opportunities to establish business ventures in the community. Even now, some businesses have already been established on the remaining 75% of the Commune; once the PUZ is finalised, business start-up will be further encouraged.

For more information please refer to the annex Roșia Montană Programs and Partnerships for Sustainable Development.

Throughout this document, we have demonstrated RMGC’s commitment to BAT in several areas – including the tailings management facility, transportation and handling of cyanide, waste management, and all aspects of hydrogeology and technological processes. Prepared by WHWG

The Mine Waste Directive 2006/21/EC does require rehabilitation meaning the "treatment of the land affected by a waste facility in such a way as to restore the land to a satisfactory state, with particular regard to soil quality, wild life, natural habitats, freshwater systems, landscape and appropriate beneficial uses." (Art. 3) It does not require backfilling all wastes into open pits. Rather, it stipulates that certain groundwater-protection measures are taken in the case that wastes are placed back into mine voids (Art. 10). In Art. 5, it requires that consideration shall be given the option of "placing extractive waste back into the excavation void after extraction of the mineral, as far as is technically and economically feasible and environmentally sound". This option has been analysed in detail, which has resulted in the conclusion that complete backfill of all pits is neither environmentally required nor economically sensible. More specifically, the BAT Reference (BREF) document on Mine Waste and Tailings Management (EU JRC, July 2004) developed concomitantly with the Directive clearly states that backfilling is practised as BAT under the condition that a mined-out pit is nearby and can be used to place mine waste without the need of double-handling and temporary storage (so-called "Transfer mining"). These conditions are met at Jig, partially at Orlea and Cârnic, and they are not met at Cetate (Section 4.5.2). That's why total, partial backfilling and flooding options have been selected as those best reflecting BAT. All wastes (including the wastes in the backfilled open pits) will be covered with cover systems (and subsequently revegetated) which were designed according to the potential impacts of the wastes. The justification for the chosen designs is clearly outlined in Section 4.5 of the Mine Closure and Rehabilitation Plan. The lake which is expected to form in the Cetate Pit will be treated (limed) in case this is necessary (see Section 4.4.2). RMGC has based its design on best engineering practice and full compliance with EU regulations.

In sub-points 7-9, the contestation alleges that technologies were chosen based on cost, rather than BAT.

NO ANSWER FOUND

C. Contestation raises question of how the impact of mining can be short-term in nature if acid rock drainage is generated due to old mining activities at Roșia Montană.

NO ANSWER FOUND
D. Contestation raises question of how much historical pollution is due to galleries and how much is due to Minvest operations?

No answer found

Roşia Montană’s 70% unemployment rate stands as evidence of the fact that the region needs an economic boost.

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

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

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. Under the auspices of the UNDP, a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

MMGA 1558

In fact, the EIA references to enhanced biodiversity values is backed up by specifics. Measures contained in the RMP management plans and SOPs will result in mitigation of environmental impacts and conditions as identified in the EIA.

Prepared by WHWG

The contestation continues to fail to grasp a key point: Over the course of the mine’s lifetime, the injection of investment into the area offers the potential to stimulate other development. RMGC has made clear its full committed to promoting long term development opportunities as part of the sustainable development plan.

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. Under the auspices of the UNDP, a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining.

The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

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

The mine closure programme and post closure planning has been outlined in the EIA (Volume 29, Plan J and Volume 31, Plan L) and will be developed in more detail once the mine is in operation. The social and economic aspects of mine closure are part of the Updated Feasibility Study made by IPROMIN in 2006 (social impact mitigation).

It is hoped that the Roșia Montană Project will act as a catalyst for local and regional economic development. Just as a major mining project can be the economic backbone of a community and region with positive impact, so too, there will be a large number of social and economic impacts, some negative, but most positive. Beneficial impacts will be maximised by involving local and regional governments and other relevant parties from the community in development initiatives as part of a participatory approach. Negative impacts will be mitigated through measures as described in the EIA report.

The closure of a mining project, if not carefully planned, is likely to have a severe negative impact on the socio-economic status of the community by the sudden removal of this major financial provider with nothing to take its place. Before starting any physical mine site rehabilitation, closure objectives and a detailed plan of action will be established. The essential goal of site rehabilitation is to return all affected areas, as near as possible, to their optimum economic value, fit for public use. This will be done in participation with the government and the local community.

The socio-economic aspects of closing the mine will take into consideration the workforce and the community. To try to lessen the impact, the company will work with both these groups and the government to establish strategies for on-going support. It is expected that a development plan for the region, taking into consideration the continuation of essential services such as medical care, schools, etc., and the formation of self-sufficient industries, will be established. Critical to this goal is ensuring that the full benefits of the project, including revenues and expertise, are employed to develop the region in a way that will survive after the closure of the mine.

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

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

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

At the time of closure the company will do all it can for the existing workforce in providing assistance in finding alternative employment. Given the skills base and experience that the workers will have acquired, this might be jobs on other mining projects. Alternatively, RMGC will provide the opportunity of re-training and support in setting up alternative businesses. Provision for funding this commitment will also be included in the financial surety.

The Roșia Montană Project (RMP) will be a catalyst for local and regional economic development. As with any major industrial development, impacts will be positive and negative. In the case of Roșia Montană, beneficial impacts will be maximised by involving local and regional
governments and other relevant parties from the community in development initiatives as part of a participatory approach. Negative impacts will be mitigated through measures as described in the EIA report.

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

RMGC will collaborate on community development issues with interested parties from the Community. A comprehensive monitoring program is currently being developed by RMGC to evaluate our socio-economic mitigation and enhancement measures.

Beyond direct skill-building, the presence of the RMP as a major investment will improve the area’s economic climate, encouraging and promoting the development of non-mining activities. It is expected that the improved investment and economic climate will lead to business opportunities that can develop concurrent with the RMP, even as they extend well beyond economic activities related directly to mining operations. This diversification of economic development is a critical benefit of the investments generated to realize the RMP.

H. The contestation raises a question about wording in the EIA that refers to “negotiated standards” – asking what standards are to be negotiated and with whom? NO ANSWER FOUND

Specifically regarding groundwater, the tailings management facility is designed as a zero discharge facility and will not adversely impact groundwater or surface water within Corna Valley. Chapter 2, Section 2.4.2 of the EIA only discusses the physical construction of the dam. Groundwater in the TMF area is discussed elsewhere in the EIA. Detailed discussions of this are included in the Hydrogeology Baseline Report, Volume 2, and in Chapter 3 – Waste, Volume 10. Chapter 3, Section 2.8.1.9 contains pertinent discussion.

The TMF dam, which includes a grout curtain, will be constructed of low permeability material. The surface beneath the tailings will be prepared by removing the alluvium and weathered bedrock and then adding a layer of compacted colluvium. Both the underlying fresh bedrock and the compacted colluvium will have very low hydraulic conductivities in order to minimize seepage rates through the dam.

Due to the very low permeability unweathered bedrock, which will form the base of the TMF, and the fact that groundwater and surface water both flow to the axis of the Corna Valley (see the Hydrogeology Baseline Report), all seepage will report to the SCD sump.

The SCD sump will be operated as a hydraulic sink such that seepage waters within the SCD will be captured and contained within the sump. The water within the SCD sump will then be pumped back up to the TMF reclaim pond. Consequently, the TMF is designed as a zero discharge facility and, therefore, no cyanide will discharge to the environment. As a further precaution, a network of monitoring wells will be installed downstream of the TMF. These wells, along with surface water monitoring along Corna Creek, will be used to monitor groundwater and surface water quality downstream of the TMF and demonstrate that impacts are not occurring.

The project will create 634 jobs during operations (direct employment) including contracted employment for cleaning, security, transportation, and other, for 17 years, of which 602 (95%) sourced locally. A reference to 248 jobs (alluded to in the Contestation) comes from an old study feasibility study from 2003. It was referring to 248 jobs related exclusively to exploitation (work in the open pits) and maintenance activities of the mining equipment.

K. The contestation argues that the documentation is based on studies conducted when RMGC first applied for EIA permits years ago.
NO ANSWER FOUND

56
In fact, the process that is being used to address this issue demonstrate a remarkable democratic renaissance in Romania.

Does the writer of this contestation really believe that a totalitarian regime would have required a consultative process that included an exhaustive EIA and 16 public consultation meetings? Under a totalitarian regime, would we have seen a process in which the applying company engaged in an extraordinary consultative effort.

RMGC set up 45 information centers where copies of the EIA were available, and 5000 copies of the EIA were printed. Is that a characteristic of totalitarianism.

Beyond this, the Company has engaged in a long process of public consultation. Before submission of the EIA, RMGC changed various parts of the proposal, notably a reduction in the size of several proposed pits as well as enhancing sustainable development activities, and a stronger commitment to preservation of cultural patrimony including a reduced impact on local churches, in response to stakeholder consultations. Is that the response to stakeholder views that one identifies with totalitarianism?

There is one other obvious difference: The Roşia Montană Project is being planned in a way that will yield economic, social, cultural and environmental benefits to the community. The people of Romania could only wish that was the way that the totalitarian regimes of this country’s past behaved.

Contestation 30110 closes with a series of criticisms to which we would like to respond.

The Contestation argues that the Roşia Montană Project (RMP) will never contribute to sustained growth and community development. In fact, it would be a catalyst for local and regional sustainable development. Beneficial impacts will be maximised by involving local and regional governments and other relevant parties from the community in development initiatives as part of a participatory approach. Negative impacts will be mitigated through measures as described in the EIA report.

Furthermore, despite the assertions of Contestation 30110, RMGC is in no way responsible for the decline in Roşia Montană’s economic conditions. Dire economic hardship has plagued much of rural Romania for the past several decades. In fact, the RMGC mine project, if implemented, will go a long way towards alleviating poverty in the region—by creating 600 direct and 6000 indirect jobs.

And RMGC has most definitely not sought to divide the community. Nor have we carried on an aggressive publicity campaign.

Instead, RMGC has engaged in a broad process of public consultation in compliance with Romanian and European law as part of the EIA process.

We support the process of public consultation as an important part of debate in a democratic society. For our part, we have sought to present our views in a civilized manner and respect the opinions of those who oppose the Project. We hope that over time they will come to agree that the Project will bring many economic, social, environmental, and cultural benefits to Roşia Montană and to Romania.
<table>
<thead>
<tr>
<th><strong>Proposal</strong></th>
<th>One question: What does the Romanian citizen, the ordinary citizen gain from the implementation of this project?</th>
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<tr>
<td></td>
<td>The gain is represented by having an economically developed area, when today there is 70% unemployment; with a clean environment, when today there is pollution from poor past mining practice; with a restored historical center and, for the first time a solid potential for tourism.</td>
</tr>
<tr>
<td></td>
<td>The Roșia Montană Project (RMP) will create an average of 1,200 jobs during the 2 year construction period. It is expected that the majority of these positions will be sourced locally, from the impacted area, therefore they'll be Romanian.</td>
</tr>
<tr>
<td></td>
<td>During the 16 years of operations the RMP will require 634 jobs (direct employment including contracted employment for cleaning, security, transportation, and other). Again, it is expected that most of these jobs will be sourced locally, from the impacted area.</td>
</tr>
<tr>
<td></td>
<td>If the appropriate skills are not available in the existing workforce, training programs will be made available to increase the skill base. Employment will be prioritized at the local level with people from the impacted area being given the first priority for work on the project. Should positions still not be filled from labor available at the local level recruitment will take place at the regional level.</td>
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<tr>
<td><strong>Solution</strong></td>
<td>The injection of investment into the area, if handled correctly, should stimulate other development. Roșia Montană Gold Corporation (RMGC) is committed to promoting long term development opportunities as part of the sustainable development plan.</td>
</tr>
<tr>
<td></td>
<td>We believe that bringing new economic opportunities to a community with 70% unemployment and improving residents' health will have a major positive social impact. We also believe that it is important to note that our project will economically benefit România as a whole. In addition to the royalty the Romanian government will receive from the project, RMGC will infuse $2.5 billion USD into Romanian economy over the life of the mine.</td>
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<td></td>
<td>For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.</td>
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<tr>
<td>Domain</td>
<td>CSDP</td>
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<td>MMDD’s item no. for the question which includes the observation identified by the RMGC internal code</td>
<td>271</td>
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<tr>
<td>MMDD’s identification no. for the question which includes the observation identified by the RMGC internal code</td>
<td>Cluj Napoca, 07.08.2006</td>
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<tr>
<td>RMGC internal unique code</td>
<td>MMGA_0571</td>
</tr>
<tr>
<td>Proposal</td>
<td>The questioner quotes from the Community Sustainable Development Management Plan: “In Rosia Montana, the largest population groups are elderly widows and married men” and accuses its authors of discrimination as they omitted to mention the married women, a very important population group.</td>
</tr>
<tr>
<td>Solution</td>
<td>This gender representation reversal can be explained by the premature deaths of miners, caused by pulmonary infection, as a consequence of work-related accidents under health and safety provisions prevailing in earlier eras.</td>
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<tr>
<td>Domain</td>
<td>CSDP</td>
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| MMDD’s item no. for the question which includes the observation identified by the RMGC internal code | 271 |
| 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_0572 |

**Proposal**

Why does the company keep talking about “sustainable development” when the local population is not at all involved in the decision-making process regarding this project?

The questioner considers that all the inhabitants of Rosia Montana should have got together and said: "We want to work in the mine, let’s ask an international mining company to help us develop this project". This didn’t happen, and the company cannot claim that it still talks about sustainable development and present a report with all sorts of conclusions that are not scientifically supported.

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

**Solution**

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

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

As a matter of principle, however, the company is devoted to promoting long term development opportunities as part of the sustainable development plan. It is hoped that, under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established one of which will be assigned the task of exploring development opportunities. These working groups will be made up of Government, community representatives and RMGC. The working groups will welcome suggestions and contributions from all interested parties who should contact the company.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
What is the sampling base for the sociological study?

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

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

References:
The questioner wants a list of all the professors who participated in the elaboration of the Community Sustainable Development Management Plan, because the plan is unsigned.

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

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

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

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

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

References:
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<tr>
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<td>276</td>
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<td>MMDD's identification no. for the question which includes the observation identified by the RMGC internal code</td>
<td>Cluj Napoca, 07.08.2006</td>
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<td>RMGC internal unique code</td>
<td>MMGA_0587</td>
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</table>

**Proposal**

The questioner reserves the right to inform the Ethics Committee of the University of Biology in Bucharest and the Ministry of Environment about the way the Community Sustainable Development Management Plan was elaborated in order to prevent these professors who introduced false information in the Community Baseline Report and on the Community Sustainable Development Management Plan from elaborating other studies of environmental impact assessment.

**Solution**

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

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

As the statement of the attendant to the public consultations (i) refers to the existence of alleged false information, without containing any specific indications and (ii) identifies and specifies no problems in regard of the project initiated by Roșia Montana Gold Corporation (RMGC), subject to the environmental impact assessment procedure, RMGC is not in position to answer and has not the capacity to make any comments to this end.
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<tr>
<td>The guarantees presented in the EIA are not strong enough a commitment to hire the local workforce. Compared to the 1288 workers in the mining sector in 2004, it is obvious that the RMGC project will not provide a long-term solution for the jobs issue. What does the company have to say about this aspect?</td>
</tr>
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<tr>
<th>Solution</th>
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<tbody>
<tr>
<td>The Roşia Montană Project (RMP) will create an average of 1,200 jobs during the 2 year construction period. It is expected that the majority of these positions will be sourced locally, from the project impacted area.</td>
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</table>

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

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

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

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

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

**Solution**

Currently approximately 7% of the land in the Roşia Montană commune is arable (while only 0.25% of the land from the Zonal Urban Plan – PUZ is arable). The altitude, steep slopes, and poor soils effectively minimize the role that commercial agriculture plays in the economy. The agricultural activities that do occur are primarily related to subsistence and to supplement income from waged employment. Agricultural activities may continue in Roşia Montană, even if the mine proceeds.

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

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

Who will work those lands given the fact that the training programs proposed by the company at present are in the mining field?

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

Our professional training program developed by undertaking vocational courses is aimed at forming at local level qualified labor force necessary for the construction stage (for the following occupations: maintenance mechanic locksmith, welder, maintenance automation worker, maintenance electrician, charge worker, operator of excavators with heavy-duty motors, concreter, woodworker, constructions electrician, faience worker, steel-bender, plumber, gas and central heating worker, ventilation and air conditioning worker, isolating worker, mason plasterer, walls painter, building restorer foreman, communication and transport technician, plumber of water supply pipeline, operator of water supply installation, circuits operator of water supply network, pipes and PEHD fittings welder, woodworker – carpenter – floorer, crane operator, fitter of gypsum walls and ceilings, tessellated faience worker, painter – plasterer – paper hanger – dyer, mason, stoner – plasterer, asphalt operator, environmental auditor, water assayer, operator of processing water treatment, piler operator, security – access control – order and intervention agent, inflammable materials worker, secretary-typist, office supplies worker, accountant, domestic tourism guide, hotel maid, concierge, receptionist, baking and pastry chef, tourism agent, outgoing agent, bartender, chef, waiter, tourist pension administrator, equestrian tourism guide, medical and social worker, elder and children house keeper, social laborer, nurse, midlevel social assistant, social educator, fireman.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
The questioner makes the following observations and comments: The company promotes a sustainable development for a population who will not live in the area, on a non-rehabilitated infrastructure, with an architectural heritage in ruin and an archaeological heritage presented on a 3D computer. The responsibility for this sustainable development will devolve to a Foundation which will gradually have to take full responsibility thereof. With whom and for who this sustainable development? What prospective, what chances to succeed does the company grant to this type of sustainable development? The questioner wants that the weaknesses of this Foundation be quoted as they are presented in the EIA Report.

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

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

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

A mining project as is the one proposed by RMGC will provide, through taxes, the necessary funds to improve the infrastructure. Over the life of the mine US$ 25 million will be invested by the company in the protection of cultural heritage in such a way that will support tourism. The training program will provide the necessary skills to develop tourist activities, while the Roșia Montană Micro Credit "IFN Gabriel Finance SA" will support people in starting pensions, restaurants, etc., all needed for attracting tourists.

When the project will end, we will have here a new village, a restored historic center, museums, hotels, restaurants, all in a healthy environment.

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

Going forward, the Foundation will take shape around preservation, patrimony and cultural heritage issues, with its final form determined in consultation with the community. In terms of the philosophy that guides the company’s sustainable development efforts, the company sees itself not as principal provider, but as a partner. Community involvement is considered the starting point; over time, as the community builds the capacity to maintain programs in its own right, the company will turn over control of currently-established programs to the community and its institutions.

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

The questioner makes the following comments and remarks:

This project threatens the promotion of the Apuseni Mountains as a tourist region.

**Solution**

The Apuseni Mountains have a surface of 2,000,000 hectares, while the Roșia Montană Project (RMP) will only occupy a surface of 1650.88 hectares (0.082544%), so it is not very likely that the project threatens the Apuseni Mountains as a tourist region. As RMP affects only 4 of Roșia Montană’s 16 sub-comuna, tourism could be developed in many centers in the Apuseni Mountains regardless of the RMP.

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

> “From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$ 25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monulești) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).
Which are those 3000 indirect jobs?

During the development of mining operations, 634 direct jobs will be created. Historically, an operation of this type, 10 indirect jobs are created for every direct job, which in the case of the Roșia Montană Project will result in 6000 additional jobs across România, with a greater proportion occurring in the Roșia Montană region [1].

Currently, we have created 471 jobs, not 300 as you imply, and we are not yet operating the mine. The indirect jobs we are creating now are the ones from advertisements, surveys have been prepared for project’s permitting process, stores and restaurants in Abrud, Câmpeni, Cluj, and Bucharest and so on, and may not be 10 indirect for each direct job. During the construction phase and during mining operations, investment increases dramatically, which will generate more jobs. This is our commitment for sustainable development.

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

References:
[1] Roșia Montană Project, Environmental Impact Assessment Study Report (EIA), Non Technical Summary, vol.19, pp.7 identifies 5500 as the numbers of indirect jobs. With inclusion of additional hiring for contracted employment for cleaning, security, transportation, and other, direct employment is 634 and indirect 6000.
Proposal

The questioner is in favor of the project and wants to know how the company plans to comply with the sustainable development principle in the area.

Thank you for your support. Sustainable development is a critical commitment on the part of Roşia Montană Gold Corporation (RMGC).

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

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

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

1. Five Capitals of Sustainable Development

Financial Capital

Economic Development Impact, fiscal management, taxes
- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally
- US$ 1 billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US$ 1.5 billion procuring goods & services. US$ 400 million during construction (2 years) and US$ 1.1 billion during production, from Romania (16 years)

To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:
- The set up of a micro-credit finance facility in the area to allow access to affordable financing
- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs,

Physical Capital

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

**Human Capital**

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

**Social Capital**

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

**Natural Capital**

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

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

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

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

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

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

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

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

References:
[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.
[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.
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<tr>
<th>Proposal</th>
<th>The questioner wants to know exactly how many women aged over 60 actually live in Rosia Montana because the representatives of the company have repeatedly said that most of the population in Rosia Montana is made of women aged over 60. Moreover the questioner wants to know the documents based on which this calculation was made and where is this number mentioned in the EIA and if is not mentioned then the questioner wants to be explained why.</th>
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<tr>
<th>Solution</th>
<th>The statistics come from the 2002 Planning Alliance Socio - Economic Survey carried out by rePlan Inc Canada[1]. An additional baseline survey will take place once project approvals have been received. These will update data to capture more accurately the current situation. The demographic assessment showed that the most numerous age groups for women is 60-69; and for men 20-29, of which most were married.</th>
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**Proposal**
The questioner wants to know the chapter of the EIA where it is mentioned that 95% of the community is in favor of the RM project and based on what data was this percentage established. And if this aspect is not mentioned, then the questioner wants to know the reasons why it wasn’t mentioned.

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

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

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

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

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

During the 16 years of operations the RMP will require 634 jobs (direct employment including contracted employment for cleaning, security, transportation, and other). It is expected that most of these jobs will be sourced locally, from the project impacted area [2].

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

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

Solution

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For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
References:
The project has many positive aspects but also negative aspects, and several aspects should be added to it:-

One of the most beneficial impacts is that Roşia Montană Project (RMP) will create an average of 1,200 jobs during the 2 year construction period. It is expected that the majority of these positions will be sourced locally, from the impacted area. During the 16 years of operations the RMP will require 634 jobs (direct employment including contracted employment for cleaning, security, transportation, and other). It is expected that most of these jobs will be sourced locally, from the impacted area.

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

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

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

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

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

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

The aspect related to jobs is not enough developed, the project will not provide enough jobs for the people. They plan to hire 216 or 500 persons while there are more than 10 000 people living in the area, which accounts for less than 0.01% of the total population. All this for a period of 10 years, and then it will all be over.

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

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

**Solution**

The project will also result in the creation of approximately 6000 indirect employment opportunities locally and regionally.

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

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

The only solution for Rosia Montana is to turn this locality into a tourist area of national and international importance with all the developments required by such a destination. Thus both the Romanian Government and the inhabitants of the area would have much more benefits than from the capitalization of the whole reserve of precious metals planned to be mined from the ore deposit in Rosia Montana. This reserve should remain where it is, as a national wealth.

Solution

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

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

As the Roșia Montană Project (RMP) affects only 4 of Roșia Montană’s 16 sub-comuna, Roșia Montană could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roșia Montană and Baia de Arieș as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the Environmental Impact Assessment Study Report (EIA) was being submitted to the Ministry of Environment and Water Management.

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

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$ 25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monulești) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth. (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

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

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

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
The questioner wants to be explained how will this project influence the life of the inhabitants of Bistra.

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

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

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

Roşia Montană Gold Corporation’s (RMGC) human resources department is currently collecting CVs and names of people who have expressed an interest in working on the RMP, not only in Roşia Montană but also in Abrud, Câmpeni, Bucium, Zlatna, Baia de Arieş Brad and Vadu Moţilor.

Please contact the RMGC’s representatives:
- at the Roşia Montana office phone number: 0258 783014,
- Mihon Dana at ph.no.: 0729 399159; email address: dana.mihon@rmgc.ro,
- Mera Tiberiu at ph.no.: 0729 399430; email address: tiberiu.mera@rmgc.ro,
- Raul Gomboş: at ph.no.: 0729 399428; email address: raul.gombok@rmgc.ro

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References:
for contracted employment for cleaning, security, transportation, and other, direct employment is 634 and indirect 6000.
The questioner is in favor of the project, but wants young people from this area to be employed on the project and not those from other regions.

Thank you for your support.

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

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

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

Should positions still not be filled from labour available at the local level recruitment will take place at the regional level. If the appropriate skills are not available in the existing workforce, training programs are made available to increase the skill base. Vocational training program is provided free of charge to members of the local community with the aim to raise both the educational profile and the level of skills in the community.

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

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

The answer is yes.

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

Please contact the Roşia Montană Gold Corporation’s (RMGC) representatives:
- at the Roşia Montană office phone number: 0258 783014,
- Dana Mihon at ph.no.: 0729 399159; email address: dana.mihon@rmgc.ro,
- Tiberiu Mera at ph.no.:0729 399430; email address: tiberiu.mera@rmgc.ro,
- Raul Gombos: at ph.no.: 0729 399428; email address: raul.gombos@rmgc.ro

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

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

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

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

Given historical and industry experience, the approximately 600 direct jobs created by Roșia Montană Gold Corporation (RMGC) project will generate indirect jobs at a rate of 1 to 10. Thus we can speak about 6000 indirect jobs in Roșia Montană and surrounding area once the project starts.[1]

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

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

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

### Solution

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

### References:

[1] Roșia Montană Project, Environmental Impact Assessment Study Report (EIA), Non Technical Summary, vol.19, pp.7 identifies 5500 as the numbers of indirect jobs. With inclusion of additional hiring for contracted employment for cleaning, security, transportation, and other, direct employment is 634 and indirect 6000.
RMGC should establish -agricultural and animal farms, milk and meat processing plants;-it should establish also a social program to protect unemployed, persons, ill persons and widows; -it should set up a hospital in Rosia Montana as the one in Abrud, despite its long tradition, will be decommissioned; -RMGC should provide special school grants to allow very talented people from Rosia Montana attend the highest educational institutions.

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

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

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

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

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

It is possible that the business stimulation initiatives proposed by RMGC may help develop and fund initiatives to create animal farms, a milk processing plant and a meat processing plant, depending on the
strength of their business plans.

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

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
Why doesn’t the company provide funds for the modernization of the hospital from Campeni?

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

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

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
What happens once the ore is mined? The project will end up in 20 years’ time. What will the company leave behind? Have they prepared a project aimed at ensuring continuity for those who worked in the mine and for their descendants?

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

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. It is hoped that, under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

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

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

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
What happens to the Piatra Alba area once the project is completed, as this is in fact, RMGC’s worksite organization? No one will remain there once the project ends, there will be a desert area with no jobs available.

Piatra Albă will be the new Roșia Montană, it will have an existence on its own, as the most modern village in Romania.

With a comprehensive closure and rehabilitation program, after operations designed to meet EU and international standards; Roșia Montană will not be a desert area. To the contrary, its lands will be rehabilitated for public use.

As for Piatra Albă, it will have benefited from nearly 20 years of diversified economic activity and increased educational opportunity in a region recognized for resource development potential.

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
What profits does RMGC have? The profit of Rosia Montana is the profit of the Apuseni Mountains basin, of all those who live in the area.

From this project, based on a gold price of USD 600, and a silver price of USD 10.50, Roşia Montană Gold Corporation (RMGC) will achieve profits of USD 1,258 million. The profit to the Romanian State including the people of the Apuseni mountains will be 1,032 million from the government share of profits, profit taxes, royalties and other taxes. From the total profits, the Romanian State’s share is 45%. In addition to the 1,032 million, the local people will benefit from substantial infrastructure improvements (power, roads) as well as a new modern village for the people of Roşia Montană (Piatra Albă).

But the most important benefit of the whole region and the Apuseni Mountains is a sustainable development of the area, and RMGC is committed to responsible mining and sustainable development in the Roşia Montană community.

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

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

This problem concerns all the inhabitants of the Apuseni Mountains. The company must listen to them all and must provide financial resources in order to satisfy all those who have an ancestral right on the gold deposits.

**Solution**

According to art. 1 of the Mining Law no. 85/2003, the mineral resources are the exclusive object of public property and belong to the Romanian State, therefore no individual may claim it has a legal right on the gold deposits. Art. 13 of the Mining Law states "the resources are capitalized by mining activities granted into concession by the competent authority to legal entities, Romanian or foreign, or into administration of public institutions".

The Romanian Government owns the mineral resources, therefore, any question related to ownership issues must be sent to competent public authorities.

As for listening and engaging with the community to understand its concerns, Roşia Montană Gold Corporation (RMGC) has conducted extensive consultations, including 1262 individual meetings and interviews, and the distribution of questionnaires for which over 500 responses have been received, 18 focal group meetings, and 65 public debates, in addition to holding discussions with government authorities, non-governmental organisations and potentially affected stakeholders. Feedback has been used in the preparation of the Management Plans of the independent Environmental Impact Assessment as well as the drafting of Partnerships and development programs.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
What are the alternatives available for those who live in the areas surrounding the project area, as they are not evident from the EIA? The questioner refers to areas like Lupsa, Bistra and others, considering that pollution is all that the inhabitants of Lupsa will get.

The benefits resulting from this project will affect the entire area of Apuseni Mountains.

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

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

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

Employment will be prioritised at the local level, with people from RM being given the first priority for work on the project. Should positions still not be filled from labour available at the local level recruitment will take place at the regional level.

If the appropriate skills are not available in the existing workforce, training programs are made available to increase the skill base. Vocational training program is provided free of charge to members of the local community with the aim to raise both the educational profile and the level of skills in the community.

Roșia Montană Gold Corporation’s (RMGC) human resources department is currently collecting CVs and names of people who have expressed an interest in working on the RMP, not only in Roșia Montană but also in Abrud, Câmpeni, Bucium, Zlatna, Baia de Arieș Brad and Vadu Moților. At the Human Resources offices, people can find details about the training programs.

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

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<td>Fri</td>
<td>10:30 - 14:00</td>
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The pollution currently existing in the area due to mining activities developed within the last millenniums has been thoroughly assessed through the Baseline Reports included in the Environmental Impact Assessment Study Report (EIA), while RMGC has developed monitoring programs to ensure all environmental factors would be within the limits considered acceptable and safe under EU and Romanian standards (please refer to Chapter 6 - Monitoring of the EIA Report.)

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

References:
[1] Roşia Montană Project, EIA Study Report, Non Technical Summary, vol.19, pp.7 With inclusion of additional hiring for contracted employment for cleaning, security, transportation, and other, direct employment is 634.
The questioner wants to know whether the jobs will be available also for the inhabitants of the neighboring areas or only for the inhabitants of Rosia Montana.

The benefits resulting from this project will affect the entire area of Apuseni Mountains.

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

The RMP will create an average of 1,200 jobs during the 2 year construction period. It is expected that the majority of these positions will be sourced locally, from the project impacted area, therefore they’ll be Romanian.

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

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

Please contact the Roşia Montană Gold Corporation’s (RMGC) representatives:
- at the Rosia Montana office phone number: 0258 783014,
- Dana Mihon at ph.no.: 0729 399159; email address: dana.mihon@rmgc.ro
- Tiberiu Mera at ph.no.: 0729 399430; email address: tiberiu.mera@rmgc.ro
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<td>Proposal</td>
<td>In the company going to undertake something to increase the cultural level of the inhabitants- to ensure other services apart from pubs and restaurants?</td>
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<tr>
<td>Solution</td>
<td>Concerning cultural improvements, the new locality of Piatra Albă will arguably be the most modern rural locality of Romania. A cultural centre and a modern school will be constructed. While the bars and other economic activities which are complementary to some industrial activities, cannot be controlled by us, the company cannot forbid the development of such activities. That is up to the market of supply and demand. Roşia Montană Gold Corporation (RMGC), within the commitments communicated in the Cultural Heritage Management Plan is working on constructing a Mining Museum and restoring and developing several significant archaeological vestiges. All these will become future tourist attractions, generating resources for the Foundation and implicitly also for the community. For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.</td>
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### Proposal

Perhaps neither the cyanide nor the gold are the solution for this area. What will be the viable solution for this area? That is the one that will be applied in 15 or 20 years’ time.

Within the Environmental Impact Assessment Study Report (EIA), there is a whole chapter - Assessment of the Alternatives - Chapter 5 which analyses and details the alternatives for Roşia Montană area.

With chronic high unemployment in the village, it is problematic to discuss Roşia Montană’s future in 15 to 20 years time. Too many small villages in Romania are now abandoned because they lost their economic support system. Without an investment, the unfortunate fact could be that Roşia Montană might join them.

It doesn’t have to be that way.

Roşia Montană Gold Corporation (RMGC) is committed to promoting long term development opportunities as part of the sustainable development plan. Under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established one of which will be assigned the task of exploring development opportunities, including tourism. These working groups will be made up of Government, community representatives and RMGC. The working groups will welcome suggestions and contributions from all interested parties.

### Solution

RMGC has commissioned a study: Initial Tourism Proposals, which sets out how the potential tourism markets and how these might best be approached in an integrated project.

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth.” (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
Tourism is the alternative to mining. Tourism and not the gold is a country's greatest wealth. In the case of the Apuseni Mountains we can speak about the tourist complex of the Apuseni Mountains, supported by the following arguments: caves, karstic phenomena, historical places, landscape, traditions, economic activities, all these brought together and enhanced can ensure a local benefit. Mining has been a curse throughout the centuries for the population of the region. It has been beneficial for the officials, for the authorities. The questioner asks the company for support in promoting a tourist project regarding the "Muntele Gaina" festival.

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

As the Roșia Montană Project (RMP) affects only 4 of Roșia Montană’s 16 sub-comuna, the development of Roșia Montană’s tourism potential can be done in parallel with active mining operations. Chapter 5 of the Environmental Impact Assessment Study Report (EIA) identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other problems that have arisen through lack of inward investment. As described in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Community Sustainable Development Management Plans, there are currently some tourism activities in Roșia Montană. However the tourism industry is not at present a significant economic driver.

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

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

"From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monulești) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions."
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For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
**Domain**

| 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_0728 |

**Proposal**

RMGC has not answered in its EIA the questions asked by the Romanian Government with regard to what will happen to the tourism, agriculture and other alternative activities in Rosia Montana.

**Solution**

Contrary to the questioner’s claim, information on existing industries, such as agriculture and tourism, is provided in the Environmental Impact Assessment Study Report (EIA). Chapter 5 of the EIA Study Report (Assessment of Alternatives) identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other problems that have arisen through lack of inward investment. As described in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Community Sustainable Development Management Plans, there are currently some tourism activities in Roşia Montană. However the tourism industry is not at present a significant economic driver. This information was presented primarily so that an assessment could be completed on the potential effects of the proposed project on these industries. Roşia Montană Gold Corporation (RMGC) is not in a position to comment authoritatively on alternative development options. However, the company is committed to promoting long term development opportunities as part of the sustainable development plan. It is hoped that, under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established one of which will be assigned the task of exploring development opportunities. These working groups will be made up of Government, community representatives and RMGC. The working groups will welcome suggestions and contributions from all interested parties.

As for agricultural activities, currently, approximately 7% of the land in Roşia Montană is arable. In Roşia Montană, the altitude, steep slopes, and poor (and polluted ) soils effectively minimise the role that commercial agriculture plays in the economy. The agricultural activities that do occur are primarily related to subsistence and supplement income from wage employment. Agricultural activities may continue in Roşia Montană, even if the mine proceeds, in the areas were the General Urbanism Plan (PUG) allows it. During the mine’s life, if people wish to develop agriculture as an economically sustainable practice, RMGC in cooperation with Community stakeholders will provide assistance. In the Community Sustainable Development Plan (CSDP) land-based livelihoods including organic farming were presented as possibilities for development. It requires community interested parties to actively desire to undertake these activities. Agricultural activities may also continue post mine closure depending on whether there is a desire by people to practice it.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project annex 4.
RMGC claims that without this project, the poverty will continue to exist, but over the last 10 years they have developed a poverty program in Rosia Montana. In 2000, the company modified the General Urban Plan because the establishment of a bed-and-breakfast, of a restaurant were not allowed in the mining industrial area. This is a poverty induced to make people leave the area. The European Union will allot €3 billion from its 2007-2013 budget for sustainable tourism, and such as tourism can be developed in Rosia Montana as well! But not even an inn can be established in Rosia Montana as this is not allowed. If someone wants to do that, submits a request to the local town hall and he/she will be told that tourism activities are incompatible with the mining activity.

The General Urbanism Plan (PUG) prepared in 2000 and approved in 2002 is a document endorsed by the Local Council after being submitted to a public consultation process within the local community. The PUG has been presented and debated within 11 council meetings and public debates. The industrial area is outlined through this PUG, but this area is not suitable for tourist activities. In this respect please note that there are mandatory legal provisions, which restrict the development of other projects than those regarding the exploitation and processing of natural resources in the areas where they are identified, as follows:

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

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

(iii) art. 4.4. of the Local Urbanism Regulation of the Roşia Montană Village related to the General Urbanism Plan from 2002, "authorizing the execution of the definitive constructions, other than the industrial ones, necessary for the exploitation and processing of resources in the areas delimited according to the law, which contain identified underground resources, is forbidden".

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

The key fact, however, is that, the Zonal Urbanism Plan (PUZ) detailing the land surface required by the Roşia Montană Project (RMP) affects only about 25% of Roşia Montană commune. Although some businesses have already been established on the remaining 75% of the Commune, once the PUZ is finalised, business start-up will be further encouraged. At the same time a protected area has also been outlined. Once the PUZ is endorsed by Roşia Montană Local Council, tourist activities may be developed within this area (pensions, restaurants, etc.).

As for the charge that Roşia Montană Gold Corporation (RMGC) is responsible for Roşia Montană’s poverty, RMGC has the largest number of employees from Roşia Montană and neighboring towns, more than 500 individuals. The wages paid by the company to its employees amount to a total of approximately Euro 4 million per year; only the taxes on employees’ incomes amount to approximately Euro1.5 million per year. Thus, the benefits of Roşia Montană Project will not only be felt by its direct employees and their families but also by the members of local community who are receiving social relieves, benefiting from health and professional training programs, etc.
On the general issue of tourism, Roșia Montană could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roșia Montană and Baia de Arieș as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the Environmental Impact Assessment study report (EIA) was being submitted to the Ministry of Environment and Water Management (MEWM).

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

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monulești) and preserved monuments such as that from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

The Roșia Montană Project (RMP) will be a catalyst for local and regional economic development. Beneficial impacts will be maximised by involving local and regional governments and other relevant parties from the community in development initiatives as part of a participatory approach of the Community Sustainable Development Management Plans. Negative impacts will be mitigated through measures as described in the EIA study report. RMGC is committed to working proactively to create an enabling business environment promoting local sustainable development to be developed during the life of the project and designed to operate independently following mine closure.

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

It is normal that the population wants jobs, but this future the company claims to ensure will last only 14 years, during the lifetime of the mining operations, and only several hundred workers, miners, will be employed. What will happen to the remaining several hundred inhabitants?

The investment involved in the Roșia Montană Project (RMP) will generate significant opportunities for non-mining employment in Roșia Montană, in addition to company programs to encourage diverse job creation.

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

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

Moreover, please note that according to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

Solution

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

What new businesses develop will depend on market demand, the viability and feasibility of the business relative to the market, and the initiative of people in the community to develop those businesses. During the life of the mine RMGC is committed to a proactive campaign to create an enabling business environment promoting local sustainable development.

Elements of this include: availability of affordable micro-financing, business incubator providing business advice, training & skills enhancement and education opportunities. The goal is to have established well before mine closure a robust economy not dependent on the mine able to continue following mine closure.

Additionally, the RMP may assist in the development and competitiveness of these Small and Medium Enterprises via improvements to logistics and infrastructure and increased awareness of the region attracting other investors.

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

The Romanian Ecologist Party signals the major environmental, social, cultural, economic and external reputation losses already suffered and to be suffered in the future by Romania if the Romanian authorities approve this project. The speaker underlines that the project implies the development of the largest gold and silver mine in Europe, for the purpose of obtaining huge material benefits for Rosia Montana Gold Corporation within a very short period of time, and that the project is based on the principle of exploitation and excessive use of the resources existing in the area, therefore it may not be described as a sustainable development project. 16 years means nothing. The impact upon social wellbeing is limited and the natural environment and the landscape are compromised.

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### Solution

The questioner rather breathtakingly dismiss nearly 20 years (2 years of construction 16 years of operation and 2 years of closure) of development that will bring jobs to an area with chronic high unemployment as well as infuse the US$ 2.5 billion into the Romanian economy. Clearly, the questioner is correct to imply that any person or entity claiming to speak on behalf of environmental preservation has a very high standard to meet. Indeed, falling short of the environmental standards one proposes for others would destroy one’s credibility.

For these reasons, Roşia Montană Gold Corporation (RMGC) takes very seriously its environmental statements on the impact of the Roşia Montană Project (RMP).

All the matters raised in this question are addressed by the Environmental Impact Assessment Study Report (EIA) which presents the reasoning and data on which the report’s conclusions are based. The EIA report addresses the required EIA Terms of Reference and the format and content is in line with Romanian requirements (Order no. 863/2002 – Annex 2- Methodological Guide of the screening stage and of completion of the report to the assessment study – Part II (The structure of the report to the environmental impact assessment study) which are in line with EU and international standards and guidance for EIA.

The EIA report also includes a Community Sustainable Development Program that is designed to capture the short-term economic benefits and deliver a sustainable and prosperous economic future for the affected communities. The program included in the EIA report is intended to be a living document that will be developed and modified in consultation with the community, prior to construction and through the life of the mine, adding detailed and concrete plans and programs, and documenting progress to allow adjustments to be made, as necessary.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
The questioner considers that the project is an attack against Romania’s safety and national unity. The area has a fantastic tourist potential and, in a civilized state, this would be used for cultural and pastoral tourism, based on the numerous remains of a Roman mining settlement and the picturesque Tara Motilor (the Apuseni area), as well as on the well-known hospitality of the locals. Through investments made in roads, modernizations and publicity, and through counselling and credits granted to the locals, Rosia Montana would become a dynamic and rich tourist area, like the Bran villages.

We strongly disagree with the statement that this project is an attack against Romania’s safety and national unity. The project has been designed based on best available techniques (BAT), which incorporates the highest international safety standards for every aspect of the project. Those safety standards are referenced throughout the Environmental Impact Assessment Study Report (EIA) and the Management Plans. In terms of the projects impact on national unity, all major political parties has as an element of their post accession strategies for Romania, the revitalization of mining. This project will act as a catalyst for further exploration and development of mining projects in Romanian, cleaning up past pollution and creating jobs in rural areas of Romania experiencing chronically high unemployment. As a result, we view this project as a project of strategic national interest. The project will produce an estimated US$2.5 billion in financial benefits to the Romanian State, as well as Romanian businesses.

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

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

As the Roşia Montană Project (RMP) affects only 4 of Roşia Montană’s 16 sub-comuna, clearly Roşia Montană could continue to develop its tourism potential. The ’picturesque Motilor County’ complements the mining-tourism potential. Significant investments are however necessary to enable an economically sustainable tourism industry of the required high standards to attract the large number of tourists necessary. However, these investments are unlikely given the current condition of Roşia Montană. There are initiatives to do so, such as "Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de Arieş as alternative to mono-industrial mining activities" prepared by the National Institute for Research and Develop ment in Tourism (INCDT) published in April 2006 just as the EIA report was being submitted to the Ministry of Environment and Water Management.

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

As described in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Community Sustainable Development Management Plans, there are currently some tourism activities in Roşia Montană. However the tourism industry is not at present a significant economic driver.

Chapter 5 of the EIA Study Report identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries.
such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other problems that have arisen through lack of inward investment.

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth. (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
<p>| <strong>Proposal</strong> | People can decide from themselves if they choose to leave or to stay in the area, but as incentive to stay, Roşia Montană Gold Corporation (RMGC) encourages people to resettle to Piatra Alba, where a modern new village will be built. RMGC will support 25% of the total costs of the construction for people who want a new house at Piatra Alba and the owner will pay only the remaining 75%; RMGC is committed, through the purchase-selling/exchange agreements to provide one job for each household during the construction of the mine phase. Overall, the injection of investment into the area, if handled correctly, should stimulate other development. RMGC is committed to promoting long term development opportunities as part of the sustainable development plan. With an investment into Romania of US$ 2.5 billion USD over the life of the project, there should be considerable reason for regional residents to build a future in here, rather than seek it elsewhere. The Roşia Montană Project (RMP )will create an average of 1200 jobs during construction over 2 years, the majority of which sourced locally, 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally, and some 6000 indirect jobs for 20 years, locally &amp; regionally. For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4. |
| <strong>Solution</strong> | For some of the young people, 1,500 jobs for 2-3 years, during the construction of the grinding and cyanidation plant and, then, probably, only 500-600 jobs during the operation stage of 15-16 years, may appear to be an opportunity to leave this area and move to Alba-Iulia and even somewhere else in Europe. The outcome of the project will be an accelerated depopulation of Tara Motilor (the Apuseni area), the Romanians from Ardeal will lose their trust in the Government from Bucharest and the separatist tendency, which is currently only in an incipient stage, will be intensified. |</p>
<table>
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<tr>
<th>Domain</th>
<th>CSDP</th>
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<tr>
<td>MMDD's item no. for the question which includes the observation identified by the RMGC internal code</td>
<td>387</td>
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<tr>
<td>MMDD's identification no. for the question which includes the observation identified by the RMGC internal code</td>
<td>Bucuresti, 21.08.2006</td>
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<td>RMGC internal unique code</td>
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**Proposal**

Since RMGC came to our settlement, the living conditions have been improved – and this is the full half of the glass – but will the company undertake responsibility for the increased vulnerability of the community members? Does it undertake responsibility for increased stress levels among the locals? What about the increased mortality rate, as compared to the other settlements located in the vicinity of Rosia Montana: Bucium, Abrud, Campeni – as per the statistics presented by the project titleholder?

**Solution**

The questioner claims that Roșia Montană Gold Corporation’s (RMGC) presence in the community has contributed to an increase in the living standards. Indeed, it is a known fact that an increase in the living standards leads to the improvement of the population’s health condition, increase that is reflected by the improvement of certain demographic indicators, including mortality and average life expectancy. Consequently, the increase in the living standards does not result in the deterioration of health, but in its improvement.

An investment on the scale of the Roșia Montană Project (RMP) in a locality such as Roșia Montană will cause social impacts. These impacts are mostly keenly felt by “vulnerable” groups. RMGC has implemented a social program specifically regarding mitigating these impacts and providing assistance to identified vulnerable groups (e.g. The Roșia Montana “Good Neighbour Program”). Additional measures are to be implemented during the life of the mine to ensure vulnerable groups do not suffer net welfare loss due to the RMP.

No analysis of the ‘mortality rate’ has been done to understand the relation of RMGC’s activities to it.

In contrast the average life expectancy in Romania in 1996 was 65.19 years for men and 73.3 years for women.
The questioner makes the following comments and addresses the following questions: Concerning the jobs to be created through this project, the questioner considers that this is a big lie. In the 33 volumes of the EIA, the project titleholder mentions 500 - 600 jobs. However, from Gabriel Resources web page, we find out that, in 2003, RMGC ordered a study from Independent Mining Consultance Incorporated, according to which only 217 jobs will be created throughout the 17-year life time of the mine: 29 jobs for staff and 187 jobs for workers, that is all. Do you need to evacuate 2000 people from 900 houses for 217 jobs?! Where is the efficiency and humanity of this project?

The questioner refers to a document from 2003; the definitive estimates of the project’s economic impact are found in the Updated Feasibility Study [1] and Environmental Impact Assessment Study Report (EIA), both completed in 2006. The facts are as follows:

The Roşia Montană Project (RMP) will create an average of 1,200 jobs during the 2 year construction period. It is expected that the majority of these positions will be sourced locally, from the project impacted area. During the 16 years of operations the RMP will require 634 jobs (direct employment including contracted employment for cleaning, security, transportation, and other). It is expected most of these jobs will be sourced locally, from the project impacted area.[2]

The project is not designed against the will of the community and has been developed so far with the support of the community. The development of the new mine is confined to an area composed of only 4 of Roşia Montană’s 16 villages. For the most part, therefore, property ownership in the larger part of Roşia Montană will not be affected by the project.

The property purchase program established by the company has been designed according to World Bank guidelines, and is based on a “willing seller, willing buyer” model, offering individual development opportunities and various support programs. To this extent, Roşia Montană Gold Corporation (RMGC) provided fair compensation packages for the affected inhabitants of the impacted area, in full compliance with the World Bank policies in this field, as detailed in the Relocation and Resettlement Action Plan (RRAP) developed by RMGC, which may be found on company’s official website www.truestory.ro.

Of those properties needed for the project but not yet acquired, 98% have been presented for surveying by their owners – a step that implies an interest in selling the property to the company. The survey rate suggests that little more than a handful of properties are held by people who might prove unwilling to entertain a sale.

Of that small number, some owners will stay in areas not needed for construction and early operation of the mine. For the near-term, therefore, owners of these properties need not prove any impediment to the mine development, and they can continue to live as they wish. Of the even smaller number of homes that are located in areas in which the construction and early operation of the mine will take place, the company will seek options to redesign the mine plan to allow those owners to retain their property, unaffected by the mine.

References:

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
With inclusion of additional hiring for contracted employment for cleaning, security, transportation, and other, direct employment is 634.
Proposal

The company should participate, under a legal commitment stipulated in all documents, in stimulating the cultural, educational, sports and health care activities in the Apuseni area, donating part of its benefits.

Solution

The company is committed to promoting long term development opportunities as part of the sustainable development plan. It is hoped that under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established one of which will be assigned the task of exploring development opportunities. These working groups will be made up of Government, community representatives and Roşia Montană Gold Corporation (RMGC). The working groups will welcome suggestions and contributions from all interested parties. For further information and to register interest in the working group please contact the company.

More important than a policy of donations, we are working towards strengthening the capacity of the community so that it can find ways of stimulating the projects they are interested in, whether they are cultural, educational or aimed at sports and recreation.

As for public health initiatives, through the Environmental Impact Assessment Study Report (EIA), RMGC is committed to Initiatives devised to improve health services in the community of Roşia Montană, Abrud and Câmpeni, include the following:

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
Tourism can be an option for Roșia Montană - however, the development of Roșia Montană’s tourism potential can best be done in parallel with active mining operations. Chapter 5 of the Environmental Impact Assessment Study Report (EIA) identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other problems that have arisen through lack of inward investment. As described in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Community Sustainable Development Management Plans, there are currently some tourism activities in Roșia Montană. However the tourism industry is not at present a significant economic driver.

As the Roșia Montană Project (RMP) project affects only 4 of Roșia Montană’s 16 sub-comuna, Roșia Montană could continue to develop its tourism potential. There are initiatives to do so, such as ”Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roșia Montană and Baia de Arieş as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the Ministry of Environment and Water Management.

Roșia Montană Gold Corporation (RMGC) has also commissioned a study: Initial Tourism Proposals which sets out how the potential tourism markets and how these might best be approached in an integrated project: "From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tău Gâuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
The company stated that it is interested in the people, however it talked only about the investment, the gold and silver mining operations. If RMGC wants to invest in the area, why doesn’t it invest in ecological tourism? The questioner mentions a documentary film called The New Eldorado, about some young people’s initiative to develop ecological tourism on the bench of one the lakes in the area, which initiative failed because of the Local Council from Rosia Montana.

Roşia Montană Gold Corporation (RMGC) is the titleholder of the Exploitation concession license in the Roşia Montană perimeter no 47/1999, as approved by GD no. 458/1999. In this respect, RMGC is certified and attested from the technical competency point of view in respect of conducting mining activities. It is not a tourism developer.

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

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

Under the auspices of the United Nations Development Program (UNDP), Local Agenda 21 program, a number of working groups will be established one of which will be assigned the task of exploring development opportunities, including ecotourism. These working groups will be made up of Government, community representatives and RMGC. The working groups will welcome suggestions and contributions from all interested parties.

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

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

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

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
The questioner discusses about the concept of sustainable development, which is very important in the European Union and is also being implemented in Romania, and underlines that one may not build something today for the price of destroying what nature has created for billions of years.

Absolutely agreed.

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

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

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

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

1. Five Capitals of Sustainable Development

Financial Capital

Economic Development Impact, fiscal management, taxes
- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US$ 1 billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US$ 1.5 billion procuring goods & services. US$ 400 million during construction (2 years) and US$ 1.1 billion during production, from Romania (16 years)

To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:
- The set up of a micro-credit finance facility in the area to allow access to affordable financing
- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP
but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs.

**Physical Capital**

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

**Human Capital**

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

**Social Capital**

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

**Natural Capital**

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

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

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

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

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

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

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

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

References:
[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.
[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.
<table>
<thead>
<tr>
<th><strong>Proposal</strong></th>
<th>The questioner makes the following comments: Supposing that he is employed by RMGC right now. In maximum 20 years, when the mine is closed, he will be around 40 years old. What qualification or experience will he have then, who will employ him under a labour book, until his retirement? How does the company offer him a future? How can RMGC claim that it supports young people?</th>
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<tr>
<td><strong>Solution</strong></td>
<td>It is expected that training programs offered by Roșia Montană Gold Corporation (RMGC) and its partners, and experience gained during the Roșia Montană Project (RMP), will result in a highly trained and skilled workforce in a range of disciplines. This should place people in a competitive position for work with other mining companies, especially as Roșia Montană is situated in an area well known for its natural resources. Such skills are also transferable to the non-mining sector. The presence of the RMP as a major investment will improve the area’s economic climate, encouraging and promoting the development of non-mining activities. It is expected that the improved investment climate, combined with a functioning market economy, will result in the identification of new business opportunities that can develop concurrent with the RMP. What new businesses develop will depend on market demand, the viability and feasibility of the business relative to the market, and the initiative of people in the community to develop those businesses. During the life of the mine RMGC is committed to a proactive campaign to create an enabling business environment promoting local sustainable development. Elements of this include: availability of affordable micro-financing, business incubator providing business advice, training &amp; skills enhancement and education opportunities. The goal is to have established well before mine closure a robust economy not dependent on the mine able to continue following mine closure. For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.</td>
</tr>
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How many of the company’s employees will be locals from Rosia Montana?

While the precise number cannot be projected, in all likelihood a large percentage of Roșia Montană residents will find work with Roșia Montană Project (RMP), which even now is the largest employer in the village. Looking ahead, the RMP will create an average of 1,200 jobs during the 2 year construction period. It is expected that the majority of these positions will be sourced locally, from the project impacted area.

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

The project will also result in the creation of more than 6000 indirect employment opportunities locally and regionally. [1]

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

References:
[1] Roșia Montană Project, Environmental Impact Assessment Study Report (EIA), Non Technical Summary, vol.19, pp.7 identifies 5500 as the numbers of indirect jobs. With inclusion of additional hiring for contracted employment for cleaning, security, transportation, and other ,direct employment is 634 and indirect 6000.
The questioner wants to know what programs or projects has RMGC implemented for the young locals so far, and what opportunities it offers to these people for the future.

In the spirit of social commitment and contribution to the sustainable development of the local area, Roşia Montană Gold Corporation (RMGC) feels a responsibility to focus on people’s future needs. Children and young locals are an important element of the company’s efforts in this area. We are working to improve community participation in education in the area and are encouraging a suite of youth-related NGO initiatives that seek personal and professional development of youth in the area. And young people can benefit from the company’s training programs.

In terms of our efforts to provide youth a better education, our partnership with Ovidiu Rom, the Bucharest-based NGO known for its success in improving education among Romania’s disadvantaged children, began last fall through a Summer School pilot program for 60 children in the area. Designed to improve the educational opportunities and future prospects of children, the program will be extended this year to include a larger part of the community. The program model utilized by Ovidiu Rom stimulates children’s interest in study and prepares them for successful integration into the community. It also trains teachers in modern, interactive teaching methods and educates parents about being partners in education. Ultimately, it helps involve local authorities in collaborating on educational matters and creates public awareness of the importance of education for all children.

The Roşia Montană Youth Partnership was formed at the end of 2006 in Abrud by a dozen local and national NGOs. The partnership is designed as a springboard for a variety of youth-related community programs and partnerships to energize a vital element of society in Roşia Montană, Abrud and Câmpeni and regionally and ultimately inspire future leaders.

Already, two initiatives have taken shape as part of the Partnership. The first Resource Center for Youth in the Roşia Montană area, CERT Apuseni, was launched in Abrud in February of this year. Launched by the Cluj-based Romanian chapter of international youth NGO Youth Action for Peace (YAP), with support from Gabriel Roşia Montană, the centre provides young people with computers and permanent internet access, a library and a fully equipped conference room. Among planned initiatives, CERT will organize informational activities on subjects related to available European programs and funding. There will be free foreign language and computer courses offered, professional orientation seminars, volunteering camps, seminars and conferences and international youth exchange programs, among others.

The latest is the “Youth for Roşia Montană” program, which began in March. It is designed as a training program to identify and empower young leaders from the Roşia Montană community and help them design and manage youth projects, develop business skills, and hone their civic spirit. Over a period of up to nine months in 2007, professional EU-certified youth trainers from Millennium Center Association in Arad will work with promising young people in the area to develop leadership skills by exposing them to new challenges that span the economic, social and civic spectrum. The ideas and enthusiasm generated by this program are expected to inspire a new generation of leaders to continue further actions and develop initiatives in support of their communities’ needs.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
The questioner makes the following comments and addresses the following questions regarding tourism and environmental guarantees:

The company states that, at present, the tourism potential of Rosia Montana is very low and that the only solution to have an income is mining. Also, the company’s representatives state that, after the project completion, the area will be rehabilitated. How will tourism development be possible, after the project completion, if almost all tourist attractions will have been destroyed by then? What will tourists come for? To see what?

In terms of the area’s ancient patrimony, the company has taken steps to preserve the definitive aspects of Roșia Montană’s archaeological heritage. The historical sites are not going to be impacted by the mining project as they are located outside the industrial area. Archaeological and architectural researches conducted in the last 6 years have allowed the identification of perimeters comprising cultural heritage assets. At present, these perimeters have been classified as protected areas. Historical artifacts and monuments in this area are currently subject to research and restoration works. These will soon become an additional source of income for the local community.

As the Roșia Montană Project (RMP) affects only 4 of Roșia Montană’s 16 sub-comuna, the development of Roșia Montană’s tourism potential can be done in parallel with active mining operations. Chapter 5 of the Environmental Impact Assessment Study Report (EIA) identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other problems that have arisen through lack of inward investment. As described in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Community Sustainable Development Management Plans, there are currently some tourism activities in Roși a Montană. However the tourism industry is not at present a significant economic driver.

Roșia Montană Gold Corporation (RMGC) has commissioned a study which sets out how the potential tourism markets and how these might best be approached in an integrated project: “From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monu lești) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
Domain | MMDD's item no. for the question which includes the observation identified by the RMGC internal code | CSDP | 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_0907

Proposal
The questioner quotes from page 88 of the environmental impact assessment study, where it is stated that the demand for tourism, especially in an isolated village like Rosia Montana, is negligible. The questioner asks the company how it can state this, when there are so many tourist attractions in Rosia Montana.

Solution
Despite the many tourism attractions, the lack of infrastructure (roads, hotels, restaurants among the basic ones), and insufficient advertising of these make for negligible income out of tourism activities in the area.

Information on existing industries, such as agriculture and tourism, is provided in the Environmental Impact Assessment Study Report (EIA). This information was presented primarily so that an assessment could be completed on the potential effects of the proposed project on these industries.

As the Roșia Montană Project (RMP) affects only 4 of Roșia Montană’s 16 sub-comuna, Roșia Montană could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roșia Montană and Baia de Aries as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, as our EIA was being submitted to the Ministry of Environment and Water Management.

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

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monulești) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth” (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

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

How will the local people earn their living after the project will end? The project encourages miners to continue their trade, it does not help them acquire new skills. After the project ends, what will happen to the local inhabitants?

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entity ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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

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

Solution

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. Under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

Our professional training program developed by undertaking vocational courses is aimed at forming at local level qualified labor force necessary for the construction stage (for the following occupations: maintenance mechanic locksmith, welder, maintenance automation worker, maintenance electrician, charge worker, operator of excavators with heavy-duty motors, concreter, woodworker, constructions electrician, faience worker, steel-bender, plumber, gas and central heating worker, ventilation and air conditioning worker, isolating worker, mason plasterer, walls painter, building restorer foreman, communication and transport technician, plumber of water supply pipeline, operator of water supply installation, circuits operator of water supply network, pipes and PEHD fittings welder, woodworker – carpenter – floorer, crane operator, fitter of gypsum walls and ceilings, tesselated faience worker, painter – plasterer – paper hanger - dyer, mason, stoner – plasterer, asphalt operator, environmental auditor, water assayer, operator of processing water treatment, piler operator, security – access control – order and intervention agent, inflammable materials worker, secretary-typist, office supplies worker, accountant, ...
domestic tourism guide, hotel maid, concierge, receptionist, baking and pastry chef, tourism agent, outgoing agent, bartender, chef, waiter, tourist pension administrator, equestrian tourism guide, medical and social worker, elder and children house keeper, social laborer, nurse, midlevel social assistant, social educator, fireman.

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

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

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

**CSDP**

| MMDD’s item no. for the question which includes the observation identified by the RMGC internal code | 432 |
| 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_0926 |

The questioner refers to the possible alternatives in the Rosia Montana area and mentions some of the solutions proposed by experts at the Ecological University in Bucharest:

- there is a bakery in the commune, which could be modernised and extended;
- a milk collection and first stage processing centre can be created, and also a small dairy;
- sheepskin coat producing units, dye houses and fellmongery units can be set up, including leather garment units;
- meat preparation units can be created;
- an oil press can be set up;
- a unit for washing, spinning and weaving wool can be developed;
- activities such as manufacturing hand woven carpets and other homespun fabrics could be redeveloped;
- given the resources available in the commune and the long tradition of processing beech, fir, spruce, plum tree and cherry tree wood, it is possible to develop wood processing units, carpentry shops, coooperage shops, wheelwright shops, furniture manufacturing units;
- small shops for the production of wood handicrafts, household pottery, utensils for household industries and musical instruments can be developed;
- a saw dust briquetting machine can be set up to make full use of the wood resources;
- vehicle maintenance and repair services can be developed, possibly accompanied by the construction of gas stations;
- there is also a need for developing services for the carriage of passengers and goods to the regional centres of Alba Iulia and Cluj Napoca.

The funds necessary for developing such activities may come from:

- local or foreign investment attraction;
- the financing programmes offered by the European Union, such as the PHARE, ISPA or SAPARD programmes;
- the mine closure and social mitigation programme;
- the crediting programme for the development of the Apuseni Mountains area;
- co-financed infrastructure projects;
- foreign partners for the commune.

The questioner believes these alternatives generate long term jobs and not for a period of 3, 5 or 14 years.

### Solution

There are numerous potential alternative industries for Roşia Montană. However, it is very unlikely that the activities mentioned in the question would provide enough jobs for all people in Roşia Montană and the neighbouring towns.

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

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

Information on current industries, such as agriculture and tourism is provided in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Plan L - Community Sustainable Development Management Plan. This information was presented primarily so that an assessment could be completed on the potential effects of the proposed project on these industries. A detailed analysis of the potential for alternate businesses to develop in absence of the project is not normally undertaken under EU regulations or International guidelines. If the project is not developed it should not have any effect on alternate
businesses.

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

What new businesses develop will depend on market demand, the viability and feasibility of the business relative to the market, and the initiative of people in the community to develop those businesses. During the life of the mine, Roşia Montană Gold Corporation (RMGC) is committed through its Community Sustainable Development Plans to a proactive campaign to create an enabling business environment promoting local sustainable development. Elements of this include: availability of affordable micro-financing, business incubator providing business advice, training & skills enhancement and education opportunities. The goal is to have established, well before mine closure, a robust economy not dependent on the mine and able to continue following mine closure.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
The questioner mentions the fact that the presence of archaeological remains provides the area with great tourism potential. However, for this to be developed, the government’s involvement is needed.

While government partnership is always welcome, dependence on public support puts Roşia Montană in competition with many other funding necessities faced by government.

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

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

As the Roşia Montană Project (RMP) affects only 4 of Roşia Montană’s 16 sub-comuna, the development of Roşia Montană’s tourism potential can be done in parallel with active mining operations. The initial, foundation works could be undertaken or promoted by RMGC. The involvement of other agencies or governments is not something that the Environmental Impact Assessment Report Study (EIA) can address.

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

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

"From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth.(see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01)."
For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
**Proposal**

The questioner is the president of the Environment and Human Protection Agency. She supports the project and wants to know in what manner the NGO can collaborate with the project’s titleholder, to ensure that the project is properly carried out and monitored.

Thank you for your support.

We welcome stakeholders (institution or NGO) to approach us in the idea of concluding partnerships for the project monitoring.

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

Present partnerships include initiatives concerning education and youth development and training, social support. Other partnerships concern monitoring and management of environmental aspects, including The Roşia Montană Research Center for Environment and Health to monitor health impacts and changes. Bio-physical aspects will be monitored and co-managed with the Roşia Montană Biodiversity Partnership and the Roşia Montană Forestry Partnership.

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

The jobs referred to are not underground jobs but are meant for drivers, as this is an open cast mining exploitation.

**Solution**

You are perfectly right, it will be an open cast mine needing people for various kinds of jobs in the various operation phases: ore extraction, ore processing, industrial water treatment, tailings management facilities, auxiliary processes. As for a description of the scale of employment opportunities, the Roşia Montană Project will create 634 jobs (direct employment including contracted employment for cleaning, security, transportation, and other). It is expected that most of these jobs will be sourced locally, from the project impacted area. [1]

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

References:

The questioner makes comments on the concept of sustainable development which needs to be taken into account when carrying out such a project.

Absolutely agreed.

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

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

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

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

1. **Five Capitals of Sustainable Development**

**Financial Capital**

Economic Development Impact, fiscal management, taxes
- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US$ 1 billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US$ 1.5 billion procuring goods & services. US$ 400 million during construction (2 years) and US$ 1.1 billion during production, from Romania (16 years)

To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:
- The set up of a micro-credit finance facility in the area to allow access to affordable financing
- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP
but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs,

**Physical Capital**

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

**Human Capital**

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

**Social Capital**

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

**Natural Capital**

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

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

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

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

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

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

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

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

References:
[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.
[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.
Proposal

Why isn’t any thought given to the miners’ situation in 15 years’ time, when the mountains will be emptied of gold and silver and the miners will have no place to work. Or maybe, after having worked in that toxic environment for 15 years they will end up dead.

Operating a modern mine designed to the strictest EU and international standards should address health and safety concerns relating to the Roşia Montană Project (RMP).

As for social and economic planning, the company is committed to promoting long term development opportunities as part of the sustainable development plan. A great deal of planning is devoted to post closure conditions at Roşia Montană.

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

The Environmental Impact Assessment Study Report (EIA) study examines other industries that could be developed and identifies constraints and obstacles that currently prevent such alternate development. This allows the EIA study to conclude that the RMP not only does not preclude other industries from being developed, but will also make that easier and more likely to happen.

In addition, the Community Sustainable Development Plan makes specific provision for development of economic activity other than mining, which is aimed to take place during the term of the RMP and also to succeed mining when that ceases on closure of the RMP. To that effect, the RMP closure plan is also designed to allow a productive end-use of the site and create an asset rather than a liability.

Solution

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. Under the auspices of the United Nations Development Program, a number of working groups will be established one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

Roşia Montană Gold Corporation (RMGC) established Roşia Montană Microcredit in January 2007, as “IFN Gabriel Finance SA”, to encourage the local investors. This micro lender is designed to provide funding and necessary resources to the people of Roşia Montană, Abrud, Campeni and Bucium. The objective is supporting local people in establishing small businesses or expanding existing ones.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
Why is it not possible for Rosia Montana to become a tourist objective, as it has the necessary tourism potential—for example, the roman galleries in Rosia Montana, which mustn’t be destroyed as this will mean destroying part of our national identity. If tourism activities were developed, tourists would have the possibility to find out about different methods used to mine the gold, ever since 1151: gold was obtained using water and fire, traditional gold washing techniques, stamp mills and motor stamp mills using the water power coming from the seven ponds. At weekends, the ponds were used as recreation areas for the local families, student miners and for hundreds of people from other towns.

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

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

As the Roşia Montană Project (RMP) affects only 4 of Roşia Montană’s 16 sub-comuna, the development of Roşia Montană’s tourism potential can be done in parallel with active mining operations. Chapter 5 of the Environmental Impact Assessment Study Report (EIA) identifies and assesses project alternatives, including tourism. Importantly, the EIA concludes that the project does not preclude the development of other industries such as tourism. On the contrary, the mining project would remove some of the existing significant impediments to establishment of other industries, such as pollution, poor access and other problems that have arisen through lack of inward investment. As described in Volume 14, 4.8 Social and Economical Environment, and in Volume 31, Community Sustainable Development Management Plans, there are currently some tourism activities in Roşia Montană. However the tourism industry is not at present a significant economic driver.

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

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

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Catalina Monulesti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions.
Further to this, it is understood that the government will be acting locally to encourage economic growth (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).

With reference to the comment about destroying part of the nation’s heritage, it is important to note that based upon professional judgement and six years of investigations and research, the most important elements of the heritage are to be preserved and put on display for tourists to visit. Less important remains are to be excavated, analysed and published according to international best-practice.

On the issue of ancient mining patrimony, RMGC fully recognises the importance of, and special care needed for the protection of the cultural heritage. It is for this reason that the archaeological work undertaken at Roşia Montană to date represents some of the most innovative, and groundbreaking work ever to have been undertaken in Romania. An unprecedented programme of works has been implemented with the use of modern scientific techniques never before used in Romania. From the outset, a long-term and scientific approach has been undertaken in order to assess the potential archaeological remains with regard to their survival and importance, and to devise and set in place a management plan that will allow for future generations to enjoy and gain an in-depth understanding of the wider cultural heritage of Roşia Montană.

The project incorporates a diverse range of cultural heritage elements which ultimately combine to form a corpus of information offering a unique opportunity to study and understand the exploitation of a landscape and the evolution of settlement over a significant period of time. This is all in accordance with current legislation relating to all aspects of the cultural heritage (Government Ordinance no. 43/2000 on the protection of archaeological patrimony and declaring certain archaeological sites as national interest areas, as further amended (the “GO no. 43/2000”); (ii) Law no. 422/2002 on the protection of the historical monuments, as further amended (the “Law no. 422/2001”); (iii) Order no. 2682/2003 on the protection of the Methodological Norms regarding the qualification and situation of historical monuments, of the historical monuments list, of the analytical chart for the situation of historical monuments and the minimal chart for the situation of the historical monuments (the “Order no. 2682/2003”)).

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

The work includes ongoing above and below ground archaeological survey involving evaluation trenching (preventive research), geophysical survey, aerial reconnaissance, and the use of 3D modeling and scientific techniques such as carbon dating and dendrochronology. In addition to these, an ethnographic and historical archive has been generated, never before undertaken in this area, and architectural survey and conservation work has also been carried out on the historic buildings.

This work has led to the publication of a series of monographs known as the Alburnus Maior monographic series, of which four volumes have already been published and eight more are planned. Over 7500 archaeological artifacts have been excavated, conserved and digitally recorded, and along with the archaeological archive generated from all the interdisciplinary research, will be incorporated into a mining museum which will include exhibitions of geology, archaeology, industrial and ethnographic heritage. In addition to this the development of tourist access to the Cătălina Monuleşti gallery and to the Tău Găuri monument is planned as well as the restoration and conservation of the 41 buildings classified as historical monuments in the protected area and Historical Centre of Roşia Montană.

Considering the importance of the cultural heritage from Roşia Montană and the legislation in force, RMGC has allotted US$ 10 million for the heritage research works conducted in the period 2001-2006. Moreover, in the light of the findings reported by the investigations, the opinions of the specialists and the decisions made by the competent authorities, the company has estimated a budget of US$ 25 million for the conservation and restoration of the cultural heritage of Roşia Montană. Should the mining project be implemented, these works will be carried out in the coming years, as publicly disclosed in the EIA Report submitted by RMGC in May 2006 at MMGA.

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

The questioner believes that medical assistance and facilities offered in the area are minimal, compared to what the company has promised to do.

**Solution**

Public health in the Roşia Montană community is a key Roşia Montană Gold Corporation concern.

Under Environmental Health and Safety Standard Operating Procedures and Emergency Response plans initiatives devised to improve health services in the community (Roşia Montană, Abrud & Câmpeni), the company is committed to support:

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

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Proposal

The questioner mentions two neighbouring towns, Abrud and Câmpeni. During the public debates, it has been said that the only solution for the abovementioned towns is tourism. However, no tourism activities are being developed in the two towns. In this case the question is: can tourism activities be developed in the area?

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

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

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

Solution

As the Roşia Montană Project (RMP) affects only 4 of Roşia Montană’s 16 sub-comuna, Roşia Montană and the region could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de Aries as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the Ministry of Environment and Water Management.

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

"From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism.

A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Catalina Monulesti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth. (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).
For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
Proposal

The questioner points out that a number of criteria must be met in order to get a job (he gives as an example an American project), and most local workers do not measure up to the conditions (for example, how many people, among those interested in getting a job with the company, have the necessary experience, speak English or know how to write a CV?). If someone living in another part of the country—e.g., Constanta, wants to get a job with the company, and has the necessary experience, why should a local worker from the Rosia Montana area have priority?

Solution

The question points to an important conclusion: if the appropriate skills are not available in the existing workforce, training programs will be made available to increase the skill base. Employment will be prioritised at the local level with people from Roşia Montană being given the first priority for work on the project. The company has already established a protocol with the local authorities to ensure that local community have first preference for these jobs. Should positions still not be filled from labour available at the local level, recruitment will take place at the regional level.

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

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

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

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

If the company talks so much about social responsibility and about how many good things it plans to do for the community, why don’t they draw up a really sustainable project? Why don’t they develop a tourism project, for example? Why don’t they build 50 guest houses in the area, sky slopes, restaurants and so on? (given that they have no experience whatsoever in the mining field, anyway, as they have never been involved in mining activities). Such a tourist complex will avoid environmental pollution and destruction, would allow complete preservation of the cultural heritage and ensure the local people’s support for RMGC.

Solution

Roşia Montană Gold Corporation (RMGC) is the titleholder of the Exploitation concession license in the Roşia Montană perimeter no 47/1999, as approved by GD no. 458/1999. In this respect, RMGC is certified and attested from the technical competency point of view in respect of conducting mining activities. It is not a tourism developer. The Roşia Montană community has grown from mining and the community retains those skills. Nevertheless, the project does not preclude the encouragement of tourism and the Environmental Impact Assessment Report Study (EIA) concludes that the project will remove some of the impediments to fostering tourism. Mining and tourism can go hand in hand and can be successfully done anywhere.

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

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

1. Five Capitals of Sustainable Development

Financial Capital
Economic Development Impact, fiscal management, taxes
- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US$ 1 billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US$ 1.5 billion procuring goods & services. US$ 400 million during construction (2 years) and US$ 1.1 billion during production, from Romania (16 years)
To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:
- The set up of a micro-credit finance facility in the area to allow access to affordable financing
- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs,

**Physical Capital**

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

**Human Capital**

**Health and education**
- A private dispensary & health clinic in Piatra Albă (see RRAP), accessible to wider community through health insurance
- Upgrading of a wing of Abrud hospital, accessible to the wider community through the national Romanian health system
- Improvement of mobile emergency medical system in the area
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- Partnerships with education providers & NGOs concerning access to & improvement of education facilities in the area, e.g.: the NGO and local authorities lead CERT Educational Partnership (www.certapuseni.ro).

**Social Capital**

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

**Natural Capital**

Landscape, biodiversity, water quality, ecosystems
- Measures contained in the RMP management plans and SOPs will result in mitigation of environmental impacts and conditions as identified in the EIA.
- The improved environmental condition will enhance the quality of life in Roşia Montană.
- Training & assistance in integrating environmental considerations into business plans.
- Awareness-building regarding positive environmental performance of business activities.
- Environmental standards associated with loans through the micro-credit finance facility including monitoring of environmental performance.
- Business Code of Conduct requiring suppliers to RMP to comply with RMGC’s environmental performance standards.
RMGC’s view of the social and economic benefits of the RMP is described in the Community Sustainable Development Plan and EIA Chapter 4.8 – the Social and Economic Environment.

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

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

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

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

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

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

References:
[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.
[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.
- What will be the costs of losing tourism resources?

At present, Roșia Montană’s touristic resources are potential only, as its infrastructure to support tourism is lacking.

As the Roșia Montană Project (RMP) project affects only 4 of Roșia Montană’s 16 sub-comuna, the development of Roșia Montană’s tourism potential can be done in parallel with active mining operations.

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

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

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

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monulești) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth. (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

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

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
In an area with chronic high unemployment, it is wrong to dismiss a project that will run more than 20 years and deliver a source of stable employment supplemented by a comprehensive approach to sustainable development.

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

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

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- Business Code of Conduct requiring suppliers to RMP to comply with RMGC’s environmental performance standards.

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

In order to achieve its commitments, RMGC acknowledges that it needs to collaborate with the Community, Authorities and civil society on issues that impact the area’s development. This approach allows the Community to own, direct and control all relevant development issues in a multi-stakeholder and integrated manner.
In the spirit of that commitment, to date, RMGC has conducted extensive consultations, including 1262 individual meetings and interviews, and the distribution of questionnaires for which over 500 responses have been received, 18 focal group meetings, and 65 public debates, in addition to holding discussions with government authorities, non-governmental organisations and potentially affected stakeholders. Feedback has been used in the preparation of the Management Plans of the RMP’s Environmental Impact Assessment (EIA) as well as the drafting of the Annex to the EIA.

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

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

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

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

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| 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 | Nr. 108376/18.07.2006 si Nr. 108399/20.07.2006 si Nr. 108106/05.07.2006 si Nr. 74155/AF/20.07.2006 |
| RMGC internal unique code | MMGA_1056 |

Proposal

The current economic and social decline has been caused by RMGC;

Roşia Montană Gold Corporation (RMGC) is not responsible for the decline that has affected Roşia Montană and other Romanian villages for decades.

Currently, unemployment rate is up to 70% in Roşia Montană, due to the closure of the state run-mines. RMGC is the major employer in the area and the major contributor to the budget of the local authorities. In 2006 up to 117,668$USD in taxes were paid to the Roşia Montană’s budget.

Absent RMGC, unemployment in Roşia Montană would raise above 90%.

RMGC is the company that has the largest number of employees from Roşia Montană and neighboring towns, almost 500 individuals. The wages paid by the company to its employees amount to a total of approximately Euro 4 million per year; the taxes on employees’ incomes alone amount to approximately Euro1.5 million per year. Thus the benefits of Roşia Montană Project (RMP) will not only be felt by its direct employees and their families but also by the members of local community who are receiving social relief, benefitting from health and professional training programs, and so on.

Starting in 1997, social activities have been initiated by the company in an attempt to assist in dealing with the social issues of Roşia Montană locals, and starting in 2005, the company has established a special department of 18 individuals dedicated to create, implement, and develop diverse social programs aimed to support local community.

Solution

In the largest sense, RMP will be a catalyst for local and regional economic development. Beneficial impacts will be maximised by involving local and regional governments and other relevant parties from the community in development initiatives as part of a participatory approach of the Community Sustainable Development Management Plans. Negative impacts will be mitigated through measures as described in the Environmental Impact Assessment Report Study (EIA). RMGC is committed to working proactively to create an enabling business environment promoting local sustainable development to be developed during the life of the project and designed to operate independently following mine closure.

A mining project such as the one proposed by RMGC would provide, through its general economic activity and through taxes, the necessary funds to improve the infrastructure. The company has also spent approximately US$10 million to develop the most extensive archaeological research and development program of Roşia Montană Historic Area, so as to preserve and develop the archaeological and cultural-architectonical potential.

Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit, „IFN Gabriel Finance SA”, will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old center of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments as the one from Tău Găuri - all of which would serve as tourist attractions.

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

Protest against the Rosia Montana Project

The questioner’s view is that tourism is a solution for saving Rosia Montana and its treasures.

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

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

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

As the Roșia Montană Project (RMP) affects only 4 of Roșia Montană’s 16 sub-comuna, Roșia Montană could continue to develop its tourism potential. There are initiatives to do so, such as “Turism development model and its contribution to sustainable development in Zlatna, Bucium, Roșia Montană and Baia de Aries as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the Ministry of Environment and Water Management (MEWM).

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

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

(see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

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

Local administration showed little interest in creating local sustainable development solutions;

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

As the statement of the attendant to the public consultations (i) refers to the alleged behaviour of local authorities, and (ii) identifies and specifies no problems in regard of the project initiated by Roșia Montană Gold Corporation (RMGC), subject to the environmental impact assessment procedure, RMGC is not in position to answer and has not the capacity to make any comments to this end.

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

By definition, capacity building is an evolving process. More capacity for community involvement in sustainable development exists today in Roșia Montană than one year ago. The process is underway.

The company is committed to promoting long term development opportunities as part of the sustainable development plan. It is hoped that, under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established one of which will be assigned the task of exploring development opportunities. These working groups will be made up of Government, community representatives and RMGC. The working groups will welcome suggestions and contributions from all interested parties.

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
The questioner opposes the proposed gold and silver mining project at Rosia Montana and makes the following observations and comments:

- The Project does not comply with the principle of sustainable development;
- It will have a negative social impact as it involves uprooting the local people and resettlement of houses, churches and cemeteries;

To put the issue in larger context, the construction and operation of the RMP requires the acquisition of properties in four of Roșia Montană’s 16 sub-comuna. For the most part, therefore, property ownership in the larger part of Roșia Montană will not be affected by the project. In fact, the number of homes that the company must purchase to construct and operate the project over the life of the mine – 379 homes – is far smaller than the 1000 homes project opponents regularly reference.

In order to acquire the necessary properties, the company has established a property purchase program compliant with the Resettlement and Relocation Action Plan (RRAP) guidelines developed by the World Bank.

Of those properties needed but not yet acquired, 98% have been presented for surveying by their owners – a step that implies an interest in selling the property to the company. The survey rate suggests that little more than a handful of properties are held by people who might prove unwilling to entertain a sale.

Contrary to what the opponents of the mining project claim, no one wants to destroy churches or graveyards. To put the number of graves in context, the vast majority of Roșia Montană’s 1905 graves will not be affected by the mining project, as the company has to the maximum extent possible designed the mining operations to leave established graveyards in place.

All reburials will be done at the request of the families, and the expense of Roșia Montană Gold Corporation (RMGC). The process will follow to the letter Romanian law on reburials [1] (art. 151 of Ordinance 536/1997) with the company’s commitment to act with respect and reverence. Abandoned graves will be relocated, also with full respect and reverence, to Piatra Albă’s new cemetery, for which 13 hectares have been set aside.

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

What the RMP project offers to future generations is a chance to continue a way of life in a village where that future – with 70% unemployment today, rising above 90% if RMGC’s proposed mine is not allowed to proceed – would be very much in doubt. In the event of Roșia Montană’s demise, the graves and churches there would likely be left behind, as in other abandoned villages in the Romanian countryside. Development of the RMP will keep the village alive and bring economic opportunity to the region.
For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.

References:
[1] The applicable enactments regulating the relocation of graves and cemeteries are:
(i) Law no. 489/2006 on the religious liberty and the general regime of religious affairs, published in the Romanian Official Gazette, Section I, no. 11/08.01.2007;
(ii) Law no. 98/1994 on the establishing and sanctioning of the misdemeanors to the hygiene and public health legal norms, published in the Romanian Official Gazette, Section I, no. 317/16.11.1994, as subsequently amended and supplemented (“Law no. 98/1994”);
(iii) The hygiene norms and recommendations concerning the population’s life environment, approved by Order no. 1028/2004, published in the Romanian Official Gazette, Section I, no. 140/03.07.1997, as subsequently amended and supplemented (“Order 536/1997”);
(iv) GD no. 955/2004 on the approval of the framework Rules for the organization and operation of the public services for the administration of the public and private domain of local interest, published in the Romanian Official Gazette, Section I, no. 660/22.07.2004;
(v) Order no. 261/1982 on the approval of the standard Rules for the administration of graveyards and the crematories of the localities, published in the Official Gazette no. 67/11.03.1983;
Rules for the organization and operation of the parish and monastery graveyards within the eparchies of the Romanian Orthodox Church, approved by Decision of the Religious Affairs Department no. 16.285/31.12.1981.
Proposal

The questioner opposes the promotion of the Rosia Montana project as it does not comply with the principle of "sustainable development" concerning economic-social-ecologic aspects.

Solution

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

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

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

1. Five Capitals of Sustainable Development

Financial Capital

Economic Development Impact, fiscal management, taxes
- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US$ 1billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US$ 1.5 billion procuring goods & services. US$ 400 million during construction (2 years) and US$ 1.1 billion during production, from Romania (16 years)

To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:
- The set up of a micro-credit finance facility in the area to allow access to affordable financing
- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs,

Physical Capital

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

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

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

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

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

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

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

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

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

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

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

References:
[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.
[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.
**Proposal**

The questioner does not agree with the proposed gold and silver mining exploitation project at Rosia Montana, which will affect the historical remains, the environment and future economic developments.

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

Under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established one of which will be assigned the task of exploring development opportunities. These working groups will be made up of Government, community representatives and RMGC. The working groups will welcome suggestions and contributions from all interested parties.

In terms of environmental impact, the Roșia Montană Project (RMP) is designed to comply with EU standards and Romanian law – whichever is more strict. As Roșia Montană is plagued by pollution due to poor mining practices, the modern mining process will remediate past environmental damage dating back to Roman times.

Finally, in terms of the area’s ancient patrimony, the company has taken steps to preserve the definitive aspects of Rosia Montana’s archaeological heritage. The historical sites are not going to be impacted by the mining project as they are located outside the industrial area. Archaeological and architectural researches conducted in the last 6 years have allowed the identification of perimeters comprising cultural heritage assets. At present, these perimeters have been classified as protected areas. Historical artifacts and monuments in this area are currently subject to research and restoration works. These will soon become an additional source of income for the local community.

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
The questioner requests the MMGA not to issue the environment permit for the Rosia Montana mining project arguing as follows: The processing with cyanides would compromise the tourist potential from area; 

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

As the Roșia Montană Project (RMP) project affects only 4 of Roșia Montană’s 16 sub-comuna, Roșia Montană could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roșia Montană and Baia de Arieș as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the Ministry of Environment and Water Management.

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

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monulești) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth. (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

There are good examples where tourism and mining has been carried on side by side. The examples of the Martha Gold Mine, Waïhi in New Zealand and the Rio Narcea Gold Mine in Spain have been cited, and the latter is documented in the EU “Best Reference” document for management of mining wastes. This is because these mines are operated efficiently, safely and with care of the environment. Because these mines are located in districts with a long history of mining, visitors can be shown mining technology old and new. Roșia Montană is in a good position to take similar advantage of its mining history and RMGC proposes to manage its operations in line with this best practice. Other related examples have been discussed in Roșia Montană Initial Tourism Proposals.
While cyanide is a highly toxic substance and its manufacture, supply, use and disposal must be carefully managed, RMGC is a signatory to the International Cyanide Management Code that requires the adoption of best practice for cyanide management. RMGC will obtain cyanide from a manufacturer who will also be a signatory to the Code.

As cyanide is quite commonly used in gold extraction, the European Union recently issued a Directive on the management of wastes from the extractive industry [1]. This Directive has been used as a point of reference in designing the RMP and, in particular, the management of cyanide. In line with the requirements of the Directive, cyanide will not be discharged in waste products (process “tailings”) to the tailings pond at levels that are toxic for humans, mammals and birds, i.e. above 10 parts per million (ppm). In order to achieve this, most of the cyanide will be recovered from the process circuits for re-use and residual cyanide levels will be reduced to below 10 ppm using a patented chemical process (cyanide destruction circuit).

A simplified description of the ore processing system and the use and management of cyanide is provided in the Non-Technical Summary. Cyanide solution is used to dissolve the microscopic particles of gold and silver from the ore after it has been crushed and ground to a fine powder (ore leaching). Carbon is used to remove the metals from the cyanide solution (adsorption) and the gold and silver is then separated from the carbon using an electric current (electrowinning). The cyanide solution and carbon are then re-used to minimize waste discharges.

References:
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**Proposal**

The simplistic argument that the Project will generate new jobs SEE CONTESTATION TYPE 4

**Solution**

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

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

With the mining project as the economic catalyst, Roșia Montană Gold Corporation (RMGC) is committed to working proactively to create an enabling business environment promoting local sustainable development with all manner of non-mining enterprises. This will be developed during the life of the project and designed to operate independently following mine closure.

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

**References:**

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**Proposal**

Simplistic motivation that work places will be created. SEE THE CONTENT OF THE TYPE 1 CONTESTATION

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

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

**Solution**

With the mining project as the economic catalyst, Roșia Montană Gold Corporation (RMGC) is committed to working proactively to create an enabling business environment promoting local sustainable development with all manner of non-mining enterprises. This will be developed during the life of the project and designed to operate independently following mine closure.

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

**References:**

Domain

CSDP

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

2795, 2796, 2797, 2798, 2799, 2800, 2801, 2802, 2803, 2804, 2805, 2806

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


RMGC internal unique code

MMGA_1260

Proposal

There is no a separate study of the of community baseline;

Solution

Neither the Terms of Reference (TOR) issued by the Romanian Ministry of Environment and Water Management (MEWM), nor Order no. 863/2002 Annex 2 - Methodological Guide of the screening stage and of completion of the report to the environmental assessment study – Part II (the structure of the report to the environmental impact assessment study. require provision of detailed socio-economic baseline study for the Environmental Impact Assessment Study Report (EIA). Baseline studies were conducted, however, to understand potential impacts of the Roşia Montană Project (RMP), mitigation measures were developed for negative impacts and enhancement measures for positive impacts.

The company is committed to promoting long term development opportunities as part of the sustainable development plan. It is hoped that, under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established, one of which will be assigned the task of commissioning a study of community baseline. These working groups will be made up of Government, community representatives and Roşia Montană Gold Corporation (RMGC). The working groups will welcome suggestions and contributions from all interested parties.

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

The chapters from EIM referring to the population from area have not a scientific basis

**Solution**

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

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

Reference:

Proposal

EIA does not answer to the question “how will the social problem be settled after the project closure”

To the contrary, the Environmental Impact Assessment Study Report (EIA) examines other industries that could be developed and identifies constraints and obstacles that currently prevent such alternate development. This allows the EIA study to conclude that the Roşia Montană Project (RMP) not only does not preclude other industries from being developed, but will also make that easier and more likely to happen.

In addition, the Community Sustainable Development Plan makes specific provision for development of economic activity other than mining, which is aimed to take place during the term of the RMP and also to succeed mining when that ceases on closure of the RMP. To that effect, the RMP closure plan is also designed to allow a productive end-use of the site and create an asset rather than a liability.

This approach is as documented in mining guidance worldwide and as set down in the 2004 EU BAT document for the mining industry.

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

At the time of closure the company will do all it can for the existing workforce in providing assistance in finding alternative employment.

Solution

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan, should contain, among others, a social protection program for the personnel.

Given the skills base and experience that the workers will have acquired, this might be jobs on other mining projects in a region with significant resource development potential. Alternatively, RMGC will provide the opportunity of re-training and support in setting up alternative businesses. One of the most important sides of development is community and local authorities capacity building and development.

Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. Under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs is developed with the aim to raise both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining, the vocational training program is one of them.

RMGC established Roşia Montană MicroCredit “IFN Gabriel Finance SA” in January 2007 to encourage the local investors. This micro lender is designed to provide funding and necessary resources to the people of Roşia Montană, Abrud, Câmpeni and Bucium. The objective is supporting local people in establishing
small businesses or expanding existing ones. Business training is part of the vocational training program. A business incubator is also being established.

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

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_1269

Proposal

The project does not respect the chance equality and will deepen the social problems after its closure.

We do not understand exactly what you mean by “equal opportunities”.

According to the Law no. 202/2002 on equal opportunities between men and women, the company promotes an equal treatment and opportunities for both men and women, in case of hiring and employment relations.

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

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

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

So the social problems will not deepen. On the contrary, the injection of investment into the area, if handled correctly, should stimulate other development. Roşia Montană Gold Corporation (RMGC) is committed to promoting long term development opportunities as part of the sustainable development plan.

Solution

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan, should contain, among others, a social protection program for the personnel.

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

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

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

References:

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

The effects on the local community caused by the operation closure are not explained.

**Solution**

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

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entity ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. It is hoped that, under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

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

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
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### Proposal
Which is the Foundation’s role within this project?

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

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

### Solution

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
MMDD's item no. for the question which includes the observation identified by the RMGC internal code
MMDD's identification no. for the observation identified by the RMGC internal code

Information about the foundation which RMGC will establish and subsidize is not given. This foundation follows to assume the obligations which the mining operation can not assume; 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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community and its institutions.

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
After 15 years RMGC will close its activity and the people will remain again without work places and Rosia Monatna will be definitely destroyed.

There is no basis to claim that Roşia Montană will have no future after Roşia Montană Project (RMP), as we are working towards the sustainable development of the area to make sure this does not happen.

Taken over 20 years, the injection of investment into the area, if handled correctly, should stimulate other development.

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entity ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

At the time of closure, the company will do all it can for the existing workforce in providing assistance in finding alternative employment. Given the skills base and experience that the workers will have acquired, this might be jobs on other mining projects in a region with significant resource development potential. Alternatively, Roşia Montană Gold Corporation (RMGC) will provide the opportunity of re-training and support in setting up alternative businesses. One of the most important sides of development is community and local authorities capacity building and development.

Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. It is hoped that, under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

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

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

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

RMGC offers 1200 of work places in the first two years and 600 in the operating stage but does not stipulate an durable alternative

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

At the time of closure, the company will do all it can for the existing workforce in providing assistance in finding alternative employment. According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

Given the skills base and experience that the workers will have acquired, this might be jobs on other mining projects in a region with significant resource development potential. Alternatively, RMGC will provide the opportunity of re-training and support in setting up alternative businesses.

**Solution**

It is hoped that, under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established one of which will be assigned the task of exploring development opportunities. These working groups will be made up of Government, community representatives and RMGC. The working groups will welcome suggestions and contributions from all interested parties.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

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

After the mine closure, how will the non-mining activities be resumed?

Solution

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

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entity ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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

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

The study does not take into consideration the situation from Rosia Montana commune prior to the company's arrival and the impact which this had on area.

The content of the Environmental Impact Assessment Report Study (EIA) is drafted in accordance with the Terms of Reference (TOR) issued by the Romanian Ministry of Environment and Water Management (MEWM) and the Order no. 863/2002 – Annex 2: Methodological Guide of the screening stage and of completion of the report to the assessment study – Part II (the structure of the report to the environmental impact assessment study).

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

**Solution**

In an area with chronic high unemployment, the primary social impact Roşia Montană Gold Corporation (RMGC) has had on Roşia Montană is to provide a stable source of economic opportunity.

Currently, RMGC provides almost 500 jobs, out of which more than 80 % are occupied by the locals from Roşia Montană, Abrud and Câmpeni. The taxes paid by RMGC to the local budgets in 2006 reach 117,668 $US, not to mention benefits to the local businesses.

Among the negative impacts, we mention the resettlement and relocation of some of the community members, impact that will be mitigated by the measures described by Resettlement and Relocation Action Plan.
The chapter regarding the durable development of the area does not examine any aspect connected with the social life of the Roşia Montana commune.

The examining of the social life in Roşia Montana wasn’t required by the terms of Reference (TOR) issued by the Romanian Ministry of Environment and Water Management (MEWM) or by the Order no. 863/2002 – Annex 2- Methodological Guide of the screening stage and of completion of the report to the assessment study – Part II (the structure of the report to the environmental impact assessment study).

Nonetheless, Roşia Montana Gold Corporation (RMGC) will collaborate in a participatory approach regarding community development issues with interested parties from the community.

We mention some of the aspects connected with the social life in the Roşia Montana area that RMGC is willing to work with community to advance:

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

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

We disagree with your statement about the limited duration of 15 years, the Roşia Montană Project (RMP) will develop for at least 20 years.

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

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

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

1. Five Capitals of Sustainable Development

Financial Capital

Economic Development Impact, fiscal management, taxes

- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US$ 1 billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US$ 1.5 billion procuring goods & services. US$ 400 million during construction (2 years) and US$ 1.1 billion during production, from Romania (16 years)

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

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

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

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

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

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

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

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

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

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

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

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

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

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[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.
The questioner requests the MMGA not to emit the environment permit for Rosia Montana mining project. In order to support this request the questioner advances as argument the fact that the project does not demonstrate that will contribute to the durable development of the area.

According to art. 11 of the GD no. 918/2002 [1], on establishing the framework-procedure for the environmental impact assessment and for the approval of the list of public and private projects subject to this procedure (“GD no. 918/2002”) “The EIA Report is subject to public comments, whose pertinent statements should be considered throughout the EIA procedure. The competent authority for the environmental protection, together with the authorities represented in CAT, analyzes the quality of the report to the environmental impact assessment study (inclusively of the annex containing the titleholder’s answers to the comments and observations made by the public – our note), and decides to accept or that the report should be remade and to issue, respectively to justifiably reject the issuance of the environmental approval.”

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

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

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

1. **Five Capitals of Sustainable Development**

**Financial Capital**

Economic Development Impact, fiscal management, taxes

- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US$ 1 billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US$ 1.5 billion procuring goods & services. US$ 400 million during construction (2 years) and US$ 1.1 billion during production, from Romania (16 years)

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

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

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

Human Capital
Health and education
- A private dispensary & health clinic in Piatra Albă (see RRAP), accessible to wider community through health insurance
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Social Capital
Skills training, community relationships and social networks and the institutional capacity to support them, preservation of cultural patrimony
- Efforts to develop and promote Roşia Montană’s cultural heritage for both locals and tourism – RMGC is a partner in the Roşia Montană Cultural Heritage Partnership (info@rmchp.ro)
- Providing adult education opportunities and skills enhancement including training programs, funds and scholarships, to increase employment chances both direct with RMGC and indirect – RMGC is a partner in the Roşia Montană Professional and Vocational Program (info@rmptvp.ro)
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Natural Capital
Landscape, biodiversity, water quality, ecosystems
- Measures contained in the RMP management plans and SOPs will result in mitigation of environmental impacts and conditions as identified in the EIA.
- The improved environmental condition will enhance the quality of life in Roşia Montană.
- Training & assistance in integrating environmental considerations into business plans.
- Awareness-building regarding positive environmental performance of business activities.
- Environmental standards associated with loans through the micro-credit finance facility including monitoring of environmental performance.
- Business Code of Conduct requiring suppliers to RMP to comply with RMGC’s environmental performance standards.

RMGC’s view of the social and economic benefits of the RMP is described in the Community Sustainable Development Plan and EIA Chapter 4.8 – the Social and Economic Environment.
In order to achieve its commitments, RMGC acknowledges that it needs to collaborate with the Community, Authorities and civil society on issues that impact the area’s development. This approach allows the Community to own, direct and control all relevant development issues in a multi-stakeholder and integrated manner.

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

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

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Who still will wish to come among waste dumps as tourist or to establish any other business?

The questioner misunderstands the end-result of mining for closure and rehabilitation. In contrast to past mining in Roşia Montană, where waste dumps were often abandoned, the Roşia Montană Project (RMP) will operate against strict guidelines that require environmental remediation.

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

As RMP affects only 4 of Roşia Montană’s 16 sub-comuna, Roşia Montană could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de Aries as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the. Ministry of Environment and Water Management (MEWM).

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

"From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monuleşti) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth. (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01)."

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

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

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
<table>
<thead>
<tr>
<th>Domain</th>
<th>CSDP</th>
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<tr>
<td>MMDD's item no. for the question which includes the observation identified by the RMGC internal code</td>
<td>3115</td>
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<td>No. 112129/25.08.2006</td>
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<tr>
<td>RMGC internal unique code</td>
<td>MMGA_1389</td>
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<tr>
<td>Proposal</td>
<td>Where will the young labor force be brought from taking into account that the health studies show an increased average age?</td>
</tr>
<tr>
<td>Solution</td>
<td>The impacted area of the project consists not only in the Roșia Montană community, but also the neighboring localities: Abrud, Câmpeni. People from Bistra, Lupșa, Baia de Arieș and other villages are already enrolled in our training programs, so that their chances of any person regardless of age to find a job in the project will be considerable. For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.</td>
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What will happen with employees after the mine closure? This isn’t a durable development solution or a case of community rehabilitation.

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

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entity ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. Under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

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

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

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

CSDP

Proposal

The questioner requests the MMGA not to emit the environment permit for Rosia Montana mining project, formulating the following remarks, questions and comments:

The project is contradictory to the durable development principle;

On the contrary, the Roşia Montană Project (RMP) will support the sustainable development of the area.

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

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1. Five Capitals of Sustainable Development

Solution

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**Proposal**

The future for the area is tourism.

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

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

The development of Roşia Montană’s tourism potential is one potential form of sustainable development.

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

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### Proposal

The project does not contribute to the durable development

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

As the statement of the attendant to the public consultations does not contain any specific indications on the problems in regard of the project initiated by RMGC, subject to the environmental impact assessment procedure, RMGC is not in position to answer and has not the capacity to make any comments to this end.

Nonetheless, considering Roşia Montană Gold Corporation (RMGC) has expressed its full availability to discuss any issues relevant for the proposed project, please note the following:

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

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

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#### 1. Five Capitals of Sustainable Development

##### Financial Capital

Economic Development Impact, fiscal management, taxes

- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US$ 1billion in profit share, profit tax, royalties and other taxes and fees to Romanian local,
regional & national government
- US$ 1.5 billion procuring goods & services. US$ 400 million during construction (2 years) and US$ 1.1 billion during production, from Romania (16 years)

To further promote and develop the economic opportunities presented by the RMP, RMGC is also cooperating with local stakeholders regarding setting up their own businesses:
- The set up of a micro-credit finance facility in the area to allow access to affordable financing
- The set up of a business centre and incubator units, offering mentoring, training (entrepreneurial, business plans, fiscal & administrative management, etc), legal, financial & administrative advice to promote local & regional business development both to service the RMP but also to encourage entrepreneurship in preparation of the post-mining sustainable development needs,

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

Human Capital
Health and education
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- RMGC supports a NGO-lead partnership working with the youth in the area to improve and increase the capacity of the community (www.certapuseni.ro).

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

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

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

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

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

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

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The questioner does not agree to the Rosia Montana project implementation formulating the following remarks and comments: The project does not contribute to the durable development.

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

As the statement of the attendant to the public consultations does not contain any specific indications on the problems in regard of the project initiated by Roşia Montană Gold Corporation (RMGC), subject to the environmental impact assessment procedure, RMGC is not in position to answer and has not the capacity to make any comments to this end.

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

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

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

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

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

- The set up of a micro-credit finance facility in the area to allow access to affordable financing
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Physical Capital
Infrastructure – including buildings, energy, transport, water and waste management facilities

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

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

- Efforts to develop and promote Roşia Montană’s cultural heritage for both locals and tourism – RMGC is a partner in the Roşia Montană Cultural Heritage Partnership (info@rmchp.ro)
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- Business Code of Conduct requiring suppliers to RMP to comply with RMGC’s environmental performance standards.

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

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

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The questioner does not agree to the environment permit approval because this project has an enormous environment and social risk and does not offer long term durable economic benefits for Romania and Romanians. There are two important questions: Are the incomes, expressed in financial terms, and the assurance of work places high enough to compensate the social and environment costs on short and long term?

In an area grappling with chronic high unemployment, the direct jobs created by Roşia Montană Gold Corporation (RMGC) will prove a strong stabilizing influence in Roşia Montană and the region. In the long term, the injection of investment into the area, if handled correctly, should stimulate other development. RMGC is committed to promoting long term development opportunities as part of the sustainable development plan.

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entity ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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

RMGC is committed to promoting long term development opportunities as part of the sustainable development plan. Under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established one of which will be assigned the task of exploring development opportunities. These working groups will be made up of Government, community representatives and RMGC. The working groups will welcome suggestions and contributions from all interested parties.

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

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
The project does not provide the durable development of the area but only the infrastructure development;

As detailed in the Environmental Impact Assessment Report Study (EIA), the project contributes to both infrastructure improvements and sustainable development in the region.

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

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The questioner does not agree to the gold and silver mining operation proposal for Rosia Montana and formulates the following remarks and comments:

Negative impact on economy, development, health and human settlements from area;

Solution

The questioner points to uniformly negative impacts from the Roşia Montană Project (RMP), while ignoring major benefits to an area that suffers chronic high unemployment, and the health effects of historic unremediated pollution caused by past poor mining practice.

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

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

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

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

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

In terms of resettlement, the mining project affects four of Roşia Montană’s 16 sub-comuna, requiring the acquisition of 379 homes. The property purchase plan designed by the company to acquire those properties follows World Bank guidelines, and is based on a willing seller/willing buyer model. To address interest on the part of those who sell their properties but wish to remain in Roşia Montană, the RMGC will build the new community of Piatra Albă, as local permits are obtained.

Public health in the village is also a critical concern for the company. The initiatives the company has undertaken include:

- A private dispensary & health clinic in Piatra Albă (see RRAP), accessible to wider community through health insurance
- Upgrading of a wing of Abrud hospital, accessible to the wider community through the national Romanian health system
- Improvement of mobile emergency medical system in the area
- The building of a new school, residential & civic centre in Piatra Albă. This is fully described in
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- Health awareness campaigns (in partnership with local authorities & NGOs) covering: reproductive health, diet, and lifestyle amongst others
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Any of these advantages on its own would suggest the spirit in which the RMGC approaches this project and the benefits it will bring. All of them together underscore the depth of the RMGC’s commitment to the community.

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

Local population migration due to the environment degradation;

**Solution**

Population has been declining in Roşia Montană for several decades, not unlike other areas in Romania, in large part due to economic decline. Those who remain must live with impacts of historic pollution from poor mining practices. The Roşia Montană Project (RMP) will address economic, social and environmental issues with positive impacts for Roşia Montană and surrounding communities.

For more information, please see Roşia Montană Sustainable Development and the Roşia Montană Project – annex 4.
The questioners do not agree to the gold and silver mining operation proposal for Rosia Montana and formulate the following remarks and comments:

This is no a durable development project, but a project of durable environment destruction;

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

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

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

1. Five Capitals of Sustainable Development

**Financial Capital**
Economic Development Impact, fiscal management, taxes

- Average of 1200 jobs during construction over 2 years, the majority of which sourced locally
- 634 jobs during operations (direct employment including contracted employment for cleaning, security, transportation, and other), for 16 years, most of which sourced locally
- Some 6000 indirect jobs for 20 years, locally & regionally [2]
- US$ 1billion in profit share, profit tax, royalties and other taxes and fees to Romanian local, regional & national government
- US$ 1.5 billion procuring goods & services. US$ 400 million during construction (2 years) and US$ 1.1 billion during production, from Romania (16 years)

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

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

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

- Increases in revenue to government agencies, of the order of US$ 1 billion over 20 years
(construction + production + closure) will result in additional money the government may allocate to improving community infrastructure

- RMGC will also develop the resettlement sites of Piatra Albă and Dealul Furcilor in Alba Iulia. Piatra Albă will contain a new civic centre, commercial and residential areas. These will be transferred to the local authorities once complete. The RRAP contains full details of these initiatives

**Human Capital**

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

**Social Capital**

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

**Natural Capital**

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

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

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

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

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

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

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

References:
[1] This is an updated version of the policy already presented in the EIA management plans – it has been improved following feedback during public consultation.
[2] Economists have argued that the multiplier effect for the RMP is in the order of 1 Direct job to 30 Indirect Full Time Job Equivalents over twenty years – the methodology used may be available via a direct request to RMGC. However, the more conservative 1 : 10 Direct : Indirect figure is used here to maintain consistency with internationally accepted multiplier effects for large mining projects in impoverished regions, such as mentioned in UNCTAD (2006) Commodity policies for development: a new framework for the fight against poverty. TD/B/COM.1/75, Geneva, Switzerland. From experience, this is also the number most often quoted in Canada.
The contestation presents the technical lacunae from the Assessment Report as well as the risks and prejudices which this project may generate within the Rosia Montana community in the following domains:

- Agriculture
- Tourism
- Economic development of the area

Contrary to the questioner’s claim, information on existing and potential industries, such as agriculture and tourism, is provided in the Environmental Impact Assessment Study Report (EIA) and supporting documents. This information was presented primarily so that an assessment could be completed on the potential effects of the proposed project on these industries. Roşia Montană Gold Corporation (RMGC) is not in a position to comment authoritatively on alternative development options. However, the company is committed to promoting long term development opportunities as part of the sustainable development plan. Under the auspices of the United Nations Development Plan (UNDP), a number of working groups will be established one of which will be assigned the task of exploring development opportunities. These working groups will be made up of Government, community representatives and RMGC. The working groups will welcome suggestions and contributions from all interested parties.

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

As for potential to develop commercial agriculture, the role of agriculture in the economy in Roşia Montană is effectively minimized by the altitude, steep slopes, and poor (and polluted) soils. Currently, approximately 7% of the land in Roşia Montană is arable. The agricultural activities that do occur are primarily related to subsistence and supplement income from wage employment. Agricultural activities may continue in Roşia Montană, even if the mine proceeds, in the areas were the General Urbanism Plan (PUG) allows it. During the mine’s life, if people wish to develop agriculture as an economically sustainable practice, RMGC in cooperation with Community stakeholders will provide assistance. In the Community Sustainable Development Plan land-based livelihoods including organic farming were presented as possibilities for development. It requires Community parties to actively desire to undertake these activities. Agricultural activities may also continue post mine closure depending on whether there is a desire by people to practice it.

As the Roşia Montană Project (RMP) affects only 4 of Roşia Montană’s 16 sub-comuna, Roşia Montană could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de Arieș as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the Ministry of Environment and Water Management (MEWM).

RMGC has also commissioned a study which sets out how the potential tourism markets and how these might best be approached in an integrated project:
From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roșia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roșia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Cătălina Monulești) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth. (see Roșia Montană Initial Tourism Proposals Gifford Report 13658.R01).

The RMP will be a catalyst for local and regional economic development. Beneficial impacts will be maximised by involving local and regional governments and other relevant parties from the community in development initiatives as part of a participatory approach of the Community Sustainable Development Management Plans. Negative impacts will be mitigated through measures as described in the EIA. RMGC is committed to working proactively to create an enabling business environment promoting local sustainable development to be developed during the life of the project and designed to operate independently following mine closure.

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project – annex 4.
The Questioner disagrees with the proposed gold and silver mine in Rosia Montana and proposes to assess the study on tourism development of the area as sustainable development alternative of the mining mono-industrial activity. There is submitted a CD containing “Model of tourism development in Apusheni Mountains”.

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

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

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

As the Roşia Montană Project (RMP) affects only 4 of Roşia Montană’s 16 sub-comuna, Roşia Montană could continue to develop its tourism potential. There are initiatives to do so, such as “Tourism development model and its contribution to sustainable development in Zlatna, Bucium, Roşia Montană and Baia de Arieş as alternative to mono-industrial mining activities” prepared by the National Institute for Research and Development in Tourism (INCDT) published in April 2006, just as the EIA report was being submitted to the Ministry of Environment and Water Management (MEWM).

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

“From experience, tourism will be possible and profitable only when there is something to offer to tourists in terms of clean environment, proper infrastructure (good roads, accommodation, restaurants, running water, proper sewage system, waste disposal facilities, etc.), attractions (museums, other things to see such as historical monuments, etc). A mining project such as the one proposed by RMGC will provide, through taxes, and the development of service industries, the necessary funds to improve the infrastructure. Through the RMP and its heritage management plans, US$25 million will be invested by the company in the protection of cultural heritage in such a way to support tourism. A training program will provide the necessary skills to develop tourist activities and the Roşia Montană Micro Credit will support people in starting pensions, restaurants, etc., all needed for attracting tourists. At the end of the project, there will be a new village, plus the restored old centre of Roşia Montană with a museum, hotels, restaurants and modernized infrastructure, plus restored mining galleries (e.g. Catalina Monuleştii) and preserved monuments such as the one from Tău Găuri - all of which would serve as tourist attractions. Further to this, it is understood that the government will be acting locally to encourage economic growth. (see Roşia Montană Initial Tourism Proposals Gifford Report 13658.R01).

While planning restrictions will apply to areas that could be affected by the operation of the project, but
this will be for a limited time and through its Community Sustainable Development Plan (Volume 31 of the EIA report), RMGC undertakes to lay the foundations for development of long term projects, such as tourism. In fact, the Zonal Urbanism plan (PUZ) detailing the land surface required by the RMP affects only about 25% of Roșia Montană commune. Although some businesses have already been established on the remaining 75% of the Commune, once the PUZ is finalised, business start-up will be further encouraged.

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

For more information, please see Roșia Montană Sustainable Development and the Roșia Montană Project annex 4.
-Rosia Montana Project proposes a false solution to the local problems: a small number of jobs for a short period of time.

**Proposal**

In an area grappling with chronic high unemployment, the direct jobs created by Roşia Montană Gold Corporation (RMGC) will prove a strong stabilizing influence in Roşia Montană and the region.

In terms of creating new economic opportunities for local residents, RMGC currently employs almost 500 people, of whom more than 80% live in Roşia Montană, Abrud, and Campeni. The Roşia Montană Project (RMP) expects to employ on average 1,200 people during the two-year construction period and 634 people, including security, transportation and cleaning contracted personal, during its 16 years of operations. The goal is to source as many of the jobs locally as possible. Training programs are underway to assist people from the local communities around RMP to qualify for positions both during construction and then operations. If the required skills are not available locally, offers would be made to residents within a 100 km radius of RMP, with a preference to residents of Alba county. Based on our preliminary assessment, the majority of jobs both during construction and operations are expected to come from the local community. But the project will also result in the creation of approximately 6000 indirect employment opportunities.

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

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entities ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. It is hoped that, under the auspices of the United Nations Development Plan (UNDP), a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

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

- The proposed socio-economic aspects are false.

Solution

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

As the statement of the attendant to the public consultations (i) refers to the existence of alleged false aspects in the Environmental Impact Assessment Study Report (EIA), without containing any specific indications, and (ii) identifies and specifies no problems in regard of the project initiated by Roşia Montană Gold Corporation (RMGC), subject to the environmental impact assessment procedure, RMGC is not in position to answer and has not the capacity to make any comments to this end.

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

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

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

Reference:
Domain

**CSDP**

| MMDD's item no. for the question which includes the observation identified by the RMGC internal code | 912 |
| MMDD's identification no. for the question which includes the observation identified by the RMGC internal code | No. 110063/22.08.2006 and No. 75189/23.08.2006 |
| RMGC internal unique code | MMGA_1573 |

**Proposal**

- How will the social situation be solved after the project is closed down?

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

According to the provisions of art. 52 (1) of the Mining Law no. 85/2003, the entity ceasing the mining activities should submit to the competent authority an application accompanied by the updated mining activities cessation plan, describing the details for the actions necessary to be performed for the effective mine closure. The Mine Closure Plan should contain, among others, a social protection program for the personnel.

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

**Solution**

One of the most important sides of development is community and local authorities capacity building and development. Even before the project starts, the company is interested in working together with the community to finding the best development solutions for the area. It is hoped that, under the auspices of the United Nations Development Program (UNDP), a number of working groups will be established, one of which will be assigned the task of exploring development opportunities.

Meanwhile, a number of programs already in place aim at raising both the educational profile and the level of skills in the community, to meet the needs of the project and to encourage people think of other ways of making a living apart from mining. The vocational training program is one of them. Business training is part of the vocational training program. A business incubator is also established.

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

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

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