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Gabriel Resources' Rosia Montana project update
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'Alburnus Maior' is an NGO based in Rosia Montana. It represents the interests of over 300 family farms wishing to be kept informed about mining activities in the region. 'Alburnus Maior' was founded in December 2000 in opposition to Rosia Montana Gold Corporation's (RMGC) gold mining project. 'Alburnus Maior' is opposed to forced resettlement, open cast mining, the employment of the cyanide leaching method and the destruction of important archaeological and historical monuments. Since the launch of the campaign an additional 1700 people, mainly from the region, have signed a petition and become members.

On 10 October 2002, the International Finance Corporation (IFC), the World Bank's private lending arm, announced its decision to refrain from financially backing the Rosia Montana mining project. In response Gabriel Resources (GR), the project sponsor, released a project update on 11 October 2002 (see www.prnewswire.com and www.gabrielresources.com).

Important statements contained in the update are misleading thus wildly inaccurate. *Alburnus Maior* would like to clarify and comment on the following:

Gabriel's relationship with the IFC

The social and environmental impacts of RMGC's project are impossible to 'mitigate' or even streamline according to World Bank Operational Policies. According to the official statement, the IFC "concluded that it is in everybody's best interest that we do not pursue discussions with the company regarding IFC's involvement in the project."

World Bank spokesman Nicholas Van Praag was quoted by *Bloomberg* (2002-10-11) saying that WBG President James Wolfensohn ended talks between the IFC and GR after meeting with two environmental activists from Romania. "As an institution we are open to dialogue with NGO's", Van Praag said. "This is a good example of how these contacts can work,"

According to Corrie Shanahan, the senior IFC spokeswoman responsible for the official IFC statement, bank officials were concerned about pollution controls, revenue management, and the relocation of hundreds of residents.

Given these WBG statements it is thus questionable whether GR's claim to continue to "comply with all World Bank Group guidelines and policies" is at all verifiable.

Resettlement and Relocation Program

According to GR's update, GR expects to submit the ESIA to Romanian governmental authorities during the first quarter to 2003. It also states that the resettlement and relocation program is well underway and in compliance with World Bank policies. However, according to World Bank Operational Policies (OP 4.01) resettlement cannot commence without the Environmental Impact Assessment. To date there exists no ESIA for the project.

Public support

Attitudes of those affected by the mining project are evaluated in a so-called public consultation. In March 2002 GR launched its resettlement program; this in absence of two legal pre-requisites: the public consultation and the ESIA. A four-day public consultation was officially announced by RMGC for April 2002. Roughly 200 members of *Alburnus Maior* attended the meetings and organized visible demonstrations in opposition to the mining project. All that the farmers, who are the proprietors of the land RMGC needs to purchase, asked for was a true, closed-ballot referendum. After two days of demonstrations, the organizer cancelled the remaining public consultation period and rescheduled for June. Reacting to the demonstrations in May, miners were bussed to the town halls in June. It is misleading and wildly inaccurate for GR to only refer to the meetings in June and to state that "no opposition to the proposed mine development was expressed" RMGC was present and organized the public consultation meetings both in April and in June.

In addition, *Alburnus Maior* organized an open public meeting in Rosia Montana on 28 July 2002. 350 local people attended the event. 32 Romanian NGOs also came in support of this action. The meeting culminated with Romania's first ever NGO declaration. The document, detailing the main reasons for opposing the project, was sent to relevant Romanian ministers, the senate and ambassadors.

In contrast to RMGC's referred consultation, it is worth noting that, all of the above mentioned opposition events were reported in the national and international media.

Aiming to comply more closely with World Bank Operational Policies, RMGC in September 2002 held various so-called socio-economic meetings. Whilst they were by invitation only, *Alburnus Maior* members managed to attend one such meeting. There was an overwhelming opposition to the project. For example, those attending were asked what comes to their mind when hearing 'RMGC' – 'disaster' was what immediately and unanimously was chanted back. Questioning the objectivity of these meetings and reporting about them during World Bank Annual meeting, Mr Kent Lupberger, Director of IFC's mining department, agreed that something had to be done about the fact that Toronto-based *Planning Alliance*, the company hired to enforce resettlement, was the sole agent present during these so-called socio-economic meetings.

According to GR, ^{main} payback for the project will be achieved in only 2.6 years. Clearly this is not a project in the national interest and therefore there exists no law that can force proprietors off their lands. Attached a critique of the main weaknesses of GR's latest Feasibility Study. Amongst the concerns are: the potential for acid mine drainage, the use of 15.6mio kg of cyanide p.a.; this in absence of a detailed Spill Response Plan, an unlined tailings facility, the placement of a waste rock tailings dam and the proposed open pits in an area with significant underground workings, the displacement of 740 subsistence farmers for minimal job creation, absence of a qualitative infrastructure and the low grade of the deposit.

Alburnus Maior is appealing to analysts and financial institutions to carefully think about the true cost of backing Gabriel Resources, a company with a purely speculative investment that has no credentials and experience and is distorting the truth.

Eugen David
President
Alburnus Maior