

PARLIAMENT OF ROMANIA

CHAMBER OF DEPUTIES

SENATE

LAW

on certain measures associated with the exploitation of gold-silver ores in the Roşia Montană perimeter and on stimulating and facilitating the development of mining activities in Romania

The Parliament of Romania adopts the present law

CHAPTER I

General Provisions

Art. 1. - (1) The *Agreement on certain measures associated with the exploitation of gold-silver ores in the Roşia Montană perimeter* is approved.

(2) The *Agreement on certain measures associated with the exploitation of gold-silver ores in the Roşia Montană perimeter* and its Annexes, namely Annex 1 - Financial projections for the exploitation of gold-silver ores in the Roşia Montană perimeter and Annex 2 - Implementation schedule for the obligations associated with the exploitation of gold-silver ores in the Roşia Montană perimeter, are included in the annex hereto and are an integral part hereof.

Art. 2. - The Government of Romania is empowered to conclude the *Agreement on certain measures associated with the exploitation of gold-silver ores in the Roşia Montană perimeter* with the companies Gabriel Resources Ltd. and Roşia Montană Gold Corporation S.A., within 15 days following entry into force of this law.

Art. 3. - The exploitation of gold-silver ores proposed by the company "Roşia Montană Gold Corporation" - S.A. ("RMGC" or the "Title Holder of the Exploitation Licence") within the Roşia Montană mining perimeter, Alba county, defined in the Concession License for Exploitation no. 47/1999 ("Exploitation License"), is subject to the legal regime established by Mining Law 85/2003, consolidated, and to the provisions hereof and is of public utility and of special national public interest.

CHAPTER II

Implementation of certain measures associated with the exploitation of gold-silver ores in the Roşia Montană perimeter and enactment of certain legal amendments

Art. 4. - The following legal entities are empowered to fulfil the following actions associated with the exploitation of gold-silver ores in the Roşia Montană mining perimeter:

1. Within 30 days following entry into force hereof, the National Agency for Mineral Resources shall conclude, as per legal requirements, an addendum to the Exploitation License which shall include the following elements:

a) the validity period of the Exploitation License shall be extended, as per art. 5 point II. I hereunder, in consideration of the time period requested and resulted from the project feasibility study submitted by the Title Holder of the exploitation license to the National Agency for Mineral Resources, together with the documentation provided under art. 20 para. (1) of the Mining Law 85/2003, consolidated, so that an extension shall not exceed 20 years;

b) the royalty value is established at 6%, as per art. 6 para. (1);

c) the possibility to pay royalties in kind is established, as per art. 6 para. (2);

d) by derogation from art. 34 of the Mining Law 85/2003, consolidated, the National Agency for Mineral Resources is granted authority to annul the Exploitation License in the following cases:

(i) the exploitation license is transferred by breaching the provisions of art. 24 of the Mining Law 85/2003, consolidated; or

(ii) the Title Holder of the Exploitation License goes bankrupt following a definitive court decision.

2. According to the provisions of the *Agreement on certain measures associated with the exploitation of gold-silver ores in the Roşia Montană perimeter* (the "Agreement"), RMGC shareholders shall conclude the assignment documents and shall register with the Trade Register the participation shares in the equity of RMGC, as resulted from applying the provisions of the Agreement and of this law. RMGC shareholders shall amend the provisions of the articles of incorporation of the exploitation license Title Holder, in order to align them to the conditions set by the Agreement and this law. The Ministry of

Economy is empowered to undertake all necessary formalities in order to fulfil the obligations provided under this point by the National Company for Copper, Gold and Iron "MINVEST" - S.A. ("MINVEST").

3. In order to apply the provisions of art. 8, the Ministry of Culture is empowered as follows:

a) to conclude a protocol with RMGC, within 30 days following entry into force hereof, establishing the way how to implement the obligations accruing to the Title Holder of the exploitation license according to legislation in force and the Agreement provisions, as well as the way how the competent authorities shall monitor the fulfilment of such obligations;

b) to endorse the urban planning documentations regarding the Roşia Montană mining perimeter or adjacent ones, within 15 days following submission of the legally required documentation.

4. The Ministry of Economy is empowered to make the necessary endeavours, within 60 days following entry into force hereof, for MINVEST to contribute to the equity of RMGC with the real estate items located in the Roşia Montană mining perimeter, for which it holds a valid ownership title, according to legal provisions in force.

5. The Authority for the Administration of State Assets, in its capacity of majority creditor, and the Ministry of Economy are empowered to make the necessary endeavours, within 60 days following entry into force hereof, for the sale by the National Company for Precious and Nonferrous Metals "REMIN" - S.A. ("REMIN") to RMGC, as per the provisions of Law 85/2006 on insolvency procedure, consolidated, of the real estate items owned by REMIN located within the Roşia Montană mining perimeter.

6. MINVEST and REMIN companies and the Ministry of Economy are empowered to make the necessary endeavours, within 60 days following entry into force hereof, for the issuance of certificates acknowledging the ownership right upon the real estate properties within the Roşia Montană mining perimeter, in compliance with Law 137/2002 on some measures to accelerate privatisation, consolidated. Following issuance of the certificates acknowledging the ownership right upon the real estate properties, the provisions of points 4-5 of this article shall apply, within 30 days following the date of obtaining such certificates.

7. The institutions or central or local public authorities holding administration and/or ownership rights upon real estate properties necessary for mining exploitation in the Roşia Montană mining perimeter, for which the Romanian state and/or the territorial-administrative units hold a public or private ownership right, shall conclude

concession contracts with the Title Holder of the exploitation license, within 45 days following the latter's request, for the real estate properties they administer or, as the case may be, they own, located within the Roșia Montană mining perimeter, as per art. 5 point II.1 hereof. The concession of forest land may only be achieved after such land has been definitively removed from the national forest fund, as per the law.

8. The Ministry of Environment and Climate Change is empowered to initiate Governmental decisions for the definitive removal from the national forest fund, as per the law, of areas up to maximum 255 hectares of forest land within the Roșia Montană mining perimeter, within 30 days following submission of the documentation legally prepared by the Title Holder of the exploitation licence.

9. In case new elements occur after the issuance of permits, agreements or authorisations provided under art. 3 for the exploitation of gold-silver ores, or the conditions underlying the issuance of such permits, agreements or authorisations change, including as a result of the invalidation of any preliminary deed or procedure undertaken to issue the said regulatory deeds, the competent authorities are empowered to issue new permits, agreements or authorisations or they shall revise the existing ones, as follows:

a) the completion of necessary procedures and the issuance of the said permits, agreements or authorisations, according to the specific legislation in force, shall be performed within maximum 30 days following the submission of the revised documentation by the Title Holder of the exploitation license, in strict compliance with the public consultation terms provided by law;

b) all preliminary deeds associated with the permitting and authorising procedure, completed prior to the issuance of regulatory deeds, to the extent that they have not been invalidated, shall remain valid and shall be used by the competent authorities for the issuance of the new regulatory deeds.

10. The competent local public administration authorities may, upon the request of RMGC, issue several construction permits associated with the objectives and development stages of the exploitation of gold-silver ores provided under art. 3, using for this purpose the previously issued authorisations, permits and agreements, provided that the elements considered on the issuance date of the said permits or agreements have remained unchanged.

11. The administrators of roads crossing the Roșia Montană mining perimeter shall, within 30 days following identification of alternative access routes as per art. 5 point II.1 hereof, order the definitive restriction of traffic on the road sections within the Roșia Montană mining perimeter and the commencement of decommissioning works for the initial routes, to the extent necessary for the execution of mining works within the Roșia Montană mining perimeter. The Title Holder of the exploitation license shall identify and

maintain a functional access, on one of the alternative routes, together with the competent authorities, for the duration of traffic restrictions on the roads within the Roşia Montană mining perimeter.

12. The National Agency for Mineral Resources is empowered to authorise the commencement of mining activities associated with the mining exploitation provided under art. 3, in compliance with the exploitation license, within maximum 30 days following submission by the Title Holder of the documents provided in art. 22 para. (1) of Law 85/2003, consolidated, as well as of the construction permit for the works for which permitting for mining works commencement is applied for.

13. The National Agency for Mineral Resources is empowered, upon the request of RMGC, to reconfigure the adjacent mining perimeters in Roşia Montană area to enable the development of necessary construction works for the storage of mining products, tailings and waste products associated with the mining project, as described in the environmental impact assessment study, provided that access to solid mineral resources/reserves is not blocked and without prejudice to the rights previously obtained by third parties through other mining licenses.

Art. 5. - This law amends and completes the following regulatory acts:

I. A new article is inserted after article 21 of Law no. 571/2003 on the Fiscal Code, published in the Official Journal of Romania, Part I, no. 927 of 23 December 2003, consolidated, art. 21¹, having the following content:

"Art. 21¹ - In the case of mining projects of special national public interest, the expenses for sustainable development consisting of research, conservation, restoration, museum valorization and tourism development of cultural heritage assets, development and rehabilitation of local infrastructure and contributions/ investments in relation with the cultural heritage, local infrastructure, schools, hospitals, local social expenses, including sponsorships and donations made for the same purpose, are considered expenses incurred for the purpose of obtaining taxable revenues provided by regulatory acts, to the extent that such expenses result from legal obligations, regulatory acts or requests from authorities or public institutions, or from commitments undertaken by the title holder of the exploitation license with public authorities or institutions."

II. The Mining Law no. 85/2003, published in the Official Journal of Romania, Part I, no. 197 of 27 March 2003, consolidated, is completed as follows:

1. Two new articles are inserted after article 6, art. 6¹-6², with the following content:

"Art. 6¹ - By derogation from the provisions of Governmental Emergency Ordinance no. 54/2006 on the regime of concession contracts for public property goods, approved with amendments by Law no. 22/2007, the concession right upon the real estate properties within mining perimeters, on which the Romanian State and/or territorial administrative units hold a public or private ownership right, shall be awarded directly to the title holders of mining exploitation licenses by the central or local public institutions or authorities holding the administration and/or ownership rights upon such real estate properties. The concession contract shall be concluded for a 49 year period. The royalty due by the concessionaire shall be calculated based on the market value of the leased property, to be determined by an authorised evaluator through an evaluation report.

Art. 6² - (1) In the case of mining exploitation projects declared to be of public utility and special national public interest, the expropriation of real estate properties required for the development of such projects shall be undertaken according to Law 255/2010, consolidated, on the expropriation for public utility purposes required in order to achieve objectives of national, county and local interest and according to the provisions of par. (2)-(11) of this article.

(2) For the expropriation of real estate properties necessary for the development of mining projects mentioned under para. (1), the expropriator is the Romanian State, represented by the Ministry of Economy, acting through the title holders of exploitation licenses, upon their request. The procedure and obligations incumbent on the expropriator as per Law 255/2010 regarding the expropriation for public utility purposes, necessary for the development of certain objectives of national, county and local interest, consolidated, shall be undertaken by the Romanian State, represented by the Ministry of Economy, acting through the title holders of exploitation licenses. The compensations shall be paid to owners by the expropriator's designated representative or by the holder of the exploitation license from their own budget, as the case may be.

(3) By derogation from the provisions of art. 14 of Law 255/2010 regarding the expropriation for public utility purposes, necessary for the development of certain objectives of national, county and local interest, consolidated, the exploitation license holder is obliged to pay the taxes and the other legal financial duties for removing the expropriated land from the agricultural circuit or from the forest fund.

(4) The expropriation procedure for the real estate properties within the mining project perimeter, regulated by Law no. 255/2010 regarding the expropriation for public utility purposes, necessary for the development of certain objectives of national, county and local interest, consolidated, shall be undertaken without the need for approval of the technical - economic indicators associated to such mining projects.

(5) The initiation of the expropriation procedure for real estate properties within the mining perimeters mentioned under para. (1) shall be approved by Governmental Decision, within 30 days following submission by the title holder of the exploitation license of an application together with the site layout map of the real estate properties proposed for expropriation, endorsed by the National Agency for Cadastre and Land Registration.

(6) The right of administration upon the real estate properties expropriated hereunder which became the public property of the Romanian state, as well as upon those which became the public property of the state as per art. 28 para. (1) of Law 255/2010 on the expropriation for public utility purposes, shall be exerted by the Ministry of Economy. The title holder of the right of administration shall grant directly to the exploitation license holder a concession right upon such real estate properties, for a maximum 49 year duration. The concession right shall be exerted without the need to register it in the Land Register. Should the mining project exploitation and the associated restoration and environmental cleaning works be completed before the expiry of the 49 year period, the duration of the concession right lying with the exploitation license holder shall be reduced accordingly.

(7) For exerting the concession right provided under para. (6), the title holder of the exploitation license shall pay an annual royalty to the Romanian state, in its capacity of concession provider, the value of which shall be determined in such a way as to ensure recovery by the concession provider of the market value of the real estate properties expropriated and conceded to the exploitation license holder, for the concession duration. The evaluation reports prepared within the expropriation procedure shall be considered in order to determine the real estate market value, with the exception of the case when exceptional circumstances have occurred until the completion of the concession contract, which entail a change in the real estate market value. The royalty value shall be updated annually with the inflation index.

(8) The exploitation license title holder's obligation to pay the royalty due as per para. (7) shall be compensated with the amounts paid by the latter on behalf of the expropriator, according to para. (2) above, up to such amounts. Following the compensation, the title holder of the exploitation license shall pay the royalty in the amount determined for the remaining period of the concession contract.

(9) The concession contract regarding the expropriated real estate properties shall be concluded, upon the request of the exploitation license title holder, between the Romanian state, through the Ministry of Economy, and the license holder, within 30 days following completion of the expropriation procedure.

(10) The title holder of the exploitation license shall commence the necessary construction works for the mining operations within maximum 3 years following completion of the expropriation procedure.

(11) In order to develop the mining operations of public utility and special national public interest, the title holder of the exploitation license is entitled to use and to change the usage of the real estate properties within the respective mining perimeters, provided under art. 7 para. (4) of Law 33/1994 on the expropriation for public utility purposes, republished, on condition that they build other premises with a similar purpose on other sites, at their own expenses, in compliance with approved urban planning documentations.

2. A new paragraph, (2¹), is inserted in article 20 after paragraph (2), with the following content:

"(2¹) In the case of mining projects declared to be of special national public interest, the exploitation license may be extended for successive periods up to 20 years each."

3. A new article is inserted after article 41, 41¹, with the following content:

"Art. 41¹ - (1) To the extent that they are required by law, the environmental assessment procedures for the development plans and/or the urban planning documentations regarding the mining project areas, according to legislation in force, shall be performed within maximum 3 months following the application for the environmental permit, provided that the documents and information requested by the competent authority are submitted.

(2) The environmental assessment procedure for the land management plans and/or urban planning documentations regarding the areas which include mining perimeters may also be performed in parallel with or further to the environmental impact assessment procedure for the mining projects.

(3) The preliminary permits and agreements issued for the urban planning documentations on areas which include mining perimeters may provide certain conditions to be fulfilled in stages, following approval of the said documentations, but not later than the permitting date for the performance of works and activities associated to mining projects in the areas for which conditions were set. Compliance with the conditions provided in the permits issued for the urban planning documentations shall be verified by the competent authorities within the permitting procedures for the execution of construction works associated with mining projects, taking into account the stage at which the said works are necessary and the areas where works are to be performed.

(4) In case of the assessment of a plan or programme which also covers areas where works associated to the mining projects are to be performed, previously subject to plans

or programmes for which an environmental permit has already been issued, the competent authorities shall take into account the previously issued environmental permit, unless significant changes have occurred."

4. Two new articles are inserted after article 42, art. 42¹-42², with the following content:

"Art. 42¹ - (1) In the case of mining projects declared to be of special national public interest, the authorisations, agreements and construction permits issued with respect to the mining activities to be executed and/or commissioned in stages remain in force until the completion date of all works in consideration of which they were issued.

(2) In the case of mining projects provided under para. (1), by derogation from art. 7 para. (5) of Law 50/1991, republished, consolidated, the validity period of the construction permit is 36 months since its issuance date, and the title holder of the exploitation license shall commence the authorised construction works within this time interval. The provisions of art. 7 para. (6) and (7) of Law 50/1991, republished, consolidated, shall be applied accordingly.

(3) By derogation from the provisions of art. 8 of Law 50/1991 on the permitting of construction works execution, consolidated, in case the execution of construction works associated with the projects provided under para. (1) requires the demolition of existing buildings or facilities, the competent public authority may issue the demolition permits and the construction permits simultaneously, based on a single application. This provision does not apply to archaeological sites and historical monuments.

(4) In case the activities associated with the projects provided under para. (1) involve the staged execution of authorised construction works, these may be accepted in stages, based on a delivery-receipt protocol concluded at the end of each execution stage, which should specify the technical condition of the section of works accepted in view of its commissioning.

Art. 42². - To the extent necessary for the performance of works within mining projects declared of special national public interest, by derogation from the provisions of art. 55 para. (1) section II of Governmental Ordinance no. 43/1997 on the regime of roads, republished, consolidated, the title holder of the exploitation license shall identify and maintain a functional access on one of the alternative routes, together with the competent authorities, for the duration of traffic restrictions on the roads within the mining project perimeter."

5. A new article is inserted after article 60, art. 60¹, with the following content:

“The provisions of para. (4) of Art. 153²⁴ of Law 31/1990, the companies' law, republished, consolidated, are applicable to title holders of exploitation licenses starting with the following financial year after the year when the mining project entered the commercial operating stage.”

III. A new article is inserted after article 5 of Government Emergency Ordinance no. 34/2013 on the organisation, administration and exploitation of permanent pasture land and for amending and completing Law 18/1991 on the agricultural real estate, art. 5¹, with the following content:

"Art. 51 – (1) By derogation from the provisions of para. (4) of art. 5, the definitive removal from agricultural usage of the pasture land within the perimeter of mining projects declared by law as public utility works and works of special national public interest, shall entail the obligation of the beneficiary of such removal to recover a land plot with a surface equal to that approved for definitive removal from agricultural usage, from unproductive lands made available for this purpose, in the public or private domain of administrative-territorial units. The license holders are obliged to complete the restoration of an equivalent pasture land surface within 3 years following the approval date for removing pasture land from agricultural usage.

(2) In case of failure to comply with the condition provided under para. (1), the beneficiary of the definitive removal of pasture land from agricultural usage shall restore to agricultural usage the same land surface, on the same site and in the same usage category, pasture land.

(3) Upon the request of exploitation license holders, the local public administration authorities have the right to introduce in the inner-urban built-up area category ("intravilan") the lands in the pasture land usage category within the perimeters of mining projects of special national public interest, when necessary for performing the works associated to such projects, provided that the pasture land surfaces proposed to be introduced within the inner-urban area are recovered from non-productive land surfaces, as per para. (1).

(4) The approval for the definitive removal from agricultural usage of pasture land surfaces provided under para. (1), located outside of built-up areas ("extravilan") and within the inner-urban built-up area ("intravilan"), shall be given within 30 days following the request of the exploitation license title holder, by the Department for Agriculture in the subject county, with endorsement by the specialised department within the Ministry of Agriculture and Rural Development. Within the same time frame local authorities shall make available to the exploitation license title holder an equivalent land surface and shall conclude agreements with the exploitation license holders to the effect

that the latter shall undertake pasture land restoration works on the land plots made available.”

IV. Law no. 46/2008 - the Forestry Code, published in the Official Journal of Romania, Part I, no. 238 of 27 March 2008, consolidated, shall be amended and completed as follows:

1. A new paragraph is inserted after paragraph (4) of article 7, para. (5), with the following content:

"(5) By exception from the provisions of para. (4), the forest lands located within the perimeters of mining projects declared of public utility and special national public interest may be included, as the case may be, within the inner-urban built-up area of territorial-administrative units."

2. A new article is inserted after article 45, article 45¹, with the following content:

"Art. 45¹ - In order to implement mining projects, the title holders of exploitation licenses may acquire real rights upon lands within the mining perimeters, without following the procedures provided in art. 45 para. (5) and the following ones, including from the associative units whose ownership rights were reestablished as per Law 1/2000 for the reestablishment of ownership rights upon agricultural and forest lands, consolidated, requested as per the provisions of Law 18/1991 on the agricultural real estate and of Law 169/1997."

CHAPTER III

Final provisions

Art. 6. - (1) By derogation from art. 45 para. (1), letter a) of the Mining Law 85/2003, consolidated, the mining royalty for the exploitation of gold-silver ores in the Roşia Montană perimeter is 6% of the mining output value.

(2) The provisions hereof regarding the mining royalty value shall be harmonised with the framework legislation on royalties in force during the project time frame.

(3) In the case of the mining exploitation at Roşia Montană, by derogation from the provisions of art. 3 point 31 and art. 45 para. (1) of the Mining Law 85/2003, the Romanian state has the option to request the title holder of the exploitation license to pay the royalty in kind. The total costs associated with the in kind payment of the royalty, including VAT, shall not exceed the value due should the royalty be paid cash. The

mechanism for the in kind payment of the royalty as per this article shall be established by Governmental Decision.

(4) The amounts representing revenues due to the state budget, resulting from the exploitation of gold-silver ores in the Roşia Montană perimeter, shall be allocated by the annual budget law, with priority given to the infrastructure development in the region where the exploitation is undertaken.

Art. 7. - (1) RMGC is entitled to undertake mining activities in the Roşia Montană mining perimeter, including on the lands provided under art. 11 para. (1) of the Mining Law 85/2003, consolidated, in compliance with the compensatory measures provided in the *Agreement on certain measures associated with the exploitation of gold-silver ores in the Roşia Montană perimeter*.

(2) In the case of accidentally encountering archaeological heritage, the construction works in the area/ perimeter with identified archaeological heritage shall be suspended in order to undertake archaeological research, without suspending the construction permit and without prejudice to RMGC's right to perform the necessary works for mining operations on the remaining land surface subject to the construction permit.

(3) The preventive archaeological investigations of lands with identified archaeological heritage shall be undertaken prior to applying for the construction permits for those lands. The competent authorities shall issue construction permits only after submission by RMGC of the archaeological research reports presenting the research results for safeguarding the archaeological heritage through registration, to the Ministry of Culture and/or the decentralised public services of the Ministry of Culture, as the case may be.

(4) The preventive archaeological research on the lands with archaeological heritage shall be undertaken in stages, for each land section, according to the execution stages of mining activities within the Roşia Montană perimeter. The preventive archaeological research activities shall be completed within maximum 3 months since their initiation for each perimeter separately.

Art. 8. - By exception from the provisions of art. 47 of Government Emergency Ordinance no. 57/2007 on the regime of natural protected areas, conservation of natural habitats, wild fauna and flora, approved with amendments and additions by Law 49/2011, with further amendments, RMGC shall relocate the natural monument "Piatra despicata" ("Split Rock"), for the purpose of its protection. Upon completion of relocation procedures, the protection regime shall be transferred to the new location and shall terminate with respect to the initial site.

Art. 9. - The approval procedure for the definitive removal from agricultural usage of the pasture lands located within the perimeter of mining projects declared by law as public utility works and works of special national public interest, provided under art. 5 point III, shall be approved by Order of the Ministry of Agriculture and Rural Development, within 15 days following entry into force hereof.