

December 5th, 2013

To: Honourable John Baird, Minister of Foreign Affairs and Official Opposition Critics for Foreign Affairs; Elizabeth May, Green Party; Paul Dewar, NDP; Jean-François Fortin, Bloc Québécois; Marc Garneau, Liberal Party

Cc: All Members of the Canadian Parliament

Greetings –

We are respectfully calling on you to:

1. Introduce legislation to make Canadian corporations, particularly extractive industry corporations, accountable for proposed projects and actual operations abroad
2. Withdraw Canadian government support for Gabriel Resources' mining project in Romania at Rosia Montana

Canada currently places only voluntary requirements upon Canadian extractive companies operating abroad and Canadian Embassies have regularly gone to bat to protect the interests of Canadian mining companies in cases where communities don't want them and where there have been egregious human rights and environmental abuses (1)

Our case in point is the Rosia Montana gold mine in Romania, a project that poses unacceptable environmental, social and financial risks, proposed by junior mining company Gabriel Resources that has no track record with mining, and a questionable legal and financial past.

Through cyanide leaching, the project will use 13,000 tons of cyanide per year (13 times the amount used by all European Union countries combined), leaving behind 500 million tons of cyanide tailing waste, a lake containing 215 million cubic meters of cyanide contaminated water, held together by a 200-metre dam that is supposed to last forever. The venture also involves blasting away four mountains, leaving behind four craters, and relocating thousands of people. The mine is predicted to have a catastrophic environmental impact on the local ecosystem due to the use of cyanide and its proven dangers and risks. If an accident does occur the negative environmental effects will also impact other ecosystems in the Danube catchment area; several European countries have banned mining using cyanide leaching. It was only 13 years ago near Baia Mare in Romania where 100,000 cubic meters of cyanide-contaminated water spilled into the Someş River creating one of the worst environmental catastrophes since the Chernobyl disaster (2). This project would lead to the destruction of a large area, of significant cultural and natural heritage. In the long run, locals will have no economic opportunities after the project.

Recent inquiries reveal that Gabriel Resources has capital to cover solely the expenses required for the start of the project and is not giving any assurances that it has funds to cover any potential environmental disasters, as stated in the company's Annual Report (3).

The Environmental Impact Assessment of the Rosia Montana project, elaborated by the company, has been described as “poorly organized, confusing and not comprehensive” by independent hydrological

consultant Robert E. Moran. (4) Many Romanian institutions including the Romanian Geological Institute and Romanian Academy have spoken against the project and its methods using enormous quantities of cyanide. Currently, there is no Canadian law regulating Canadian mining companies operations abroad (beyond the anti corruption law), so such environmental assessments and associated risks cannot be sanctioned by Canada, despite the 80% stake the Canadian company has in the project.

From a legal perspective, the beginnings of this project are very controversial. Investigative journalism reports indicate a number of alleged illegalities associated with this corporation's actions: from the way the company was awarded the license for exploitation by transfer - not in a public auction, as it would have been legal (5), to falsification of documentation submitted to officials to obtain project approval - modifications of geological maps (6) and omission of information attesting to the cultural value of the region (7) - and the people associated with the investment - Frank Timis, founder of Gabriel Resources, convicted on a number of charges (8). Moreover, prominent financiers including the World Bank International Finance Corporation have declined to fund the project (9) and Alliantz Insurance declined insuring the project. Currently the company is under investigation in Romania in connection with a tax evasion and money laundering case (10).

On August 27th 2013, the Romanian government proposed a bill that would allow the Canadian mining company to be the designated representative of the Romanian state in land expropriation procedures necessary for mining exploitation (11). The Romanian people protested this draft bill and the project by taking to the streets in large numbers in Romania, as well as in several cities around the world, such as London, Paris, Berlin, Munich, New York, Montreal, Toronto, Brussels, Strasbourg to name but a few, counting thousands of participants (an estimated 100,000 people since the protests commenced on 1 September, 2013).

The Canadian government is no stranger to this situation. Via its embassy representatives it has been supporting this project for many years, a fact proudly boasted by Gabriel Resources (12). Over the years, the Canadian government has actively lobbied in support of the controversial project. Former Canadian ambassador Raphael Girard, who later became Director of the Board of Gabriel Resources for two years and lobbyist for the company (13), stated in 2005 that "the Canadian government fully supports the project and in addition to this, the Canadian embassies in Brussels and Budapest are lobbying and doing all they can to help make the project happen." (14) Ambassador Marta Moszczenska also spoke favourably of the company (15). In October 2013, during the Rosia Montana Romanian Parliamentary Commission hearing, it was revealed that Canadian diplomats were mounting pressure on Romanian officials to endorse the gold mining project (16).

The Canadian government should take into account the serious concerns publicly raised by numerous experts, respected institutions (17) and the Romanian community, regarding not only the destruction of the natural habitat, weak environmental assessments (4), and the displacement of the local population, and also suspicion of fraud and misrepresentation (7). The Canadian government should take into account the massive protests against this proposed gold mine venture that gathered, over the past few months, tens of thousands in Romania and Canada, as well as in several other countries around the world.

We are deeply disturbed by the ill-considered support of the Canadian government to this project, which poses more than serious environmental, juridical and economic risks.

We ask the Canadian government to no longer provide any lobbying or assistance to Gabriel Resources' Rosia Montana gold mining project.

We call on you to support the development of Canadian legislation that would hold Canadian mining corporations operating abroad accountable for their actions.

Signatories:

Council of Canadians

Earthworks

Friends of the Earth Canada

Greenpeace Canada, Greenpeace Romania, Greenpeace Hungary

MiningWatch Canada

Mining Watch Romania

Alburnus Maior Association, coordinator of the Save Rosia Montana campaign - Rosia Montana, Alba County, Romania

Canada Save Rosia, support group for the Save Rosia Montana campaign in Canada

Resources:

- Save Rosia Montana campaign official news and press releases: <http://www.rosiamontana.org/en/media/news-and-press-releases>
- RISE Project investigative journalism group: <http://www.riseproject.ro/>
- English language Rosia Montana news aggregator: <http://paper.li/RomaniaRising/1379711470>
- Romanian Canadian Diaspora protests over the few months: <https://www.facebook.com/canadasaverosia> and @CanadaSaveRosia on twitter

References

- (1) MiningWatch Canada; Backgrounder: A Dozen Examples of Canadian Mining Diplomacy
<http://www.miningwatch.ca/article/backgrounder-dozen-examples-canadian-mining-diplomacy>
- (2)Toxipedia; Baia Mare Cyanide Spill
<http://toxipedia.org/display/toxipedia/Baia+Mare+Cyanide+Spill>

(3) RMCG Fears Corruption Accusations and Does not Have the Necessary Funds to Continue the Exploitation Gabriel Resources (company's Annual Report references) http://www.realitatea.net/rmgc-se-teme-de-acuzatii-de-coruptie-gabriel-resources-nu-are-banii-necesari-continuarii-exploatarii_1270510.html

(4) MiningWatch Canada; Assessment of the Rosia Montana Environmental Impact Assessment Report with a focus on water and water quality-related issues

<http://www.miningwatch.ca/publications/assessment-rosia-montana-environmental-impact-assessment-report-focus-water-and-water>

(5) Rise Project; The Rosia Montana Project's Confidential Documents <http://www.evernote.com/shard/s339/sh/b9514892-b118-4a29-8a69-3f954303d3d9/4e1b76feb5bead396f26b13a57724cf6>

(6) Director of Geological Institute Accuses RMCG of Falsifying the Geological Maps

<https://www.evernote.com/shard/s339/sh/75de4524-a472-41ee-baf9-7b37173bb231/c7a8faedc0097dada457512316a4df47>

(7) Shocking disclosures at the Rosia Montana Parliamentary Committee. Marincea: "Prosecution took action!" Ianaş, former director ANRM recognizes the influence peddling!"

<https://www.evernote.com/shard/s339/sh/ebf6473f-9583-434c-a3fd-22705e73e536/54ed9121d4141754f26c983e134e4bba>

(8) New Eastern Europe; Why Romania Needed Roşia Montană

<http://www.neweasterneurope.eu/node/950>

(9) (a) New Europe; Gabriel Resources gets no WB funding for Rosia Montana project

<http://www.neurope.eu/article/gabriel-resources-gets-no-wb-funding-rosia-montana-project>

(b) MiningWatch Canada; Romania: World Bank Rejects Controversial Gold Mine Project

<http://www.miningwatch.ca/romania-world-bank-rejects-controversial-gold-mine-project>

(10) RMCG in Wider Tax Fraud Probe <http://business-review.eu/sidebar-featured/rmgc-in-wider-tax-fraud-probe/> and RMCG Under Investigation as Part of a Large Money Laundering

Case <http://www.riseproject.ro/articol/corporatia-rmgc-cercetata-penal-intr-un-dosar-amplu-de-spalare-de-banii/>

(11) The 20 exceptional attributions of the company as a result of the special law proposed by the government

<http://www.evernote.com/shard/s326/sh/c9c22d76-bb5d-4f7d-8fed-5f4da8e6851f/6b6adef232e52fb518ea9eb385ac384b>

(12) iPolitics; Ottawa backs Romanian gold project as FIPA waits in the wings

<http://www.ipolitics.ca/2013/09/16/ottawa-backs-romanian-gold-project-as-fipa-waits-in-the-wings/>

(13) Office of the Commissioner

of Lobbying of Canada registration <https://oclc.gc.ca/app/secure/ort/lrrs/do/vwRg?cno=16382®Id=521641&lang=eng>

(14) Alburnus Maior Open Letter to Minister Pettigrew, September 14, 2005

(ATOI: a-2006-297-full.pdf page 57 and following; 198-5.pdf page 17 and more)

(15) **Error! Hyperlink reference not valid.** The Canadian Ambassador recommended to the Chamber of Deputies to study the Rosia Montana project <http://www.green-report.ro/ambasadorul-canadei-recomandat-deputatilor-sa-studieze-proiectul-rosia-montana/>

(16) Special Romanian Parliamentary Commission hearing, testimony of Mihail Ianas, the former president of the National Agency for Ore Resources, pages 172 and

187 http://comisariosiamontana.ro/documente/stenograma_din_09.10.2013.pdf

(17) 16th General Assembly of ICOMOS http://ngo.ro/pipermail/mediu_ngo.ro/2008-November/010598.html and <http://rosiamontana.org/en/argumente/all-about-rosia-montana-mining-project>