

Gabriel Resources

Stakeholder Engagement in Community Development



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Rosia Montana and mining

Rosia Montana - end of 19th, beginning of the 20th century



Rosia Montana today



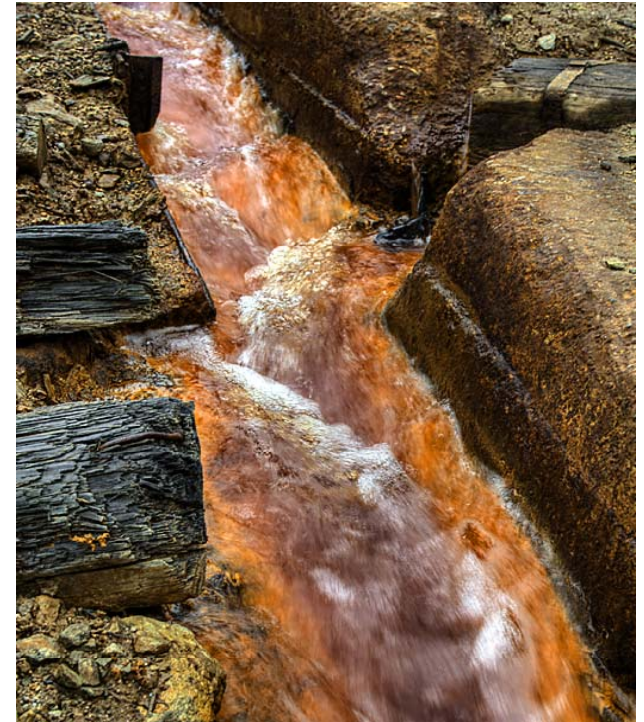
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The legacy of past mining

Currently Rosia Montana means:

- Unemployment over 70%
- Over 50% of the citizens live on pensions and social aid
- No sewage collection system
- Many dwellings are not connected to the electricity system, blackouts are frequent
- No permanent medical doctor or local pharmacy
- Surface waters are reddish in colour due to pollution
- Only 7% of land is arable
- Open pits mines and waste rock remain unrehabilitated



Who is Gabriel Resources?

Gabriel Resources is a Canadian based resource company committed to responsible mining and sustainable development in the communities in which it operates.

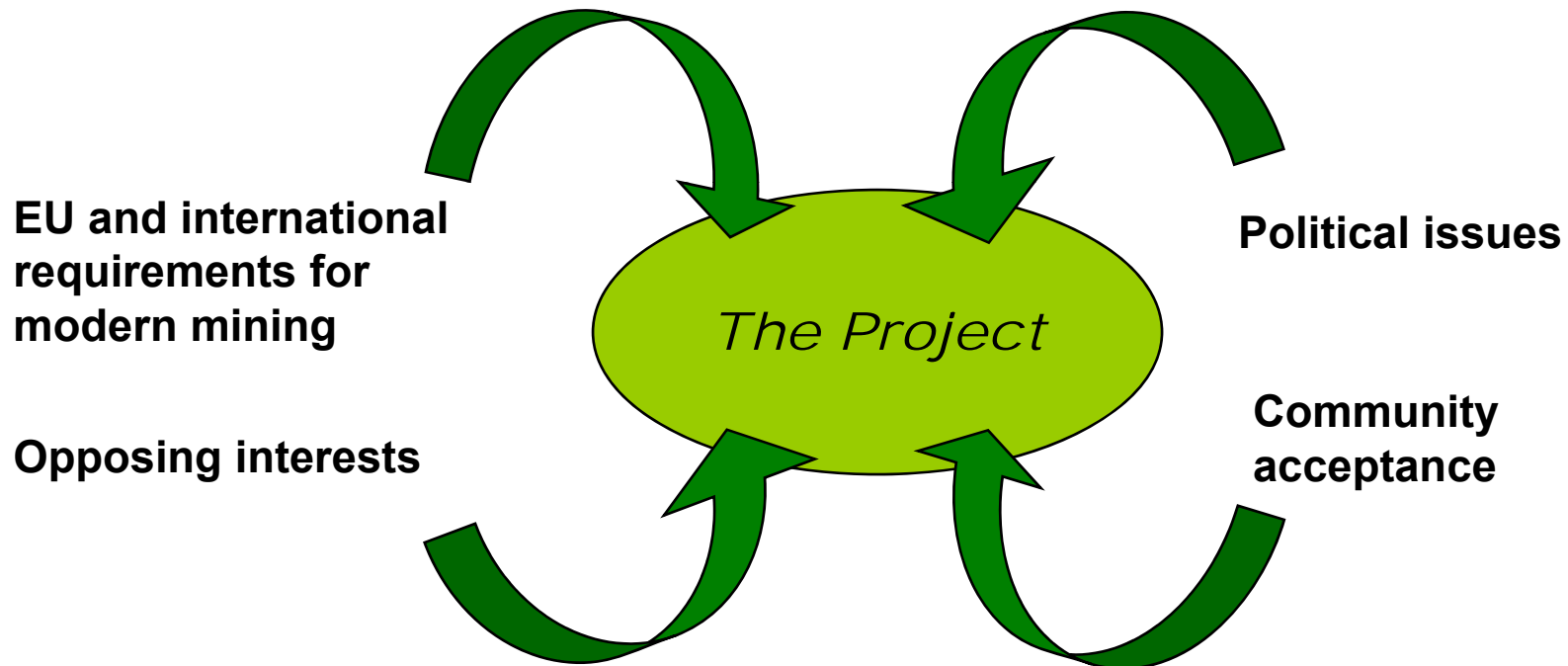
To date, Gabriel Resources has invested over USD 350 million through RMGC (Rosia Montana Gold Corporation), its Romanian daughter company, and plans to spend more than USD 2.5 billion in Romania to develop and operate the Rosia Montana project.

Presently, more than 60% of shares belong to investors from USA, as is Newmont, the second largest gold producer in the world, with 19.7%, and other entities

Company's solution

- The Project will generate significant returns at both national and local level 2,5 billion USD
- More than 600 direct and 6000 indirect jobs that will be created will generate the framework to rejuvenate the community
- The negative environmental legacy will be remedied
- The infrastructure will be improved – electrical networks, water and sewage system, roads will be improved
- Two residential neighborhoods are planned to be built, one of 130 homes to be finalized in the summer of 2009
- The overall wellbeing and education in the community will be improved
- Cultural patrimony will be preserved and valued.
- Archeology rescue research will reveal and value antique artifacts testifying more than 2000 years of ongoing mining traditions in the area

Why engage?



Why engage? The Business Case

Deciding to engage stakeholders is a business decision.

Why do Stakeholder Engagement?

In Gabriel's case there were many obstacles in developing their operations, the most significant being:

- A lack of trust coming from the community which created a hostile social environment to a certain extent
- A lack of company understanding regarding community culture and expectations which led to errors in judgments and assumptions
- A lack of a common language and an inability to engage in dialogue, which prevented the reaching of common goals
- A reputational issue and a hostile political environment, emphasized by a lack of clarity and consistency in communication
- The EU and international requirements for modern mining

The Business Case (cont'd)

Through effective engagement the Company was able to turn things around and:

- Create channels for ongoing communication with the community and other stakeholders, regularly inform them on Project progress and other developments, and giving them a chance to express their needs and goals
- Have a better image of community context: history, culture, needs and expectations
- Focus on mutually beneficial objectives, for the Company and local partners and beneficiaries
- Contribute to building community capacity
- Gain community acceptance and local third party advocates
- Develop social capital
- Make real progress towards the sustainable development of the community

The implementation of engagement

SE Strategy

- Inform, educate and influence stakeholders and the business environment to improve their decision-making and actions that impact on the industry
- Give those who have a right to be heard an opportunity to be considered in the decision-making processes
- Improve project credibility among stakeholders
- Build trust between the company and stakeholders
- Strengthen our ability to assess and manage risks and reputation
- Enable our understanding of the business environment, industry developments, and new strategic opportunities

The implementation of engagement (cont'd)

The approach to dialogue:

- Our approach to dialogue is based on the upcoming ISO 26000 standard referring to stakeholder participation, which states that stakeholders have the right to participate meaningfully in information gathering, planning, direction setting and decision making regarding outcomes that will affect their lives.
- The standard was useful in designing, implementing and evaluating the SE process and will assure its quality.

Objectives of engagement

In the spirit of our approach towards Corporate Social Responsibility, we are focused on the future, rather than simply seeking immediate results.

Key engagement objectives of the Company, through the permitting and construction phase are:

- To improve the understanding, support and appreciation of our stakeholders for the benefit of the Project
- To gain recognition, internally and externally, of our Company and our Project as a model of good practice
- To gain the confidence of stakeholders that the Company applies the law equitably and effectively
- To communicate effectively the company's mission, vision and aims for the future
- To look for opportunities for collaboration with regulatory bodies
- To realize mutual benefits from working with partners
- To assess the impact of our plans, policies and activities
- To identify development opportunities and risks
- To account for our actions to stakeholders

Getting the land access rights

- To date 794 residential properties purchased or optioned ; 498 families choose to relocate, 128 are waiting for the houses in Recea; 24 are waiting for the construction of Piatra Alba;

- The strategy is based on personal development opportunities, which make relocation/resettlement a voluntary decision

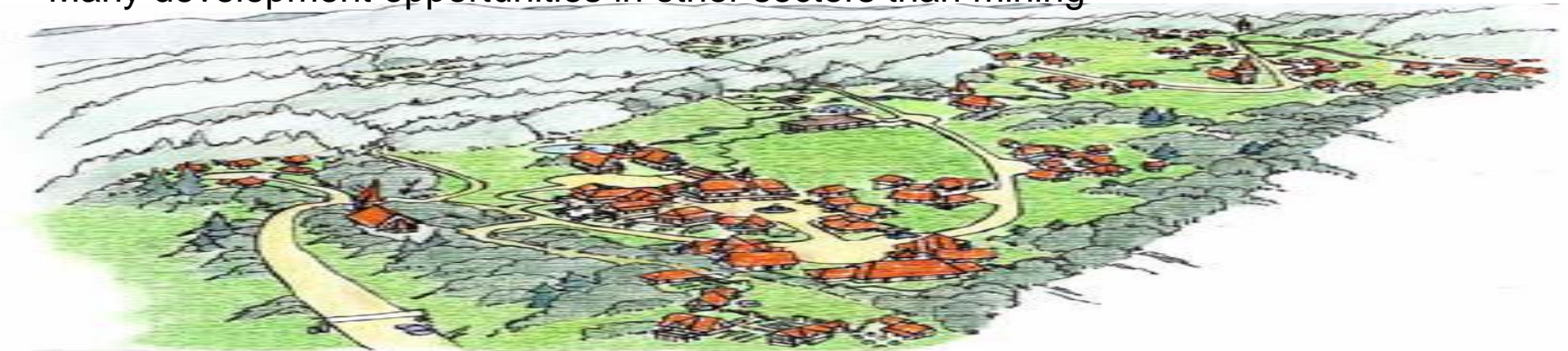
- The Relocation and Resettlement Action Plan (RRAP) elaborated with independent experts accredited by International Finance Corporation IFC (WB), the authors of the IFC manual for the investments that require the communion's displacement.

(in the last 10 years, the World Bank has been directly implied in 500 projects that led to the partial/total displacement of some communities)



Resettlement is the key

- Traditional mountain & traditional mining community
- Modern infrastructure and modern institutional buildings
- High living standards
- Infrastructure for tourism development
- Strategic solution to keep community together & not to leave Rosia Montana
- Piatra Alba project is fully compatible with the values and needs of the community, being debated and agreed with the community through an intensive consultation process
- Many development opportunities in other sectors than mining



Resettlement is the key

RMGC implemented a strategy to orient and motivate options towards resettlement (especially at Piatra Alba in Rosia Montana)

Two resettlement sites have been proposed:

- **Piatra Albă** – The Resettlement Site in Rosia Montana
- **Recea** – The Resettlement Site in Alba Iulia

Piatra Alba Resettlement Site



Piatra Alba Resettlement Site



Infrastructure

- Access infrastructure (ways, pavements, underground parking)
- Water sewage system
- Waste management system
- Communication networks
- Power line
- Public spaces

Piatra Alba Resettlement Site

City Hall
School and Kindergarten
Precinct
Fire station
Post office
Cultural Center
Surgery
Commercial area
Church
Sports ground
Entertainment area



Alba Iulia Resettlement Site

128 houses will be built on the Alba Iulia Resettlement Site

Infrastructure

- Access infrastructure (ways, pavements, underground parking)
- Water sewage system
- Gas
- Waste management system
- Communication networks
- Power line

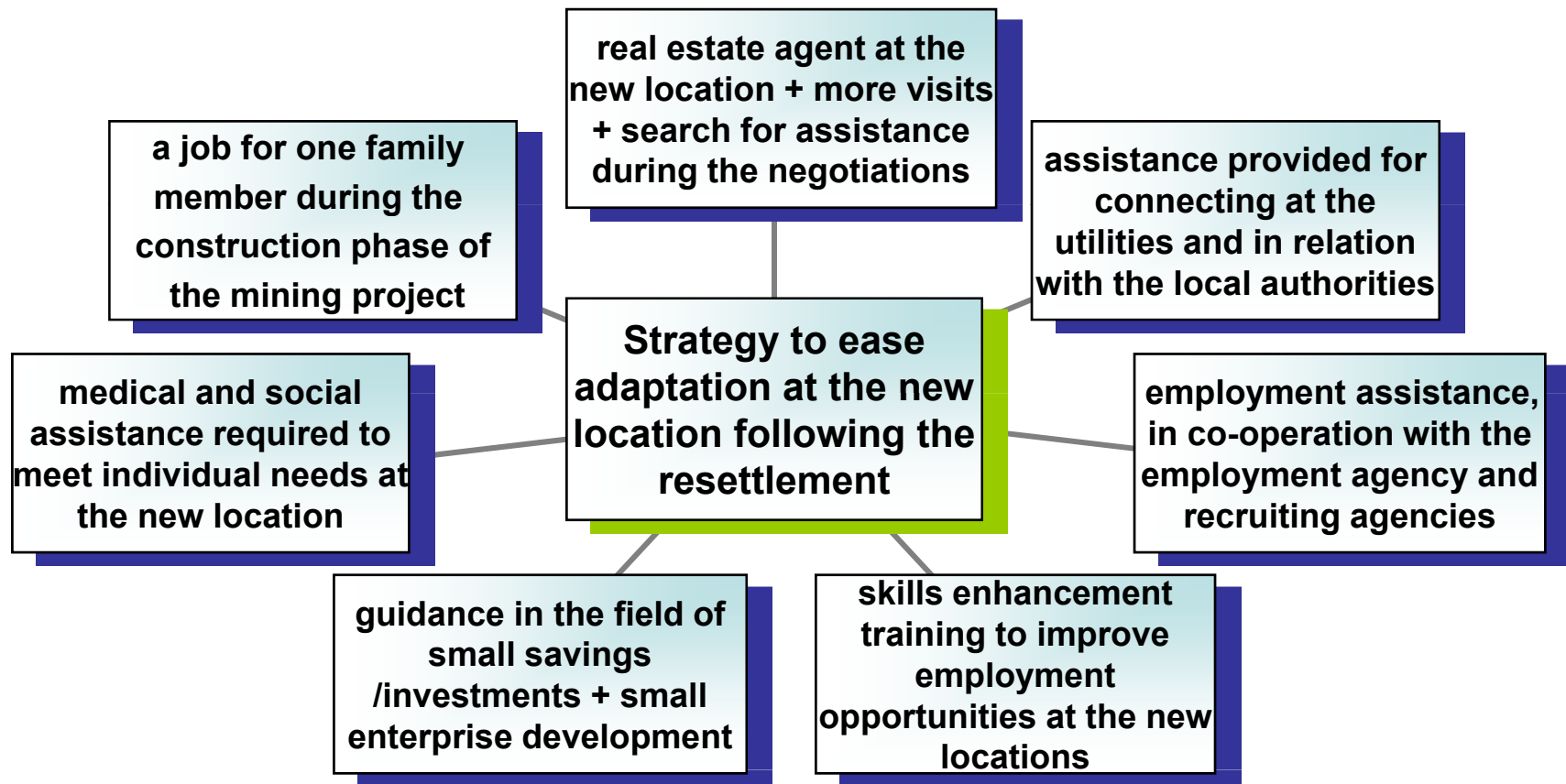


Elements influencing the Resettlement & Relocation Process

- social networks
- unconventional income sources
- special individual needs
- customized support programs
- early, often and ongoing consultations with the community and its leaders

The Resettlement & Relocation Support Program

The support program tailored to the needs of the resettled or relocated families



2008 Activity

Over 2008, each day members of the Company interacted and communicated with a whole variety of stakeholders from different backgrounds, proactively and reactively, achieving greater levels of engagement.

PROACTIVE ENGAGEMENT

Two way communication methods:

- Several study visits were facilitated throughout the year, during which various cultural organizations, NGOs, media members and even individuals had the opportunity to spend time in the community and learn about the Project directly from the Company, the residents or the opposing NGOs
- Local activities and gatherings were organized in the community, as well as open days at the Recea relocation site
- Numerous one-to-one engagements

One way communication methods:

- Press releases
- Publications in the local newspaper (Ziarul de Apuseni)
- Regular disclosures
- Quarterly and Annual Reports

2008 Activity (cont'd)

Mechanisms set in place for reactive engagement:

- Stakeholders can always communicate with the Company by going to one of the info centers – there is a permanent one in Rosia Montana and five specifically established for the Strategic Environmental Assessment (SEA)
- As well, they can go to our Community Relations Office in Rosia Montana or approach the Company through the Grievance and Complaints mechanism (currently being improved)
- Mailboxes, email or phones are also made available for engagement

SEA (The Strategic Environment Assessment) procedure for the Zonal Urbanism Plan

The SEA public participation process is governed by the Espoo Convention for the environmental evaluation of potential trans-boundary impacts.

The SEA public participation process began on January 15, 2009.

The information is available to the public for comment in the form of the Environmental Report, draft PUZ and the Non-Technical Summary as well as various material describing the process, both hard copy and electronic.

In addition, four public meetings were held in March and April 2009 to facilitate further comment. The company will provide feedback on comments received during this process.

SEA procedure for the Zonal Urbanism Plan (cont'd)

Participating authorities, which are registered as stakeholders in this process, included:

- Local and regional town halls and other authorities
- The Ministry of Environment and other regional agencies for environmental protection
- “Romanian Waters” National Administration
- The county departments for: Culture, Cults and National Patrimony; Soil and Agro-Chemistry Studies; County Inspectorate for Emergencies; The Department of Public Health

The public debates were open to all the stakeholders, including individuals and authorities from the countries which have the potential of being affected, as well as stakeholders that are registered in accordance with the provisions of the Espoo Convention. After the debates, stakeholders were invited to send observations, comments and proposals until the deadline of April 3rd , 2009.

2009 Activity

Planning and organization:

- Setting in place the internal team, define/assign role and responsibilities for the SE team members and organize the office
- Redesign some of the tools for engagement: such as the website and the intranet
- Database (Darzin) updating: perform research on existing stakeholders, identify potential ones, map and prioritize them, and continue to monitor any changes
- Strategy creation and adjustment

2009 Activity (cont'd)

Implementation:

- Maintain and continue to promote the mechanisms set in place for reactive engagement, such as the Info Centers, the SE office, the Community Relations Office
- Continue to communicate through publications in the local newspaper and press releases
- Continue to focus on one-to-one engagements
- Plan for upcoming study visits at the Project site, as well as for local activities and gatherings in the community
- Prepare for the inauguration of the Recea site
- Participate in industry events and produce articles in industry publications
- Prepare a plan for online engagement with NGOs and the youth

Lessons Learned

- The company moved from a top down to a bottom up approach in relationship with the community
- Money spent into the community moved from answering every demand to focus on strategic goals
- Involve local partners in financing and implementing projects in the community
- Moving from individual projects to capacity building initiatives for the empowerment of the local community
- Change of corporate culture
- All of these – leading to a process of reducing dependency and empowering the community in handling their own affairs