Assessment of the Rosia Montana Environmental Impact Assessment Report with a focus on water and water quality-related issues

[All references to specific Environmental Impact Statement (EIA) volume and page numbers presented in this report pertain to the numbers on the covers of the Printed Version of the Rosia Montana Project (RMP) EIA. These numbers are different from the CD version of the EIA.]

Executive Summary

This report focuses on water and water quality-related issues, those issues which normally cause the most serious and expensive, unforeseen, economic impacts and public liabilities at mining sites.

• The EIA is poorly organized, confusing and not comprehensive. In general, it is not possible to determine which specific individuals or companies authored which specific EIA sections and opinions, thereby avoiding any direct responsibility for authorship. It fails to meet many of the serious EIA-preparation criteria stated in Romanian Ministerial Order OM 863/2002, which describes the criteria of an acceptable EIA. In its present condition, the EIA is not suitable to allow the public or regulators to reasonably evaluate impacts. Much of this EIA has been written in the style of a public relations document, not a technical document. Despite repeated claims, the EIA was not prepared by independent consultants and compiled in an independent manner. Portions of the EIA appear to have been deliberately manipulated to minimize the exposure of unfavorable aspects and impacts.

• The Rosia Montana Project (RMP) site is seriously contaminated from recent, State-owned mining activities. Unfortunately, the EIA does not adequately define the extent of the specific chemical constituents causing the water quality contamination. It presents data for an overly-simplified list of chemical constituents [pH, arsenic, cadmium, nickel, lead, mercury, chromium, selenium, sulfate, and bicarbonate], and neglects to present adequate data for numerous other environmentally-important metals and metal-like elements such as: aluminum, antimony, chromium +6, cobalt, copper, iron, lithium, manganese, molybdenum, strontium, thallium, vanadium, and zinc; numerous anions such as: nitrate, ammonia, chloride, fluoride; natural radioactive constituents such as: uranium, radium, strontium, thorium, potassium-40, gross alpha and beta; organic compounds relating to massive use of fuels, oils, chemical reagents, explosives, etc.; cyanide (WAD and Total) and related decomposition products, such as thiocyanate and cyanate. The RMGC data base contains data for many of these constituents, but their presence was not summarized or clearly revealed in the EIA.

• Information from past RMP site activities and contamination at similar gold mines and processing sites around the world indicates that cyanide was probably used to process the existing tailings and, in addition, that it is only reasonable to evaluate the presence of natural radioactivity at this site. Neither the presence of cyanide or radioactive elements in the water and soil baseline data has been revealed in the EIA. This appears to be an effort to: 1) minimize the environmental and health impacts resulting from past State-operated activities; and 2) avoid developing a quantitatively-defensible baseline water quality data base that could be used to reliably define future RMGC liabilities that might result from the proposed project.

• Do the terms of the RMP project agreements between the Romanian State and RMGC absolve RMGC from all responsibility for environmental and health liabilities, past and future?

• The EIA fails to adequately define the specific baseline conditions—especially for surface water, ground water, health and impacts from the existing tailings and existing processing plant. It fails to
present recent baseline data. This leaves many important questions about responsibility and liability—past, present and most importantly future—unanswered.

- The Health Baseline studies failed to collect samples of fingernails, hair, blood or urine from citizens within the impacted area. Data from such data would allow development of a quantitative health baseline.

- The EIA assumes that, following closure and remediation, all pre-existing impacts will have disappeared, long-term. This is one more unsubstantiated promise—especially because existing facilities such as the Abrud and Saliste tailings are unlined and unremediated. They will continue to release contaminated leachates long-term. It appears that the RMP remediation will not involve the collection and treatment of contaminated leachates presently being released from the existing tailings.

- The EIA is not reliable for predicting or realistically evaluating environmental and related future impacts. Therefore, it is not suitable to define the realistic financial liabilities for investors.

- Acid rock drainage and other contamination are likely long-term impacts that will occur at this site, post-closure. The EIA contains foolishly-optimistic, predictive statements regarding the likelihood of ARD. As a result of the activities proposed in the EIA, the RMP water quality, in general, will improve while the RMP is being actively operated and maintained. It is much less certain how effective the proposed measures will be for mitigating long-term, post-closure ARD and related contamination.

- Responsible financial assurance measures should be implemented and they should assume the need for operation and maintenance of perpetual, active water treatment facilities—if E.U. Guidelines are to be met. Without long-term collection of effluents (direct and indirect discharges) and active treatment, area streams and ground waters will likely fail to meet appropriate water quality criteria and be toxic to many aquatic organisms and most fishes. These impacts may not become obvious until many years following mine closure.

- The EIA neglects to evaluate the likely reasonable economic costs of environmental and health impacts, including price inflation, past and present.

- Despite the need to utilize massive quantities of water in RMP operations, the EIA makes no mention of the costs related to water use or water contamination. As usual, they are “externalized” in the EIA.

- The EIA public consultation and disclosure process is a charade. It does not reasonably inform the public of options or likely impacts, and fails to allow actual dialogue at the public consultations. This EIA and its related disclosure process fail to reveal much of the important environmental and health information, preventing a reasonable evaluation of the trade-offs to be made by the public.

- Romanian authorities at all levels have failed to adequately protect the public or to assist it in evaluating and understanding the actual environmental and health impacts resulting from the past mineral development-related impacts at Rosia Montana. Romanian mining and environmental agencies clearly lack the institutional capacity and will necessary to enforce the appropriate laws. Under these regulatory conditions where mines are essentially self-regulated, adequate remediation and long-term clean-up are unlikely to occur. The long-term costs will ultimately fall on the Romanian and E.U. taxpayers.

- This project, if proposed at a comparable site in the E.U., the U.S.A., or Canada, would not receive regulatory approval.