

December 5, 2013

Honourable John Baird, Minister of Foreign Affairs
Official Opposition Critics for Foreign Affairs:

Elizabeth May, Green Party

Paul Dewar, NDP

Marc Garneau, Liberal Party

Jean-François Fortin, Bloc Québécois

cc: All Members of the Canadian Parliament

Dear Parliamentarians,

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; and
2. Withdraw Canadian government support for Gabriel Resources' mining project in Romania at Roşia Montană.

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 Roşia Montană 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 metres 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, due to the use of cyanide and its proven dangers and risks; several European countries have banned mining using cyanide. It was only 13 years ago near Baia Mare in Romania where 100,000 cubic metres 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.

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>

Recent inquiries reveal that Gabriel Resources has capital to cover solely the expenses required for the start of the project and cannot give assurances about mediating the huge environmental risks, as stated in the company's Annual Report.³

The Environmental Impact Assessment of the Roșia Montană 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 illegalities associated with this corporation's actions: from the way the company was awarded the licence for exploitation by transfer – not in a public auction, as would have been legal,⁵ to falsification of documentation submitted to officials to obtain project approval – modifications of geological maps⁶ and omission of information attesting to the cultural value of the region⁷ - and the people associated with the investment - Frank Timis, founder of Gabriel Resources, a convicted criminal.⁸ Moreover, prominent financiers including the World Bank International Finance Corporation have declined to fund the project due to concerns about pollution and relocation⁹ 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 rushed through a bill that would allow the Canadian mining company to use compulsory purchase orders to requisition the remaining land from residents who have refused to sell for 14 years.¹¹ The Romanian people protested this draft bill

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/rmcc-se-teme-de-acuzatii-de-coruptie-gabriel-resources-nu-are-banii-necesari-continuarii-exploatarii_1270510.html

⁴ MiningWatch Canada. *Assessment of the Roșia Montană Environmental Impact Assessment Report with a focus on water and water quality-related issues* <http://www.miningwatch.ca/publications/assessment-rosia-Montană-environmental-impact-assessment-report-focus-water-and-water>

⁵ Rise Project. *The Rosia Montană Project's Confidential Documents* <http://www.evernote.com/shard/s339/sh/b9514892-b118-4a29-8a69-3f954303d3d9/4e1b76feb5bead396f26b13a57724cf6> (original at <http://www.riseproject.ro/articol/documentele-confidentiale-ale-afacerii-rosia-montana/>)

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> (original at <http://www.digi24.ro/Stiri/Digi24/Actualitate/Stiinta+si+Mediu/Institutul+Geologic+acuza+RMGC+falsificare+date>)

⁷ *Shocking disclosures at the Rosia Montană Parliamentary Committee. Marincea: "Prosecution took action!" Ianaș, former director ANRM recognizes the influence peddling.* <https://www.evernote.com/shard/s339/sh/ebf6473f-9583-434c-a3fd-22705e73e536/54ed9121d4141754f26c983e134e4bba> (original at <http://voxpublica.realitatea.net/politica-societate/dezvaluiri-bomba-la-comisia-parlamentara-pentru-rosia-montana-marincea-„parchetul-s-a-autosesizat-ianas-fost-director-anrm-recunoaste-traficul-de-influenta-99015.html>)

⁸ New Eastern Europe. *Why Romania Needed Roșia Montană* <http://www.neweasterneurope.eu/node/950>

⁹ (a) New Europe. *Gabriel Resources gets no WB funding for Rosia Montană project* <http://www.neurope.eu/article/gabriel-resources-gets-no-wb-funding-rosia-Montană-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/rmcc-in-wider-tax-fraud-probe/>

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>

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 Ambassadors Marta Moszczenska and Philippe Beaulne also reiterated, in various occasions, their support for Gabriel Resources.¹⁵ Canadian government’s support for the project has been unabated and has expanded ever since. Furthermore, in October 2013, during the Roşia Montană 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 ignored the serious concerns raised by numerous experts, respected institutions¹⁷ and the Romanian community, regarding not only the irreversible destruction of the natural habitat, weak environmental assessments,¹⁸ and the displacement of the local population, and also suspicion of fraud and misrepresentation.¹⁹ 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 has more than serious environmental, juridical and economic flaws.

We ask the Canadian government to no longer provide any lobbying or assistance to Gabriel Resources’ Roşia Montană gold mining project.

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://ocl-cal.gc.ca/app/secure/orl/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 www.green-report.ro; Ambasadorul Canadei a recomandat deputatilor sa studieze proiectul Rosia Montană <http://www.green-report.ro/ambasadorul-canadei-recomandat-deputatilor-sa-studieze-proiectul-rosia-montană/>

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>

¹⁸ MiningWatch Canada. *Assessment of the Roşia Montană Environmental Impact Assessment Report with a focus on water and water quality-related issues* <http://www.miningwatch.ca/publications/assessment-rosia-Montană-environmental-impact-assessment-report-focus-water-and-water>

¹⁹ *Shocking disclosures at the Rosia Montană Parliamentary Committee. Marincea: “Prosecution took action!” Ianas, former director ANRM recognizes the influence peddling.* <https://www.evernote.com/shard/s339/sh/ebf6473f-9583-434c-a3fd-22705e73e536/54ed9121d4141754f26c983e134e4bba> (original at <http://voxpublica.realitatea.net/politica-societate/dezvaluiri-bomba-la-comisia-parlamentara-pentru-rosia-montana-marincea-„parchetul-s-a-autosesizat-ianas-fost-director-anrm-recunoaste-traficul-de-influenta-99015.html>)

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 Roşia Montană campaign - Roşia Montană, Alba County, Romania
- Canada Save Roşia, support group for the Save Roşia Montană campaign in Canada

Resources:

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