



To the Stakeholders of the Roșia Montană Gold Corporation:

In meeting our commitments to the UN Global Compact, this Responsibility Report (“From Promise to Performance”) will serve as the 2010 Communication on Progress (“COP”) for Roșia Montană Gold Corporation (“RMGC”), which is 80.46 percent owned by Gabriel Resources Ltd (“Gabriel” or “the Company”). Gabriel is presently engaged in the process of permitting for the development of the Rosia Montana gold mining project in Rosia Montana, Romania.

As CEO of Gabriel Resources, I wish to reiterate the support of both Gabriel and RMGC for the principles of the UN Global Compact. For the entirety of the COP reporting period, Gabriel’s proposed Rosia Montana project remained before Romanian authorities, awaiting the restart of its technical review. As a result, the Company is currently not engaged in mining operations. Given that some UNGC principles – e.g., those relating to the environment – involve tangible, measurable impacts, commitment can be demonstrated as a practical matter only in the context of ongoing operating projects. However, even in advance of operations, there are ways in which a company can demonstrate its commitment: In the case of the Rosia Montana project, Gabriel/RMGC has indicated – most notably in its Environmental Impact Assessment - its commitment to operating the mine in an environmentally safe and responsible manner, in full compliance with both European and Romanian laws and regulations and international best practices. In still other cases, even prior to mining operations, UNGC principles - such as those concerning human rights, labour, and anti-corruption policies and protocols - have been fully integrated into Company policy and practice, independent of local laws.

GABRIEL RESOURCES Ltd. is a Canadian-based resource company committed to responsible mining and sustainable development in the communities in which it operates. Gabriel is engaged in the exploration and development of mineral properties in Romania and is presently in the permitting stage and preparing to develop its 80.46%-owned Rosia Montana gold project. The Rosia Montana project presently awaits technical review of its environmental impact assessment by Romanian authorities.

This Communication on Progress describes the practical steps we are taking to implement the Global Compact principles, and the progress we have made in the past year towards that end. We understand that the UNGC points beyond itself to larger global goals for responsible development. To that end, we note that our actions in the local community to promote sustainable development are consistent with the advancement of several of the UN’s Millennium Development Goals, especially Goal 1 to eradicate extreme

poverty and hunger, Goal 2 to achieve universal primary education, Goal 7 to ensure environmental sustainability, and Goal 8 to develop a global partnership for development.

As indicated in our previous COPs, we understand that true sustainability is less about corporate contributions and more about building up a community's capability over time. That understanding informs our preference that, whenever possible, our engagement with the local community takes place in partnership with community organizations and non-governmental organizations (NGOs). To that end, we continue to maintain our focus on projects and programs that benefit youth, including our **Local Partnership for Education** - linking RMGC and Ovidiu Rom, one of Romania's leading educational NGOs. Our program continued to grow, serving 50 teachers and more than 450 children. Beyond the classroom, the **Youth Resource Centre (CERT)**, an initiative of the Rosia Montana Youth Partnership, helped cultivate local youths' leadership skills, while our **Rosia Montana Environmental Partnership (RMEP)** brought more than 2,000 local young people between 6 and 19 years of age into programs and activities with a special focus on environmental awareness and pollution prevention. In addition to the Company's commitment to youth outreach, assistance to the community's isolated and elderly population continued to be a key focus. Gabriel/RMGC's **Good Neighbour Program**, developed in late 2005, continued to help the community's most

EXPANDING STAKEHOLDER OUTREACH

To make the substance of this COP as widely available as possible to all of our stakeholders, we are posting this transmittal letter along with our Responsibility Report on our internet sites, www.gabrielresources.com. It is also available in Roşia Montană village at the Roşia Montană Information Centre, and upon request via post or email. In 2010 we have broadened our outreach to include briefings on the Responsibility Report and the Sustainable Development efforts it outlines in all stakeholder meetings occurring in the second half of the year.

disadvantaged members keep their homes warm during the winter, keep their walks shoveled, and provided access to transportation for grocery shopping and emergency medical transport.

In 2009, our overall contributions to the community – at local, regional, national and international levels – exceeded Cdn\$580,000, plus more than 10,650 hours of volunteer work performed by Company employees for the community as part of our Good Neighbour Program.

2009 also saw the completion of work aimed at improving community conditions and contributing to sustainable development.

- Gabriel/RMGC completed work on the new community at Recea – the first fully-planned community in the Rosia Montana region - delivering 125 new homes to community members in mid-2009. Our Patrimony Department continued and expanded its emergency conservation efforts to preserve not only the officially-designated historic structures in Rosia village, but also a number of non-designated “vernacular” structures that help give the village its character. Working in partnership with two local NGOs – ProRosia and Pro Dreptatea – this architectural rescue effort is a visible sign of the commitment we have made to preserving the village's history and heritage.
- Principle 10 of the UN Global Compact commits signatories to “work against corruption in all its forms....” In 2010, the UK passed a new and expanded anti-bribery act; while the guidelines governing the new act have not yet been promulgated, with a UK-registered subsidiary, Gabriel/RMGC will include a review of the new act in its annual anti-corruption training sessions with all employees, contractors and co-partners.

- Lastly, 2009 saw the continuation of Gabriel/RMGC's effort to "institutionalize" Sustainable Development goals in all aspects of Company policy, programmes and practice. Work continues to benchmark our practices and policies in anticipation of the newly-developed ISO 26000 international standard for Social Responsibility, to be promulgated in late 2010. This new approach will make it easier for us to evaluate and report social and environmental progress over time and should ensure consistency in our reporting and communication.

As one independent indicator of the Company's progress, an external 2010 Social Impact Audit measuring the Company against the Equator Principle standards found that Gabriel's Rosia Montana project merited a "High" ranking on 8 of 10 indicators – with the Company's rank improving in every category.

In keeping with our efforts to advance from promise to performance, at every level of our Company, we will continue to pursue dialogue with our stakeholders, to ensure that Company efforts reflect community concerns.

On behalf of everyone with Gabriel Resources, I submit this 2010 Communication on Progress as a sign of our continuing commitment to social responsibility in our interactions with all stakeholders.

Signed,

A handwritten signature in dark ink, appearing to read "Jonathan Hey". The signature is fluid and cursive, with a large, sweeping flourish at the end.

President and Chief Executive Officer
Gabriel Resources Ltd.

Letter from the Chairman and Chief Executive Officer

From Promise to Performance

For any company, sustainable development must be more than a series of commitments and corporate promises. Developing ways to measure progress – to match promise to performance in a meaningful manner – is the true test of responsible behaviour.

For Gabriel and the team developing our Rosia Montana Project (the “Project”) in Western Romania, 2009 was a year for sharpening the tools with which we measure our community programs and assess the philosophy that guides them. Our Romanian team in particular worked to articulate a year-long Socio-Economic Assessment that reaffirmed and strengthened company practice and performance in terms of mitigation and monitoring, community engagement, including grievance response, and our efforts to institutionalize sustainable development concepts across the Company, even as we integrate our approach into the broader development efforts of the local, regional and national governments.

To be sure, our ongoing programs demonstrated real results in 2009 – results documented in the pages that follow. We continued to improve the educational opportunities of hundreds of children in the Rosia Montana village, working with one of Romania’s leading non-governmental organizations (“NGOs”) in the educational sphere. We worked with a range of NGOs to reach out to community youth, encouraging environmental awareness and a commitment to conservation, and demonstrating to local youth the value that arises from a culture of service. We continued our support for the village’s elderly people, ensuring that their connection to the community remains intact even when family circumstances are strained. We celebrated the opening of the new neighbourhood at Recea, the region’s first modern community development project, which is now home to 125 families.

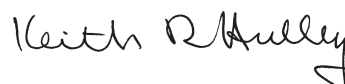
In order to strengthen the infrastructure for delivering on our commitments, we created a new department responsible for stakeholder engagement and mapped out the roles, responsibilities and reporting functions of the key departments involved in sustainable development. These steps will help us evolve our programs as our Project evolves – with continued input from the community.

There is considerable discussion of the degree to which corporate social responsibility (“CSR”) should be a core concept: whether it is truly material to the way a company functions, or is just a concession made to outside pressure from stakeholders and corporate critics. As a mining company seeking the “social license” with which to operate, we know where we come down in this debate. Long before any mining takes place, we are judged on our impact on the local community. This notion makes our commitment to sustainable development central to our success at Rosia Montana.

As in so much of Eastern Europe, Romania has seen its share of mining done without due concern for the long-term benefit to the community and the country as a whole. We remain committed to making the Project a model for the kind of sustainable development that can result from mining done right. The people of Romania and Rosia Montana deserve no less.



Michael S. Parrett
Chairman
May 4, 2010



Keith R. Hulley
Interim Chief Executive Officer
May 4, 2010



GABRIEL
Rosia Montana
IN PARTNERSHIP

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Chapter 1: The Sustainable Development Challenge

Gabriel is a Canadian-based resource company committed to responsible mining and sustainable development. Gabriel is engaged in the exploration and development of mineral properties in Romania, in particular, the development of its 80.46%-owned Rosia Montana Project.

It is envisaged that the Rosia Montana Project will utilize modern mining technology designed to meet Romanian and European legislation and standards using Best Available Techniques, as well as international management best practices. Our vision is to create value for all of our stakeholders by setting a high benchmark for responsible mining.

1.1 Introduction: How will this Project be Different?

We recognize that proper implementation of sustainable development practices is no small challenge for any company in any industry. It is even more challenging for a business in the extractive sector, in areas where a company is the only provider of economic opportunities in a region designated by the government as a Disadvantaged Area. It is often noted that Rosia Montana has a mining tradition that dates back 2,000 years. While that underscores the community's support for new mining opportunities, it is also true that poor practices of the past have left a damaging legacy in terms of water and soil pollution. Modern mining done to strict standards can promise Rosia Montana a brighter future than in its past. And yet, it is only fair for the community to ask how this new project will be different from its predecessors – and what will be left behind when the resource is depleted.

The socio-economic impact of the extractive industry is significant. We share responsibility with host governments (national, regional and local), suppliers, contractors and employees to ensure that the generated wealth provides sustainable economic well-being at all levels. Working in concert with government agencies and our commercial partners, our aim is to ensure a fair and equitable distribution of the economic benefits that flow from our presence in Romania.

1.2 Building the Business Case for Sustainable Development

We are well aware of the ongoing debate as to whether companies should view social responsibility and sustainable development as core concepts, or as a concession to outside stakeholders and corporate critics. Gabriel Resources and Rosia Montana Gold Corporation ("RMGC"), their respective Boards and management have been clear on this issue: given that mining companies must seek a "social license" with which to operate, they must be measured by their impact on the local community well before mining operations commence. That makes their commitment to sustainable development central to their success – and an integral part of their business.

The objective of a successful sustainable development program is to use the economic stimulus brought to the area by the Project, the developed skills, the accompanying demand for goods and services, and new and expanded infrastructure, to build a sufficient long-term foundation for continued economic activity that will be sustained after mineral resources are exhausted and the mine is closed. The challenge is also to produce a better standard of living and – in ways perhaps difficult to measure but no less real – a quality of life better than would have been possible had

the mine never existed. A successful sustainable development program requires integration of diverse steps outside of mining operations throughout the life of the mine; and during closure and rehabilitation activities carefully planned before the mine opens. These steps must be integrated into the community strategy in parallel with the implementation of the mining project.

The implications are clear: investments in mining should not only be financially profitable, technically appropriate and environmentally sound – they also must be socially responsible. There needs to be a smooth transition to a post-mining environment through the development and maintenance of the high standards and quality of life achieved in the affected communities during mine operation and beyond closure of the mine.

CSR Mission and Values

We strive to act as a responsible corporate citizen, one that is committed to building projects together with the local community, for the benefit of all parties involved. We aim to contribute to the sustainability of an improved standard of living for the communities in which we operate.

We are committed to:

- Implementing and executing best practices in corporate governance as it affects all of our stakeholders: our employees, local communities, the economy at large, investors and partners
- Practicing sustainable, responsible development which extends throughout and beyond the life of our mining operations
- Operating ethically and responsibly, with respect to the safety, health and welfare of our employees and partners

We are focused on embedding corporate social responsibility into all aspects of our operations. Our CSR strategy encourages community-based, grassroots development, rather than a top-down approach, and embraces the principles of sustainable development.

CSR Policy

- All CSR projects will be undertaken in partnership with local stakeholders and will concentrate on the Project's immediate area of impact
- All CSR projects will be initiated in response to the needs expressed by the community
- The Company will act in a transparent manner in regard to any support it gives to projects
- The Company will leverage its project-related expertise onto community-focused projects

1.3 From Promise to Performance: Benchmarking our Progress

Our contribution to the social, economic and institutional development of the community can be benchmarked against key commitments, including:

- Early-stage engagement with affected parties to discuss and respond to issues and conflicts emanating from mine operations
- Ensuring that appropriate systems are in place for ongoing interaction with affected parties, making sure that minorities and marginalized groups in the community have equitable and culturally appropriate means of engagement
- Contributing to community development from the early days of project planning through to mine closure in collaboration with the host community and its representatives
- Encouraging partnerships with governments and non-governmental organizations to ensure that programs for community health, education, local business development and infrastructure building are well designed and effectively delivered
- Enhancing social and economic development by alleviating poverty and expanding employment opportunities

ISO 26000: The Standard for Social Responsibility

2010 will see the promulgation of the new ISO 26000 standard for Social Responsibility (see www.iso.org), the international guideline for publicly- and privately-owned organizations. More than 400 experts from 87 different countries, as well as many experts from leading organizations worldwide such as the European Commission, World Health Organization, United Nations Development Programme and Amnesty International, as well as various trade unions and employers' organizations, have been developing the ISO 26000 standard. When published in late 2010, ISO 26000 will lay out a set of Social Responsibility principles across core issues ranging from human rights, environment, labour and consumer issues to fair operating practices and community involvement. This standard will provide strong guidance for implementing Social Responsibility principles and programs.

Gabriel/RMGC are proud to be among a small number of Romanian companies participating with the Romanian Standards Association with the intent of being an early adopter of ISO 26000 standards in their company policies, programs and practices.

The organization's environmental and social policies demonstrate a fundamental commitment by Gabriel/RMGC to the fulfillment of the following objectives:

- Achieve and maintain compliance with all applicable Romanian regulatory requirements, European Union guidelines and other relevant international standards
- Continually seek to refine and optimize the environmental and social management practices implemented in the Project
- Manage, mitigate and where feasible, prevent potentially negative environmental and social impacts associated with the Project
- Provide demonstrable economic, social and environmental benefits the Project would bring to neighbouring communities and Romania as a whole

1.4 2009 Progress

In 2009, our partnerships continued to focus on education and youth, environmental awareness⁽¹⁾ and conservation, as well as our community volunteering and sponsorships. Resettlement and relocation were also critical issues, as construction of the new Recea neighbourhood was completed and homes were turned over to 125 families in mid year. Patrimony preservation focused on intervention efforts to address in a timely manner the deterioration of many homes in the village. At the suggestion of outside expert auditors, the Company broadened its focus from the historically designated structures in the village to include non-historic structures of Rosia village. These structures, ravaged by time and harsh weather, were in many cases in danger of collapsing. They were stabilized using architecturally appropriate processes and materials. In all, well over 100 structures benefited from this emergency effort.

In early 2009, RMGC undertook a review of the socio-economic programs and policies put forward as part of the Rosia Montana Environmental Impact Assessment ("EIA"), with the aim of aligning our sustainable development strategies, policies and actions with the needs of the community and the recommendations of governments and international organizations. In a months-long exercise involving outside consultants and more than a dozen key members of the Romanian RMGC team, the review resulted in a new Socio-Economic Assessment, a "living" document issued in late 2009 meant to capture all efforts related to sustainable development and its place within our overall strategy.

(1) Because the Project is in the pre-operation permitting stage, there is no current environmental impact to measure and assess. The information related to our environmental performance is mainly based on our future plans, as detailed in our Environmental Impact Assessment. Company environmental efforts at this stage focus on conservation programs and environmental awareness.

The purpose of the Socio-Economic Assessment is to:

- Identify and present those project activities that should generate socio-economic benefits throughout the life of the Project
- Identify and assess areas of potential socio-economic risk related to the Rosia Montana Project and propose mitigation measures translated into actions, initiatives and programs discussed with and embraced by local stakeholders, and launched and implemented in partnership with the community
- Develop and present the Monitoring and Reporting System aimed at independently reviewing the work performed jointly by the Company and its local stakeholders on all initiatives and programs

Based on the findings of the assessment (mainly those reflected by the impact and risk analysis), the Company has proposed a set of action items, united into a set of 12 Sustainable Development Action Points, with objectives meant to guide company efforts, and mark a clear path for progress in the next six to 12 months.

1.5 Integration with Other Stakeholders in the Sustainable Development Effort

Our 2009 Socio-Economic Assessment underscored the importance of integrating our sustainable development efforts with those of other stakeholders, including all levels of Romanian governmental authorities. As a case in point, 2009 saw the completion of a regional census report for the Apuseni Mountains region prepared by the Socio-Economic Research Centre, an independent group of socio-economic experts who partnered with local authorities and the Company to perform a socio-economic diagnostic of the Rosia Montana community almost 13 years since the inception of the Project.

The aim of the census was to determine changes in local demographics, family structure, income, living standards, education and economic conditions of the Project area. The results of the census should provide a future reference point for additional development and mitigation programs undertaken in consultation with the local community.

1.6 Measuring Progress

This Responsibility Report is presented as a supplement to our Annual Report. It provides a measurement of our performance against targets for sustainability and corporate responsibility for the year ended December 31, 2009.

Responsible behaviour can be measured in many ways. We have been reporting on our social and environmental programs and performance for four years. Over this time, we have developed and refined our responsibility and reporting approach, consistent with our core beliefs and values; as the Project moves from design and development into construction and operation, we expect this process of refinement to continue.

In 2006/2007, we changed our responsibility approach from a top-down to bottom-up method – one that encourages community grassroots input and development. In 2007/2008, we introduced a new reporting approach based on Key Performance Indicators. This approach allows us to evaluate and report social and environmental progress over time and ensure consistency in our communication. In 2009, as noted above, we conducted a comprehensive Socio-Economic Assessment in order to review all aspects of Company policy and programs related to sustainable development and social responsibility principles, and established a set of action points to define our goals for 2010.

1.7 Accountability and Transparency

1.7.1 External Codes and Independent Reviews

Accountability is key as we move from promise to performance on social responsibility issues. Once the Company makes commitments, will it adopt internationally recognized standards of behaviour and conduct, will it open itself to outside review of its programs and practices?

Gabriel/RMGC has endorsed a number of national and international codes related to social responsibility and sustainable development. We also seek feedback to our sustainability strategy by engaging outside experts and consultants and by welcoming auditors to measure our performance against the Equator Principles and relevant international best practices.

Our commitment to accountability and transparency was a determining factor in the Company's decision to participate in the pre-implementation phase of the new ISO 26000 standard for Social Responsibility. Even prior to the formal promulgation of ISO 26000, our participation is providing valuable input for establishing our programs and policies, and challenging our vision in relation to a broad range of sustainable development issues.

Our Commitment to International Standards

OECD Guidelines

The Guidelines, originally promulgated in 1976, constitute a set of voluntary recommendations to multinational enterprises in all major areas of business ethics, including employment and industrial relations, human rights, environment, information disclosure, consumer interests protection, science and technology, competition, taxation and anti-corruption initiatives. Signatory governments, which as of April 2005 include Romania, have committed to promote the Guidelines among multinational enterprises operating within their territories.

UN Global Compact

Through the power of collective action, the Global Compact seeks to promote responsible corporate citizenship so that business can be part of the solution to the challenges of globalization. Promulgated in 2000, today thousands of companies from all regions of the world, international labour and civil society organizations are engaged in the Global Compact, working to advance 10 universal principles in the areas of human rights, labour, the environment and anti-corruption.

World Bank and IFC Guidelines

The World Bank revised its policy guidelines on involuntary resettlement in April 2004 under World Bank Operational Policy 4.12. World Bank experience indicates that involuntary resettlement under development projects, if unmitigated, often gives rise to severe economic, social and environmental risks. This policy includes safeguards to address and mitigate these risks.

ICMM Principles

In May 2003, ICMM's CEO-led Council committed corporate members to implement and measure their performance against 10 Principles. The Principles are based on the issues identified in the Mining, Minerals and Sustainable Development ("MMSD") project – a two-year consultation process with stakeholders to identify the issues related to sustainable development in the mining and minerals sector.

EU Mine Waste Directive

The EU Mine Waste Directive, which came into effect in May 2006, applies to waste resulting from the extraction, processing and storage of mineral resources and the working of quarries. It provides for measures, procedures and guidelines to prevent or reduce as much as possible any adverse effects mining might have on the environment, in particular water, air, soil, fauna and flora, and any risks to human health that could be posed by waste from extractive industries.

EU Water Framework Directive ("WFD")

Entered into effect in December 2000, the WFD sets a framework for comprehensive management of water resources in the European Community. It outlines a common approach and common objectives, principles and basic measures with respect to water quality for inland surface waters, estuarine and coastal waters and groundwater. The WFD aims at maintaining high standards for water quality, preventing any deterioration in the existing status of waters and achieving at least a good standard in relation to all waters by 2015.

IPPC Best Available Techniques

The EU set of common rules for permitting and controlling industrial installations is defined in the Integrated Pollution Prevention and Control ("IPPC") Directive (<http://ec.europa.eu/environment/air/legis.htm#stationary>) of 1996. Based on the IPPC Directive, permits for industrial installations must ensure that those installations will take all appropriate preventive measures against pollution, in particular through application of Best Available Techniques ("BAT").

International Cyanide Management Code

The International Cyanide Management Code was developed by a multi-stakeholder Steering Committee under the guidance of the United Nations Environment Programme ("UNEP") and the International Council on Metals and the Environment ("ICME"). The Code is a voluntary industry program for gold mining companies. It focuses exclusively on the safe management of cyanide and cyanidation mill tailings and leach solutions. Companies that adopt the Code must have their mining operations that use cyanide to recover gold audited by an independent third party to determine the status of Code implementation.

1.7.2 Stakeholder Engagement Activities

We engage with our stakeholders in various ways, most often at the local level, where we seek to address specific issues and advance solutions.

The Stakeholder Engagement team was expanded in 2009. At the time of writing of this Report, the team consisted of three fully dedicated staff members, one supervisor and one manager. Early in the year, the stakeholder database was updated, with information aggregated by individual stakeholders as well as by issue. We now have an operating

stakeholder calendar of activities to facilitate regular contact. It is subject to continuous updates.

2009 also saw formal public consultation and disclosure related to permitting and approval milestones. As the Company advanced its amended industrial zonal urbanistic plan ("Amended PUZ"), four public participation meetings were held. During the process, 500 questions and comments – including those submitted by Hungarian stakeholders and filed with the Romanian Ministry of Environment – were submitted to the Company, each receiving an individual answer.

The Regional Environmental Protection Agency from Sibiu is currently reviewing the SEA (Strategic Environmental Assessment) report provided by Gabriel. The objective is to re-initiate the permitting process related to the Amended PUZ. A final position from the Romanian Ministry of Environment concerning the completion of the Espoo Convention procedure is expected prior to the final decision of the regional environmental agency.

1.7.3 Stakeholder Input

This Report was produced with the help of our stakeholders.

This year we incorporated feedback and recommendations we received from stakeholders on our reports from prior years. We will continue to solicit feedback from all interested parties as a tool to improve our sustainability practices.

1.8 How this Report is Shared with our Stakeholders

This Report is mailed along with our Annual Report. It is also available online in downloadable format, along with our past Responsibility Reports and Annual Reports.

In an effort to take our outreach to stakeholders to a higher level, we have instituted several outreach initiatives:

- For the first time, our 2009 Report encourages stakeholder comments and questions, submitted in writing to:

Stakeholder Engagement Office

321 Piata Str.
Rosia Montana, Romania

Corporate Office

Suite 1501–110 Yonge Street
Toronto, Ontario, Canada M5C 1T4

Or via email to interespublic@rmgc.ro
or info@gabrielresources.com.

- To expand stakeholder engagement in the local community, excerpts and passages of the 2009 Responsibility Report will be published in *Ziarul de Apuseni*, the local newspaper serving Rosia Montana.

- The Rosia Montana Information Centre will provide copies of the Responsibility Report and information leaflets.
- Following the publication of this Report, all RMGC staff engaged in stakeholder communications will present copies of the Report to the interested parties and solicit comments and questions first-hand.

Chapter 2: Corporate Governance

2.1 Changes in Corporate Management

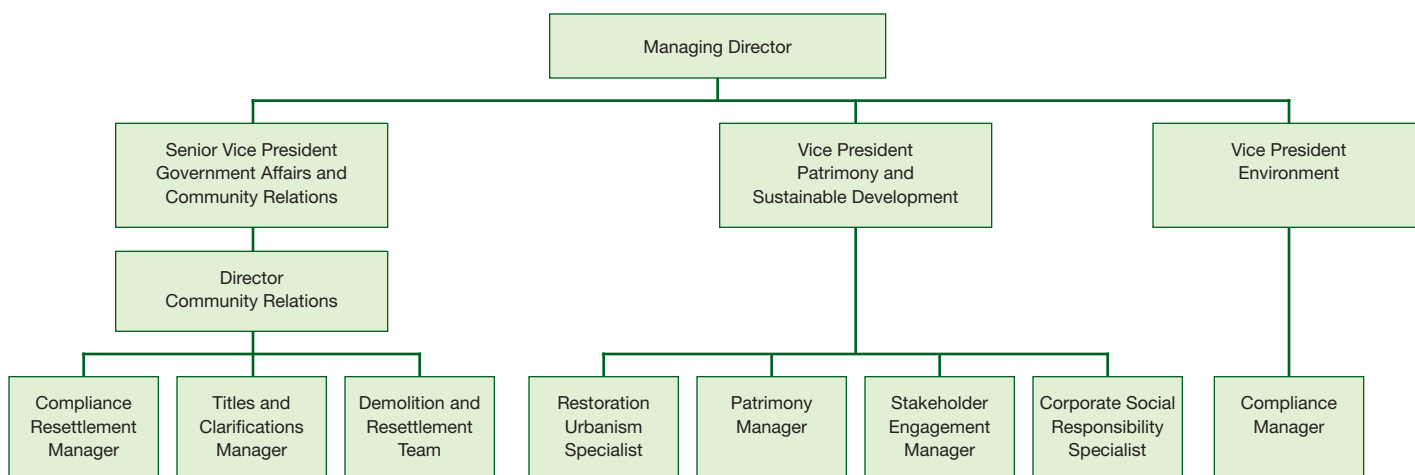
In early 2009, Alan R. Hill retired as President and CEO of Gabriel, remaining on the Board until year's end. The Board appointed Keith Hulley, at the time a Director and Chairman of the Technical Committee, as interim CEO until a permanent replacement was found. The Board continues its search for a CEO who will lead the Company through financing and construction and into operation.

In addition, in 2009 the Board created a special committee to ensure that issues related to sustainability receive maximum attention. The Government Relations and Sustainable Development Committee is responsible for supporting management's efforts to ensure that all sustainability initiatives are carried out in a timely and orderly fashion.

2.1.1 Managing for Sustainability: Changes in RMGC Organizational Structure

The 2009 Socio-Economic Assessment underscored the importance of prioritizing sustainable development goals at all levels of the Company, with firm lines of responsibility within management. To align its organization with those objectives, RMGC has focused particular attention on sustainability. At year end 2009, the Company appointed a Vice President, Patrimony and Sustainable Development. In 2010, this executive's goal will be to delineate individual responsibilities and key governance principles in the area of sustainable development in order to deliver on commitments made to the community during the pre-construction phase of the Project.

RMGC Organizational Chart for Sustainable Development, Environment and Community Relations



2.2 Business Ethics and Public Commitments

We view ethics training as an important factor in setting high standards for the behaviour and culture of our corporation. 2009 saw the continuation of extensive ethics training in accordance with Company policy. The Company adheres to stringent guidelines which must be followed by its staff, consultants and business partners.

2.3 Transparency

The Company is committed to operating in a transparent fashion on all the key aspects of the Rosia Montana mine and mill design. Environmental and community impact studies are open to public scrutiny. In 2009, the Company's activities related to patrimony preservation – both architectural and archaeological – as well as independent studies on the socio-economic impacts of the Rosia Montana Project, were extensively reviewed. In 2009, the Company also disclosed its public communications process related to the regional Strategic Environmental Assessment (see section 1.7.2). The objective was to invite input from all stakeholders in the Project.

The Company actively reaches out to individuals and organizations opposed to the Rosia Montana Project. While some NGOs opposed to the Project have historically refused to meet with Company representatives, RMGC keeps its doors open for all interested parties to engage in a dialogue about all aspects of the Project. The Company also works tirelessly to expand its partnerships with the NGO community to provide education,

youth services and environmental awareness programs in the community.

This Report details these NGO partnerships in sections 5.5, 5.6 and 5.7, outlining 2009 programs, priorities and achievements. The Company will continue pursuing these partnerships in 2010.

2.4 Litigation

While the Company has designed the Project to follow all applicable laws and seeks no exception or exemption from any law, regulation or directive, a number of non-governmental organizations have initiated multiple legal challenges against local, regional and national Romanian regulatory authorities empowered to grant permits, authorizations and approvals for various aspects of the exploration and development of the Project. The motions include both civil actions and criminal complaints and, in general, claim that the regulatory authorities are acting in violation of Romanian laws.

In most instances, these suits were brought against Romanian government agencies, not Gabriel/RMGC. The Company has intervened in the majority of these cases in order to ensure that the Romanian courts consider these actions in a fair and balanced manner.

The Company provides regular updates on the status of all cases in its public reporting.

Chapter 3: Economic Impact

3.1 Strengthening Local Suppliers

In 2009, Gabriel spent approximately 86.5 million Ron (approximately Cdn\$30 million) on goods and services, out of which about 11.8 million Ron (approximately Cdn\$4.1 million) went to small and medium-sized enterprises in the local community.

Total regional spending in 2009 amounted to about 51% of total Company spending.

Description	Amount (Ron)
Local spending (Rosia Montana commune)	7,169,350
Community spending (adjoining area – Abrud, Campeni, etc., excluding the above Rosia Montana commune)	4,668,360
Total community	11,837,710
County level spending – Alba (excluding the above community spending)	30,047,980
Regional spending (adjoining counties, excluding Alba)	2,628,200
Total regional spending	44,513,890
Bucharest	42,023,940
Total	86,537,830

3.2 Taxation

Beyond the social and economic benefits to the community described in this Report, our investment in Romania includes a multitude of taxes we pay as a company and those we collect from employees on behalf of the government. In 2009, the Company paid about 11 million Ron in taxes. All tax assessments have been paid and provided for in the 2007, 2008 and 2009 financial statements. The Company was assessed certain penalties by the tax authorities. The Company disagrees with the government's assessment and is vigorously defending its position.

Rosia Montana Gold Corporation SA – Main taxes and penalties paid in 2009

Description	Amount (Ron)
Company payroll taxes	4,099,601
Employees' income tax and social security funds	4,341,030
Property taxes (land, buildings, vehicles)	2,787,668
Mining exploitation tax	597,070
VAT for previous years and penalties	(1,109,008)
Withholding taxes for foreign suppliers and penalties	–
Construction permits – State Inspectorate Alba Iulia	110,115
Construction permits – Alba Iulia City Hall	103,800
Environment taxes – Recea	12,800
Income tax	30,931
Total	10,974,007

Chapter 4: Employee Health and Safety

We are committed to protecting the health and safety of our employees, consultants, contractors, and all individuals living and working in the areas where we operate. All employees are well acquainted with our safety policies and are diligently trained to work safely.

Our 2009 health priorities included the ongoing implementation and monitoring of the Health and Safety Management Plan for the Recea site, the preparation of the Health and Safety Management Plan for Piatra Alba, and the set up of a mine rescue station to treat employees in case of an emergency. Our goal is to reduce the number of accidents, promote consistent use of personal protective equipment, manage fatigue (especially at our construction site) and improve the general health and fitness of our people.

No serious occupational health and safety (“OHS”) incidents were reported in 2009 at the Recea construction site. Twelve construction companies were involved in building Recea, of which nine companies were based in Alba Iulia and the other three came from neighbouring counties. In all, 1,670 people worked at the Recea site and the team celebrated one million hours of safe work, with no OHS incidents registered in two years. This result was achieved due to the close collaboration between the Company's OHS team and contractors, as well as the latter's ability to adopt the best practices mandated by Gabriel. This best practices policy ensured that proper training was in place, instruction was given and all safety measures taken, with adequate monitoring being available.

The best practices implemented at the Recea construction site will be used for the future Piatra Alba resettlement, as well as for the Project itself.

Recea construction site – Safety statistics for 2009			
Description	RMGC	Contractors	Total
Total project man-hours to date	1,489	1,350,166	1,351,655
Number of first aid injuries (FAI)	0	0	0
Number of medically treated injuries (MTI)	0	0	0
Number of lost time injuries (LTI)	0	1	1
Number of days lost	0	0	0
Number of near miss incidents	0	0	0
Number of property or material damage incidents	0	0	0
Total number of incidents reported in 2009	2	168	170
Total safety sessions conducted on-site in 2009	14	2,098	2,112

4.1 Training

The Company provides monthly training for those categories of employees most exposed to physical risks: drivers, demolition workers, and maintenance and exploration service providers:

- Training for support staff is conducted every six months
- In 2009, nine people were trained at the Institute of Mining and Protection Security Antiexpoloziva INSEMEX/Petrosani pursuant to the requirements for the rescue station permit. In addition, there was joint training with the contractors who carried out geotechnical drilling
- Twenty people attended external training of the OHS Committee and work team managers

4.2 Mine Rescue Station

The presence of a rescue station is a legal requirement for any underground or open pit mining project.

The staff is trained to ensure that mining-related emergencies (human accidents, rock falls in the underground or open pit, spills, fires and other emergencies) are handled in an expedient and expert fashion.

4.3 Piatra Alba Resettlement – Construction Phase

The necessary documents were prepared for required OHS training for all RMGC contractors:

- Health and safety plan for construction sites
- Necessary forms for the Construction Site Registry
- Common training instructions for RMGC subcontractors (health and safety, first aid, emergency situations)
- Specific instructions for various types of activities on site

Chapter 5: Community Involvement

5.1 Community Relations

In keeping with its commitment to social responsibility, the Company's overriding objective is to maintain strong community relations and to engage all communities located near the site of the future mine and in the outlying areas in the decision-making process.

This involvement is being accomplished through the following facilities:

a) Dedicated Offices

- Community Relations Department in Rosia Montana – has an open-door policy to facilitate daily interaction between the community and all staff and corporate management
- Information Centre in Rosia Montana – open to the community and public. On-site tours available on request
- Information and Orientation Office for the resettlement process – located in the new Recea community in Alba Iulia

b) Fact Sheets/Newsletters

- Life Transition Guidelines for families involved in the resettlement process at the Recea resettlement site were prepared in May 2009
- An issue of the local Gazetta (September 2009) dealt with Recea transportation issues
- Recea Info-Jobs Newsletter, Alba Iulia, weekly each Monday
- Recea Community Newsletter, bi-monthly since November 2009
- *Ziarul de Apuseni* – weekly information on the Company's current activities, announcements and stakeholder letters
- Over 100 stakeholder letters have been sent to local authorities to inform them of the resettlement process

c) Public and Individual Consultations

- October 15, 2009, covering the PUZ for the Historical Centre, Rosia Montana
- March/April 2009, PUZ meeting for the Industrial Zone
- May 28, 2009, community public consultation concerning resettled families' access to public institutions and services in the new settlement
- June 2009, multi-stakeholder consultation between RMGC-Alba County Inspectorate concerning resettled families from Corna and Rosia Montana
- June 2009, multi-stakeholder consultation between RMGC-Alba Iulia Orthodox High Archbishop concerning resettled families from Corna and Rosia Montana
- June 2009, consultation with employees of the ProDreptatea NGO from the community

d) Site Visits to Recea Resettlement Site

- Held each Friday, February – April 2009
- Held daily, May – December 2009

5.2 Grievance Mechanism

During 2009, Company grievance officers responded to the following complaints and concerns:

- Central Office for Community Complaints, Rosia Montana: managed 20 formal complaints and over 100 informal complaints
- Office for Community Complaints, Corna: managed 1,118 formal complaints and multiple informal complaints
- Office for Recea Community, Alba Iulia: managed 1,098 contractor-related complaints

The Company does not make inferences based on the number of complaints and concerns received, but rather on the ability to answer and address those complaints in a way deemed satisfactory by those who bring them. To this end, the number of “open” complaints – those that have not reached an acceptable resolution – stood at 80% at the end of 2009.



Public consultation with the resettled families.



Future Recea residents visiting the site of their new community in Alba Iulia.

5.3 Community Relations Programs

The Company's community relations programs during 2009 included hosting community events and participating in programs to help keep mining traditions alive in Rosia Montana.

a) Community Events

- May 22, 2009: on-site event for the Recea workers and development team
- May 29, 2009: opening day for the Recea resettlement site
- August 30, 2009: Miners' Day and Mining Communities and Mining Traditions Festival
- December 11, 2009: Corna community event
- December 12, 2009: Recea community event: “Our First Christmas in Recea”
- December 13, 2009: Rosia Montana community Christmas event
- December 14, 2009: Carpini Christmas event for all Rosia Montana children



Miners' Day event, Rosia Montana, August 30, 2009.

b) Living Traditions Program

The extended Rosia Montana area is a traditional mining community, with most families having associations with mining dating back generations.

With a modern mining project developing in a traditional mining community – where mining is central to its value system – RMGC and the community have the shared objective of keeping mining traditions alive.

In 2009, the Company started a program of safeguarding community mining traditions, based on the results of the Oral History project.

An Inventory Register is maintained to catalogue all community traditions based on community participation.

The Living Traditions Program is supported by local communities as well as local and county authorities. A community-based forum on living traditions was started in 2009. This was an initiative of the Rosia Montana Cultural Community Centre supported by the Company. The goal for the Living Traditions Program is to become a self-sustaining program over time.

The first and most important project in 2009 was the restoration of the Miners' Choir. The Company spent more than €5,700 to support 30 working sessions with a professional conductor. Additional assistance included the involvement of RMGC Community Relations staff, provision of transportation services, as well as the arrangement of a rehearsal room and attire.

The second project was “Gold Children”, a program designed to encourage sustainability of cultural traditions across generations.

The third project, entitled Mining Communities and Mining Traditions Festival, was launched on Miners' Day. It was the first mining community event in Romania dedicated to mining traditions. The event demonstrated that support for the Rosia Montana Project remains very strong in the local community. Eleven mining community representatives from Alba and two other neighbouring counties, local authorities and local communities joined in a pro-mining celebration, underscoring local interest in sustaining mining traditions with the help of a new and modern mining project.

The event was organized as a partnership of the Rosia Montana Commune, Alba County and RMGC. The event generated significant media coverage, as it featured 100 participants simultaneously prospecting for gold using traditional equipment. It was registered in the Guinness Book of Records.



Miners' Choir at Miners' Day event in Rosia Montana, August 30, 2009.



First Christmas Eve in Recea.

5.4 Responsibility for Resettlement and Relocation

According to the Company's Resettlement and Relocation Action Plan ("RRAP"), RMGC follows a systematic approach to resettlement and relocation, with particular attention paid to people who will not be displaced by the new Project.

5.4.1 Database and Monitoring Program

The Community Relations Department administers a comprehensive database related to all Project Affected People ("PAPs"), relocated and resettled families, vulnerable people (especially residents without properties) and non-displaced affected people (including families still waiting for their new houses to be built and isolated families).

This monitoring represents one of the most important components of the Social Management System. The Company purchased 794 households, apart from 143 houses without residents (abandoned properties, exemplifying a protracted process of migration from rural regions, which pre-dates the new mining project). All remaining households are monitored and provided assistance based on their specific needs during the relocation or resettlement process.

5.4.2 Resettlement Assistance

From the onset of RRAP implementation, the Company has assisted the affected community throughout the relocation process by offering legal assistance, disposal and moving assistance, relocation assistance and a lifestyle restoration program (training and school grants).

A Support Program for Resettlement and Relocation with specialized staff (social workers, social assistants, occupational advisor and sociologist) was established in 2007, under the oversight of the Community Relations Department.

Some figures on activities during 2009 are as follows:

- Over 550 Resettlement and Relocation Support Program activities
- US\$19,455 in a Lifestyle Restoration Program
- Ongoing monitoring and impact assessment for the four identified impact areas
- Social mitigation measures for all of the affected categories identified (families affected by delays in the handover of houses)

5.4.3 Responsible Resettlement: *The Opening of the Recea Resettlement Site*

The new Recea resettlement site was inaugurated in May 2009. This is the first resettlement site built by the Company for local families affected by the Rosia Montana Project. It is also one of the first real estate projects in Romania to encompass the development of a comprehensive infrastructure prior to the construction of actual housing – with a water system, gas, electricity and sewage facilities developed entirely underground to meet European standards.



The opening of the Recea resettlement site.

Following a \$32-million investment, the new district consists of 125 houses covering a 24-hectare area. The project was completely newly built after RMGC acquired the land in 2003. The entire infrastructure was donated to Alba Iulia Municipality and the site includes over 13 kilometres of roads. There were 12 construction companies involved in the building process, of which nine were based in Alba Iulia and three came from neighbouring counties. In all, 1,670 people worked at the Recea site. The team celebrated one million hours of safe work, with no OHS incidents registered in two years.



Recea resettlement site.



House in the Recea resettlement site occupied in September 2009.

The resettlement option at Recea was largely driven by people's desire to live in a modern neighbourhood in the most developed town in the county (the county capital). During site construction, individual visits and consultations with the families were ongoing. These regular visits allowed for modifications in house designs based on the families' preferences.

At the time of this Report, 125 families from Rosia Montana have chosen resettlement at the Recea residential area in Alba Iulia.

5.5 Social Investments

Description	Amount (Ron)
Health and welfare <ul style="list-style-type: none"> • Good neighbour program • Local transportation services • Community centre • Internet café • Gym • Employees club • Various repairs and maintenance works • Support for health/medical assistance 	456,735
Educational and cultural programs <ul style="list-style-type: none"> • Educational programs with OvidiuRom • Environmental education with Rosia Montana Environmental Partnership (RMEP) • Leadership courses with Leaders Romania • Games and educational activities with CERT Apuseni • Educational camp • Other support offered for educational or sporting activities for youth • Support for cultural activities in the community 	127,045
Community traditions <ul style="list-style-type: none"> • Miners' Day – budget included in the Corporate Communications Department budget • Minerals Day • Other celebrations in the community 	156,850
Cultural patrimony initiatives <ul style="list-style-type: none"> • Restoration and repairs of historical monuments • Sociological research, folk and ethnic events 	677,600
Events and conferences	46,450
Other sponsorships	97,138
Total	1,561,818

5.6 Partnerships

RMGC has made a continuous commitment to support initiatives aimed at providing benefits to the community, strengthening its social infrastructure, and facilitating education by improving conditions for learning and encouraging academic performance.

In 2009:

- We continued our Good Neighbour program in partnership with ProRosia
- We continued our partnership on education with OvidiuRom
- We continued to support local education initiatives in partnership with community NGOs (CERT Apuseni, Leaders Romania, RMEP, ProRosia and ProDreptatea)

Rewarding School Success

Rosia Montana, June 23, 2009: Rosia Montana Gold Corporation offered a two-day trip to all students from Rosia Montana schools who achieved top academic performance. A group of 30 students accompanied by teachers visited Sibiu, Brasov and the medieval town of Sighisoara. They visited the Praid salt mine where heavy rock salts, unique to Europe, are found.

“For our students, the chance to discover new places and study the country’s history is still a lesson in life, perhaps one of the most important experiences, and one that we couldn’t have offered because of limited funds. We enjoy the support Rosia Montana Gold Corporation gives us and hope that these activities, oriented for children from the local community and surrounding areas, will continue to take place in the future”, said Eugen Bobar, Headmaster, Simion Balint School, Rosia Montana.

5.7 Local Partnerships for Education

The single most significant way we can focus on the future of the Rosia Montana community and strengthen its ability to secure its own long-term future is to focus on its youth. To this end, the Company supports the following initiatives:

- **OvidiuRom Summer Schools** – The cornerstone of our youth educational partnerships is the Local Partnership for Education, linking the Company and OvidiuRom – a leading national NGO whose mission is to promote equal opportunity by educating disadvantaged children. Its method relies on involving the business and social sectors alongside authorities, to create a joint effort to reduce absenteeism in schools. Initiated in 2006 for about 60 children and 20 local teachers, the innovative teaching programs now involve 50 teachers and more than 450 children from the region. It is a real community-led educational network designed to improve access to education. Its members include school inspectors, local councils, NGOs, schools and the business community.
- **Beyond the Classroom** – The Company supports (financially and in-kind) various local NGOs that have continued to prove their dedication to improving the quality of life in the community. Through the Rosia Montana Environmental Partnership (“RMEP”), local youth continued to benefit from environmental education and awareness programs and activities. CERT Apuseni (“CERT”) also continues to provide activities for local youth.

Rosia Montana Environmental Partnership

In 2009, the Rosia Montana Environmental Partnership continued its activities aimed at involving various groups in the community in cleaning and preserving the environment in the Rosia Montana area.

RMEP work is focused on:

- A reforestation project
- A clean-river campaign targeting 10 kilometres of the Aries River (in partnership with local schools)
- Organizing an environmentally-friendly playground for the children in Bucium

Together, the Company’s 2009 contribution to these initiatives was approximately Cdn\$1,000.

1. Project Name: Reforestation Campaign

Period: March 2009 – April 2009

Partners: RMGC and the Abrud Forestry Department

Activities: Soil preparation, sowing and forest planting

Number of Participants: 15

Value of the Project: 1,200 Lei



RMGC volunteers, along with students from the Forestry College in Campeni, carrying on a reforestation program on Muntele Mare.



RMGC volunteers, along with students from the Forestry College in Campeni, preparing the seedling plants for future planting campaigns in a nursery.

2. Project Name: “The Aries River – Mirror to the Apuseni Mountains”

Period: May 2009 – June 2009

Partners: Alba County Council, Nicodemus Ganea School Classes I-VIII of Bistra, Romanian Waters National Water Directorate, Mures, Bistra City Hall, Bistra Police Station, RMGC and RMEP

Activities: Cleaning a 10 kilometre stretch of the Aries River, editing and distributing information material

Number of Participants: 150

Value of the Project: 10,500 Lei

RMGC Contribution: 1,000 Ron

3. Project Name: “Let’s Play in a Corner of Heaven” – project financed by the National Agency for the Development of Mining Zones

Period: May 2007 – June 2009

Partners: Detunata Bucium Initiative Group, Bucium City Council, Classes I-VIII of Ion Agarbiceanu School, Bucium, RMGC and RMEP

Activities: Construction of a children’s playground, organization of educational games and contests, editing and distributing information material

Number of Participants: 15

Value of the Project: 25,217 Lei

RMGC Contribution: 4,000 Ron



An RMGC volunteer arranging a playground and small park for the children in Bucium.

CERT Apuseni

CERT is a popular youth resource centre, which the Company has been partnering with for more than four years. Among the activities in 2009 were karate workshops, gymnastics classes for grades I-IV, excursions, foreign language contests and career training for youth.

Among the programs developed by CERT in 2009 were:

- **Abrud Late Night** – A major program of the year, this program was the result of a request from the Chief of Police to address growing youth delinquency. CERT members responded with this project, which was approved by the Youth in Action division. This program aims to encourage positive youth culture by providing healthy and fun weekend activities for youth. Free activities were organized for high school students or younger on Friday and Saturday nights from 8:00 p.m. to 3:00 a.m. Activities like board games, strategy-based games, teamwork, sports, logic games, interactive theatre and more, were organized with an average of 35 to 40 youths attending each event, as well as two volunteer teachers from the high school. CERT was pleased with this strong first-year showing.
- **16 Days Against Violence** – A training series took place at three schools given by CERT volunteers, involving informal training during school hours, in English and Romanian, on subjects such as human rights, gender violence, domestic violence and similar themes. The program used role-playing, round-table discussions and interactive games to provide the most impact for participants.

Good Neighbour Program

Initiated in 2005 in partnership with ProRosia, local schools, churches and other NGOs, the Good Neighbour Program continued to provide support and social assistance to elderly and vulnerable people in the Rosia Montana community. Fully sponsored by RMGC, the program assists isolated families, elderly or disabled residents and those with low incomes. Volunteers in the program helped community members keep their homes warm during the winter, shovelled snow for the disabled and elderly, purchased groceries and provided transportation to the hospital when needed.

Community Support and Assistance

Company employees, in partnership with local NGOs, provided the following support throughout 2009:

- Logistics and technical support for various local events and activities
- Plumbing and other infrastructure repairs in the community
- Volunteer firefighting
- Local transportation services for residents and local schools
- Assisting senior citizens in obtaining heating aid during the winter
- Supplying local NGOs and schools with materials and expertise

Company Volunteering: The Month of Education

In 2009, our volunteers enjoyed sharing their skills and knowledge with children through a variety of educational and cultural activities. An example was the Month of Education (June 2009) – an informal educational program developed in partnership with OvidiuRom, a regional partnership with the Alba County Inspectorate. This program aims to teach children by means of games and outdoor activities to directly experience the world we live in.

During the Month of Education, students participated in discussions, games and experiments intended to increase their understanding of natural resources, biodiversity, pollution prevention and recycling.

Kindergarten-age children had the opportunity to learn the history of the community and to visit important cultural sites, such as the Roman galleries and Roman burial grounds.

Company volunteers guided the children through a learning game involving first aid, while also teaching them the benefits of sports and a healthy diet. The children played the roles of either injured people or paramedics working to offer first aid in various scenarios.

During Foreign Languages Day, children learned to count, sing and communicate in English, French and German, while learning that the world is a big place and that everyone has the right to be different.

Chapter 6: Supporting Community Traditions

6.1 Miners' Day 2009

Miners' Day 2009 marked the continuation of celebrations of the mineral and mining traditions of the Western Mountains with an attempt to set a new world record: to have the most people simultaneously panning for gold. Under guidelines set by the Guinness World Records, more than 100 people panned for gold in a trough 50 metres long and two metres wide. As a result, the event was registered in the Guinness Book of Records.

Over 3,000 local people from Rosia Montana and the surrounding communities took part in events organized by the Rosia Montana Town Hall, Alba County Council, RosiaMin and Rosia Montana Gold Corporation, gathering at Miner Stadium in Rosia Montana.

This year's event also featured the first-ever Mining Communities and Mining Traditions Festival. During this festival, 10 communities from the counties of Alba, Hunedoara and Bihor showcased their mining traditions and customs, displayed in book and photo exhibitions, paintings and historical mining artifacts. The festival also presented a full-size grinding tool and recitals by the Miners' Choir of Rosia Montana.

"We wanted to attract not only Romanians' interest, but the whole world's. Nobody has yet attempted to establish such a world record, not even Americans, who also have a tradition as rich as ours in terms of seeking gold. True, our tradition is much older. Rosia Montana mining is a tradition to be preserved and provided a place of honour."

– Eugen Furdui, Mayor of Rosia Montana

"We are pleased that our initiative has been so well received by the neighbouring counties. This first edition of the Mining Communities and Mining Traditions Festival showed how rich and ancient the tradition of mining is in our area. Communities participating in the festival reminded us that their history is closely linked to Romania's Western Mountains mining history – a history that should be preserved and enhanced."

– Ion Dumitrel, Alba County Council President

"We are pleased to be partners in a community event which fully demonstrates that the mining tradition has not died in the Apuseni Mountains. Romania can and deserves to become the largest gold producer in Europe."

– Dragos Tanase, Managing Director,
Rosia Montana Gold Corporation



"We want mining" banner posted on the hills surrounding the location where the Miners' Day event took place on August 30, 2009.

6.2 Cultural Patrimony

2009 saw the implementation of significant ongoing programs in the areas of maintenance, restoration and development of cultural patrimony. Our priority projects included:

1. Urgent structural repairs and intervention involving not only historic but also “vernacular” buildings (those that collectively give a community its architectural character).

- Several buildings situated in the Rosia Montana Protected Area were spared from accelerating deterioration and collapse

2. Design/restoration and maintenance of the historical monuments in the Rosia Montana Historical Centre.

- General refurbishment of the already renovated Building No. 325, along with planning for exhibiting a Rosia Montana gold mining history collection
- Protection and structural support work of Building No. 326 to prevent the loss of this historical monument – an architectural symbol in the historical centre of Rosia Montana

3. Archaeological monitoring of on-site construction work for the Alba Iulia/Recea relocation.

The statistics with regards to the emergency intervention program for the Protected Area buildings in the historical centre are as follows:

- For the 2009 program, the intervention list included 132 target structures
- 110 interventions were completed, including:
 - 14 historical structures
 - 76 vernacular buildings
 - 20 annexes

These works are part of a four-stage action plan, with stage one involving continuation of the urgent structural repairs and stages two, three and four included in the action plan for medium- and long-term maintenance, additional emergency intervention, rehabilitation/conservation, design and restoration of the traditional architectural elements in the Rosia Montana Protected Area.

Throughout the spring, Company patrimony experts continued to attend to common area and landscape concerns: trees were cut or trimmed, retaining walls were repaired and grass was cut. Patrimony personnel also helped local residents to fix problems with their buildings and houses, and advised local clergy on how to manage repairs of local churches. Company personnel commenced general repair work on Rosia Montana’s Roman Catholic church.

The rehabilitation of house No. 325 was completed and the property is currently being used as a Patrimony Information Centre and a collection and exhibition of mining, historical and archaeological artifacts. Repair work was also performed on house No. 409 due to a collapsed wall. In total, repair costs for emergency intervention amounted to 35,000 Ron (Cdn\$13,000).



The first restored house (Building No. 325) from the Rosia Montana Historical Centre, currently hosting the exhibition “The Gold of Apuseni”.



Interior of Building No. 325, the future Mining Museum.

Chapter 7: Environmental Impact

Although the Project has not commenced operations, the Company continues to seek ways to demonstrate its commitment to sound environmental stewardship in the community.

In this spirit, in 2009 our policy regarding the minimization of the impact of Company operations on the environment was further advanced.

Chapter 8: 2009 Performance Summary

Targets and Performance Scorecard

Target	Measurement	2009 performance
To achieve zero harm at the mine site during operations Zero fatalities Zero incidents Zero breaches of UN Declaration of Human Rights Legal compliance		
Accountability To fully comply with ISO 26000 by the end of 2010 To respond to all concerns and grievances expressed by our stakeholders	Frequency of engagement by type and by stakeholder group; key topics and concerns raised through engagement; percentage of complaints/grievances answered/solved	The stakeholder engagement activities carried on throughout 2009 were tailored to suit key stakeholders and their main concerns. The engagement methods used were tailored to each group according to their needs. Concerns were or are in the process of being addressed.
Governance To have no incidents of bribery, corruption or breaches of confidentiality reported	The number of employees trained in anti-corruption policies and procedures; the number of confidentiality agreements signed; the number of recorded breaches	In 2009, all Company employees were trained on these issues and all employees signed confidentiality agreements. There were no breaches recorded.
Health & Safety (H&S) To train all staff on H&S matters No work-related injuries/no car accidents To be legally compliant (no fines or prosecutions)	The number of work injuries/car accidents The number of employees who have taken injury leave and the duration of leave The dollar amount spent on health and safety training and equipment per worker The number of checks performed by H&S inspectors and whether they resulted in fines, and the dollar amount of these fines	In 2009, there was one incident registered. A car accident involving one of the Company's drivers took place on the road to Deva. It was caused by an animal crossing the road. 64 lost days related to injuries were recorded. Two H&S inspections from different institutions were concluded with no fines being imposed.

Targets and Performance Scorecard (continued)

Target	Measurement	2009 performance
Environment Energy consumption and greenhouse gas targets Fresh water consumption target Waste minimization target Preserving biodiversity target Implementation of land management plans to improve beneficial use for all: <ul style="list-style-type: none"> • sustainable urban development – new village • land returned for reuse after excavation No incidents related to cyanide	Measuring quality of water, air and soil – now, during construction and afterwards Measuring the amount of fresh water used per tonne (and re-circulated) Cleanup of current water pollution (acid, infiltration) Provide training on the 3R policy: reduce, reuse, recycle Monitor changes in biodiversity Monitor: <ul style="list-style-type: none"> • land recently disturbed during the reporting period • land rehabilitated during the reporting period • land disturbed and not yet rehabilitated • percentage of brownfields reclaimed • percentage of land set aside for forestry • previously excavated land returned for reuse Report environmental rehabilitation costs, environmental monitoring results and compliance/status of RMGC commitments assumed at the EIA stage	We continued to minimize the amount of energy consumed by our offices by reorganizing the office space in order to best accommodate our current needs. We are currently working on defining the rules of the RMGC Green Office and are enhancing the recycling/responsible use of paper in RMGC offices. While we acknowledge that these targets are relevant to our environmental performance, the majority are not applicable given the current stage of the Project.
Patrimony To protect and preserve identified cultural heritage in the area	The number of restored houses and costs incurred	Approximately €200,000 was allocated for the maintenance of the most dilapidated houses in the historical centre. Over 130 emergency works were completed during the reporting period and another 70 are scheduled for future work. After completion of this work, all RMGC houses in the Protected Area will be part of a maintenance program. Approximately €150,000 was invested in 2009 to complete the restoration of houses No. 325 and 323 in Rosia Montana. The first is currently organized as a mining exhibition from Roman times to the present and the second is organized as an Information Centre.
Employees To have no complaints made about breaches of economic, cultural and social rights To achieve a high degree of diversity within the Company and throughout our social programs To have no cases of employee absenteeism	The number of incidents of discrimination and actions taken (number of lawsuits that arose, if any) Breakdown of employees per category according to gender, age group and other indicators of diversity Percentage of employees receiving regular performance and career development reviews The number of mining-related injury leave days per employee, per year	Zero incidents. 169 employees: <ul style="list-style-type: none"> • 30% women and 70% men • 2% of employees less than 25 years old, 71% between 25 and 40 and 27% older than 40 years old Performance reviews thus far have been made on an ad hoc basis. No Lost Time Injuries (LTI) were recorded in the reporting period related to mining activities.

Targets and Performance Scorecard (continued)

Target	Measurement	2009 performance
Community To promote community health To promote community rights To answer all community concerns and grievances To build new homes – construction of Recea and Piatra Alba To minimize any negative development impact, especially related to relocation (relocation monitoring reporting) To maximize positive development impact – build capacity/empowerment/distribution of resources in the community/infrastructure To include volunteering and in-kind support in our community programs	<p>Several community consultations or training sessions on health and safety</p> <p>Construction status of the two resettlement and relocation sites</p> <p>Number of sold properties; number of relocated people (all four categories)</p> <p>Services in place to assist people in re-establishing their lives</p> <p>Direct economic value generated and distributed locally through:</p> <ul style="list-style-type: none"> • local purchasing • social programs (social partnerships and programs, sponsorships, donations and the archaeological program) <p>Percentage of workforce employed from the community</p> <p>Amount invested in public infrastructure (schools, hospitals, etc.) and maintenance</p> <p>Capacity building training/workshops (education, skills enhancement)</p> <p>Business environment development – number of people who used the Microbank services and amounts granted; percentage of local NGOs that became sustainable (they currently receive no more than 50% of their funding from us)</p> <p>Volunteering: number of volunteer hours; percentage of employees participating in volunteering programs</p>	<p>No community meetings were held on health and safety; our training was aimed only at Company employees and contractors at the Recea construction site. We assisted the local council in setting up an Emergency Response Unit at the community level by providing it with expert advice and training, logistical support and by incorporating our own Health and Safety team into the unit.</p> <p>During the reporting period, all infrastructure for Recea was completed and 125 homes were constructed.</p> <p>794 residential properties purchased; 501 families chose to relocate; 80 are already resettled in the Recea resettlement site and 45 are scheduled to resettle in the first part of 2010; 25 families are waiting for the construction of Piatra Alba.</p> <p>All the families that relocated received assistance during the transition period according to their needs and difficulties: orientation, counselling, moving assistance, social services, training, skills enhancement grants, job search assistance, etc.</p> <p>During the reporting period:</p> <ul style="list-style-type: none"> • local community spending was 11.8 million Ron (Cdn\$4 million) • county spending was approximately 44.5 million Ron (Cdn\$15.4 million) • social community program spending was 1.5 million Ron (Cdn\$542,300) <p>70% of the employees are from the community surrounding the Project.</p> <p>No investment was made in 2009 due to the “on hold” situation.</p> <p>During the reporting period, capacity building initiatives were rather limited due to the Project status. The activity of the Microbank remained temporarily suspended.</p> <p>In 2009 we had:</p> <ul style="list-style-type: none"> • one education workshop • one youth environment protection workshop • two leadership training sessions <p>During the reporting period, we recorded 10,650 volunteer hours for both skilled and non-skilled work.</p>

For more information

If you would like to receive more information on aspects related to the Project, please contact our:

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GABRIEL
Rosia Montana
IN PARTNERSHIP

About Gabriel Resources Ltd.

Gabriel Resources Ltd. is a Canadian-based resource company committed to responsible mining and sustainable development. Gabriel is engaged in the exploration and development of mineral properties in Romania, in particular, the development of its 80.46%-owned Rosia Montana Project. For more information, please visit the Company's website at www.gabrielresources.com.

Savings derived from using post-consumer recycled fibre in lieu of virgin fibre:

- 15 trees preserved for the future
- 43 lbs. of waterborne waste not created
- 6,280 gallons of wastewater flow saved
- 695 lbs. of solid waste not generated
- 1,368 lbs. of net greenhouse gases prevented
- 10,472,000 BTUs of energy not consumed

Savings from use of emission-free wind-generated electricity:

- 1,694 lbs. of greenhouse gas emissions not generated
- 1.8 barrels of fuel oil unused
- not driving 1,676 miles
- planting 115 trees



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