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## Canadian Mining Company Threatens Romania with Investment Treaty Lawsuit Over Gold Mine



Yukon-based mining company [Gabriel Resources Ltd.](#) sent an ultimatum this week to one of the poorest countries in Europe to either approve its [Rosia Montana gold mine project](#) or face a \$4-billion lawsuit.

If approved, the project will create the [largest open-pit mine in Europe](#) in an area many have argued should be a UNESCO World Heritage Site because of its natural beauty and unique history. The Romans mined gold at Rosia Montana over two thousands years ago. Thousands took to the streets across Romania last week to protest Gabriel Resources' project in what is being called the "[Romanian Autumn](#)." Earlier this week the Romanian Prime Minister – a supporter of the project – conceded Parliament would most likely reject the Rosia Montana project because of its unpopularity.

Last Wednesday, Gabriel's CEO Jonathan Henry struck back in a manner that is becoming typical of Canadian mining companies operating overseas - approve the project or else.

"The Rosia Montana project is really a bad news project," says Jamie Kneen, communications and outreach coordinator for [MiningWatch Canada](#).

"In fifteen years of trying to make this project a reality Gabriel Resources has failed to redesign the project to accommodate people's concerns or address the issues associated with the project," Kneen told DeSmog. MiningWatch Canada is an Ottawa-based organization promoting mining policies and practices that are in the public interest.

Canadian mining companies already have [one of the worst reputations in the world](#). Companies such as Gabriel are not helping Canada's case.

"If the lower house [of parliament] does reject the project, we will go ahead with formal notification to commence litigation for multiple breaches of international investment treaties for up to \$4-billion," Henry said in a phone interview with the [Globe and Mail](#). It is unclear which "international investment treaties" Henry is referring to because Gabriel has yet to name which ones Romania is breaching. His words did send Gabriel's stocks up 15 per cent though.

Gabriel's stocks took a 50 per cent nose-dive earlier this week when Romanian Prime Minister Victor Ponta expressed his doubt the draft law for mining Rosia Montana would receive parliamentary approval.

"There is a majority opposed to the bill," Ponta had to admit [last Monday](#). Henry vowed to make Gabriel's case against Romania "very public" to the extent that "Romania's effort to attract foreign investment will suffer greatly."

If approved, the Rosia Montana project would level four mountains, wipe three villages off the map and displace hundreds of rural Romanians. Despite this some villagers want the mine to get the go-ahead because of the jobs Gabriel has promised them.

"We want to mine! We want to work!" shouted a [group of miners](#) demonstrating at Rosia Montana's town hall on September 9<sup>th</sup>.

One of the largest concerns opponents of the Rosia Montana project have is the use of cyanide to process gold.



"Rosia Montana involves mining large volumes of low grade ore," says Kneen of MiningWatch.

"To separate the gold from the ore it'll be crushed up and sprayed with cyanide out in the open. This is a practice that has been banned in places such as the state of Montana because of dangers it poses to the environment and communities," Kneen told DeSmog.

It is estimated the Rosia Montana project will produce [250 million tons of toxic tailings laced with cyanide](#). Gabriel plans on storing these tailings in a huge dam. In 2000, cyanide laced tailings from a gold mining project in northwestern Romania leached into two rivers and contaminated the drinking water of 2.5 million people.

Gabriel has a lot riding on Rosia Montana. The company has [never operated a mine before](#) and all its projects (the company only has two) revolve around Rosia Montana. Gabriel claims to have spent over \$500 million on the project over the fifteen years the company has been seeking approval and they have very little to show for it.

"Investors in Rosia Montana should really be questioning what their money has actually gone to," Kneen told DeSmog.

Romanian Parliament is currently debating whether to approve or reject the draft law for mining Rosia Montana. In the meantime, protests against Gabriel's gold mining project are expected to continue throughout the week culminating with a [global day of action on September 15<sup>th</sup>](#).

*Image Credit: Hanuta Flickr, Past Horizons*