



Both Macedonian State and the investor Euromax Resources have concealed the environmental impact assessment study of Ilovica gold mine, a document that is supposed to guarantee that open pit mine will not create environmental problems in the region. Under a veil of secrecy, in the foothills of Ograzden Mountin in southeastern Macedonia, near the town of Strumica, machines of the Canadian company Euromax Resources are extracting ore rich in gold and copper.

The American-Bulgarian company Phelps Dodge Vardar have explored the soil around Strumica villages of Ilovica and Stuka in the period from 2004 to 2012.

That was a "junior mining" company, engaged in exploration, while the mining works are done by the large corporation Euromax Resources, which will invest between 400 and 500 million euros in the mine, where gold will be exploited over the next three decades. According to data published in February 2013 the deposit has 119 tons of gold and 791,000 tons of copper.

Bosilovo Municipality has 15,000 inhabitants who are mainly engaged in growing of vegetable crops and stock farming.

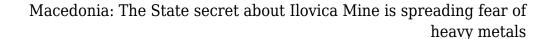
A unique wetlands in Macedonia, known as Monospitovo blato is located tens of kilometers away from Ilovica. This region has been declared a natural monument, and the royal fern has been especially protected. Several species of rare birds inhabit the wetlands. One of the largest dairy producers in Macedonia, Zdravlje Radovo operates in the municipality.

Environmentalists are always cautious when it comes to opening of a gold and copper mine, given that an incident occurred near Macedonia in not too distant past. The possibility of using the cyanide in the processing of ore is of particular concern. Ecologists call this method "the environmental nuclear bomb".

An example of this disaster is a cyanide which appeared in the Tisza River, the largest left tributary of the Danube, and the source of contamination was a copper mine in Romania. A huge number of fish died on the Hungarian territory because of cyanide. There was a concern that the cyanide could reach the drinking water, but fortunately it did not happen. Protests against the opening of gold mines were organized in Greece and Romania, where the Canadian company Gabriel Resources is planning to open the largest mine of its kind in Europe in the area of Rosia Montana. Citizens fear that Canadians will use cyanide and relocate several villages.

With the announcement of opening Ilovica gold mine, environmentalists asked a question whether the cyanide will be used.

Unavailability of the study for the general public increased the concern for the impacts of





the new mine on the environment.

The company Phelps Dodge Vardar has asked from the Ministry of Environment not to publish the complete environmental impact assessment study. The Ministry published on its website only non-technical summary, whose contents further alarmed environmentalists. The document states that the company is considering two alternatives for the treatment of mineral resources – flotation and leaching with cyanide solution.

The lawyer of environmental association "Front 21/24" Aleksandra Bujaroska says that summary gives only a general advantage to the first option.

The Company Euromax Resources firmly claims that it will not use cyanide in Ilovica mine and that it does not have the permission to use this toxic substance.

"There is a possibility to choose the option that includes processing with the use of cyanide because this variant, according to experts who have been developing the Study, provides greater utilization of gold. Unfortunately, we do not have a complete Study to review it, and we cannot say for sure which option will be the final choice of investor," says Bujaroska. The company claims that, according to the law, environmental impact assessment study must offer at least two alternatives, which is why the option with cyanide has been considered.

The company explains that only gold located in the upper layers of soil can be treated with cyanide, and that this process with cyanide cannot be used for the rest of the ore which can be found deeper in the soil.

The amount of ore that can be processed with cyanide represents only 10% of the total mineral resources and the company assures that this ore will be dumped.

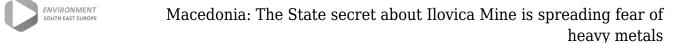
The Ministry of Environment says that environmental impact assessment study cannot be published in order to protect confidential data in the integral text.

Bujaroska says this is the first investor who requires to publish only the summary. She adds that information about environment should not be confidential and that if there is such information, it should be removed and afterwards the study can be published.

NGO "Front 21/24" warns that projects such as mines have most impact on water resources. "Almost every mine implies the water pollution with high concentrations of certain heavy metals that are found in ore and flotation tailings. According to the non-technical summary, the project would lead to diversion of watercourses, as well as to changes in the quantity, quality and availability of surface water, "warns Bujaroska.

About the company Euromax Resources

Owner of the Macedonian Euromax Resources are two eponymous companies, one is based in London and the other based in Vancouver. The Canadian Euromax Resources owns three



companies, it is the London and Canadian Euromax Resources and Omax International Limited, with headquarters in the Cayman Islands.

Omax International owns Euromax Services, which is conducting exploration activities in Bulgaria, and South Danube Metals, which is exploring in Serbia, on the border with Kosovo.

The whole business of the Canadian company is focused to Macedonia, Serbia and Bulgaria. Euromax Resources and other similar corporations have recently had conflicts with the local population because of the fear of environmental consequences of their activities.