

According to Mining Watch Romania, Carpathian Gold is an inexperienced junior mining company that holds the concession of only two blocks one in Brazil and second in Romania. NGO says that the mining area in

Rovina, concession of Carpathian Gold has an area 93.5 square kilometers, almost three times the area of Deva. According to the Canadian company releases, Rovina is the first mining project owned 100% by a foreign company without the participation of the Romanian state.

Samax Romania, the local subsidiary of Canadian company Carpathian Gold, aims to harness the 116 tonnes of gold and 426 tonnes of copper at Rovina Hunedoara county and the company registered in Baia Mare has initiated a series of presentations in the local community with a goal to convince community and its inhabitants the benefits of mining. On the other side NGO Mining Watch Romania claims that gold will be stolen by “false promises and offshore companies.”

Representatives of the MiningWatchRomania participated in public meeting during which Director of Samax Romania, Alexandru Nicola presented the company’s strategy on the Rovina mining area.

Samax Romania CEO stated that Carpathian Gold Rovina sees the mine as rich with impressive copper reserves. There are tons of copper compared with 22.4 6.1 tons of gold extracted per year. But the true

wealth lies in its Rovina mine gold . Gold value, calculated at the market price is double than to copper, approximately 237 million dollars / year to approximately gold \$ 110 million / year for copper. Estimated life of the mine is 19 years.

Asked about the environment social impact studies of the project, about the flow of money and how the new strategy is it different from mining accident since 2000 (an outflow of cyanide produced near Baia Mare, which affected several rivers), Mining Watch Romania claims that the Director of Samax Romania became nervous.

He explained that the money comes from the Toronto Stock Exchange, although Carpathian Gold delist this year according to Mining Watch Romania.

NGO representatives stated, the SEDAR filing documents and documents obtained from the Trade Register of Romania and the Virgin Islands show that in fact there are three offshore companies, two from Romania

SRL and Carpathian Gold Samax Canada. Two of them, Samax Romania Carpathian Gold LTD and LTD, registered in the Virgin Islands and Hours Leave Capital LTD is registered in Barbados. These companies LTD

“limited” benefits from tax breaks, and if they declare bankruptcy or have an accident

mining, Carpathian Gold will be excluded from any responsibility.

By circulating money they invest and those obtained as profit the money circulates thru offshore locations. In June 2015, Alexandru Nicola paid a sum of 90,000 lei from Romania Samax LTD (Virgin Islands) to Samax Romania SRL. The capital of Samax Romania SRL increased from 5,000 lei to 95,000 lei. Toronto stock company Canadian company”

Carpathian Gold “stocks exploded, after the company announced that it has reached an agreement with the National Agency for Mineral Resources (NAMR) for a license for 20 years for the exploitation of deposits of Rovina, the local subsidiary of Samax Romania SRL.

First doubts concerning the fairness of the company announcement in investors medias and stock market were challenged with explanation from Mining Watch Romania, explaining that company Carpathian Gold not

yet received a formal license to exploit deposits of gold and copper from Rovina, since the decision had not been published in the Official Gazette, according to the law. The announcement Carpathian Gold has

led to an explosion of company shares value on the stock exchange in Toronto, marking an increase of 200% in a few days, MWR explained that this information was released in a key moment, as Carpathian Gold is virtually bankrupt due to difficulties in advancing another project in Brazil. Brokers from Canada commented that if the mining license had not been granted to the company formally by law with publication of the decision in the Official Gazette, the Carpathian Gold shareholders announcement can be considered as market manipulation.