



September 2015

ILOVICA GOLD-COPPER PROJECT: ENVIRONMENTAL AND SOCIAL BASELINE STUDIES

Stakeholder Engagement Plan

Prepared for :

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REPORT



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1.0 INTRODUCTION AND PROJECT OVERVIEW

The purpose of this document is to describe the details and schedule of the stakeholder engagement activities for the Ilovica Environmental and Social Impact Assessment (ESIA) baseline studies. It is expected that this plan and record will be revised, as necessary, prior to and during the stakeholder engagement process.

The Ilovica Project (the Project) is a proposed open pit copper and gold mine that would be located near the villages of Ilovica and Shtuka on the slopes of Ograzden Mountain, in the Municipalities of Bosilovo and Novo Selo, Macedonia. The proposed Project is located approximately 15 km from the largest urban centre in the region, the town of Strumica. Figure 1 illustrates the location of the proposed development in relation to communities and the surrounding area.

Project infrastructure will include the pit, tailings management facility, a processing plant, warehouses, workshops, offices and storage areas, water and power supply, and road access.



ILOVICA STAKEHOLDER ENGAGEMENT PLAN

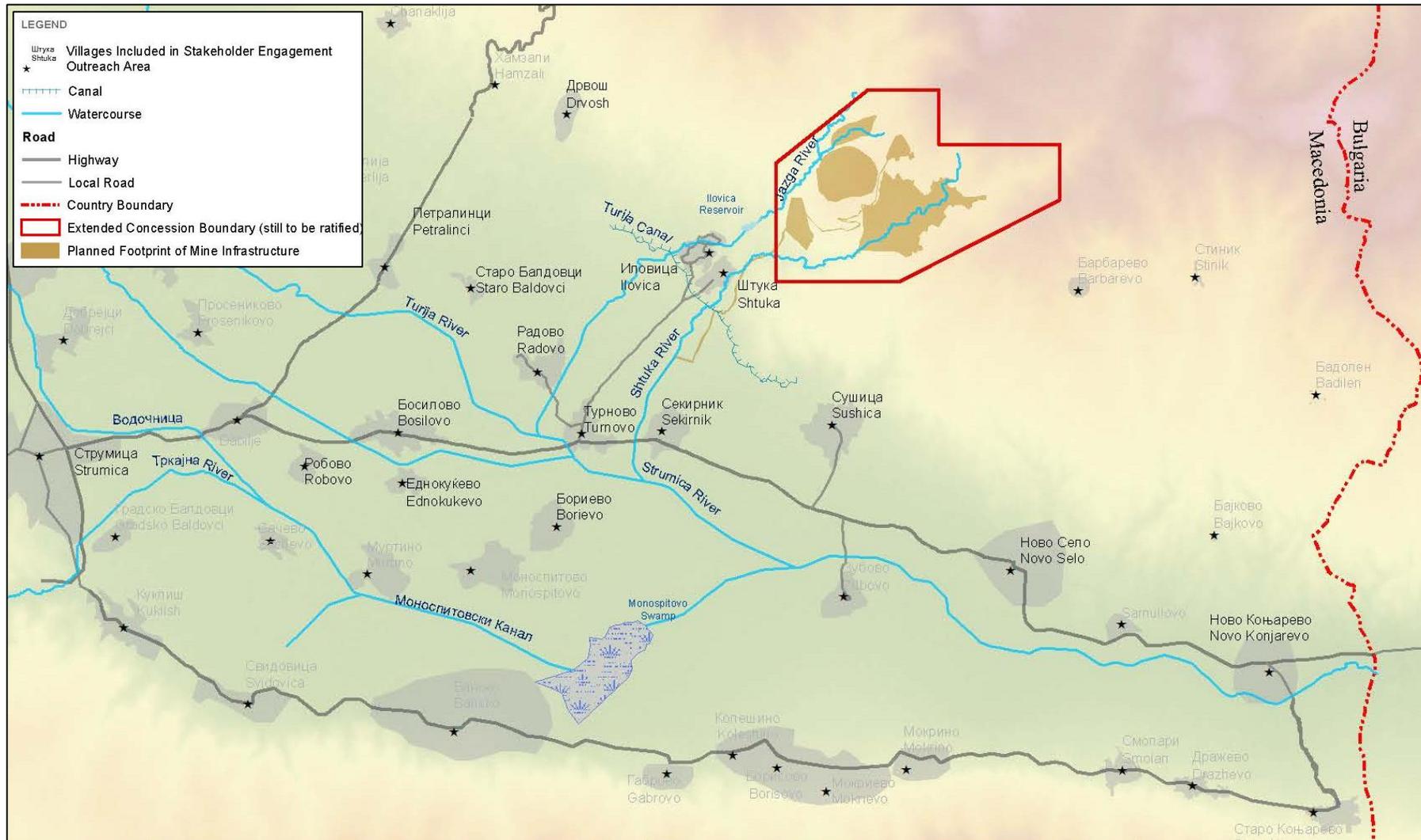


Figure 1: Project location and stakeholder engagement outreach area



2.0 PRINCIPLES AND GOALS

The fundamental principle of stakeholder engagement is for stakeholders to have meaningful input in the early stages of the ESIA. The program is designed to address the following three primary goals:

- 1) disseminate information to potentially impacted stakeholders and other concerned members of the public regarding the Project description, potential environmental and socioeconomic effects, planned mitigation measures and monitoring throughout the various phases of the Project;
- 2) actively seek comments from stakeholders regarding existing environmental and socioeconomic conditions in the Project area, potential environmental and/or socioeconomic effects of the Project and possible mitigation measures that could be incorporated to resolve those issues; and
- 3) document and respond to all public issues in a timely manner.

The stakeholder engagement program is designed in consideration of good international practice as found in:

- International Finance Corporation - Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets, IFC, May 2007;
- European Bank for Reconstruction & Development - Environmental & Social Policy: Performance Requirement 10: Information Disclosure and Stakeholder Engagement. EBRD, May 2014; and
- International Council on Mining & Metals - Sustainable Development Framework. ICMM, May 2003.

Euromax is committed to meaningful engagement with stakeholders regarding its plans for the Project and to working closely with affected stakeholders, local communities and municipal governments throughout the ESIA process and for the life of the Project (construction, operations and closure). Dedicated to providing accurate information in an open, honest and respectful manner, Euromax welcomes public input and, where appropriate, will incorporate it into the ESIA and Project design.

Information about the Project is exchanged through meetings, open house sessions and documentation either distributed to the community or made available at public venues and the Euromax website (<http://euromax-ilovitza.mk>). Euromax maintains a Facebook page, Twitter account and Linked In page. Press releases and newsletters are posted on the official website with links to social media. Question forms are available at a link where people can subscribe and receive news about the Project by email.

3.0 PUBLIC OUTREACH AREA AND STAKEHOLDER IDENTIFICATION

The proposed outreach area includes many communities that have the potential to be affected by the Project. Potentially affected communities will be prioritised for stakeholder engagement and some may need more in-depth engagement than others. For example, Ilovica and Shtuka will receive open house events in their communities because all community members could be affected by the Project in some way, while other communities may only be affected by a single issue such as visual disturbance and so stakeholder engagement activities will be less involved. The open house events are not restricted to local residents only - advertisements will explicitly invite stakeholders and members of the public from the entire outreach area.

The following communities have been identified as forming the outreach area for stakeholder engagement. Communities are grouped according to how they may be affected by the Project and Project activities:



ILOVICA STAKEHOLDER ENGAGEMENT PLAN

Primary Affected Communities (Benefits and Effects)	Secondary Affected Communities
Ilovica	Borievo
Shtuka	Bosilovo
Strumica	Drvosh
	Ednokukevo
	Novo Konjarevo
	Novo Selo
	Petralinci
	Radovo
	Robovo
	Sekirnik
	Staro Baldovci
	Sushica
	Turnovo

Ilovica and Shtuka are likely to be most affected by the Project, (e.g. water, visual, noise, air). However these two villages would also capture Project benefits such as direct community investments, employment and perhaps will see some other economic benefits from Project procurement and spending.

Strumica will also benefit from the Project as a regional centre. Secondary schools, supply stores, factories, restaurants, and hotels are located in Strumica.

3.1 Key Stakeholders

Stakeholders within the outreach area may experience direct effects (either adverse impacts or and/or benefits) from the Project. Accordingly, the stakeholder engagement plan is designed to reach a wide variety of potential stakeholders. Categories of stakeholders that have been identified include:

- Business Owner/Contractor;
- Elected Official - Mayor's Office;
- Elected Official – Other level of government;
- Farmer's Association;
- Forestry Company (other commercial tenure holders);
- Government dept. – Municipal;
- Government dept. – Regional;
- Government dept. – National;
- Non-elected leaders/administrators (economic, planning and emergency response departments);
- Health services;
- Education sector reps;
- Youth Council;



- Hunting Association (recreational users);
- Land Owners;
- Law Enforcement Official;
- NGO/ENGO Official (environmental groups); and
- Religious organization.

A list of key stakeholders for this Project has been prepared and will be updated as necessary and maintained by Euromax.

4.0 STAKEHOLDER ENGAGEMENT ACTIVITIES PRIOR TO MARCH 2015

Euromax has undertaken a number of meetings with national level stakeholders during the initial stages of the Project. Euromax understands the importance of providing information and opportunity for discussion with stakeholders and will continue to hold these meetings and provide Project updates through a number of communication channels.

Government agencies are interested and affected parties by virtue of their roles in the approval process as well as their responsibilities for populations under their jurisdictions that may be affected by the Project. Euromax has held meetings with the Macedonian Prime Minister, the Ministry of Economy, the EIA department at the Ministry of Environment and Physical Planning, the mayors of Bosilovo and Novo Selo, the Geological Institute, the IMF, the European Bank for Reconstruction and Development and the National Bank of Macedonia as well as Canadian ambassadors and government representatives.

Since 2012, Euromax's (EOX) community relations team have maintained an office in Ilovica and taken meetings with residents and local community representatives (e.g., schools, businesses, utilities, finance, local municipalities). There are a total of 200 communication records between January 2014 and January 2015. Most stakeholders inquired about the Project schedule and status, followed by inquiries about employment opportunities for mine construction and operations. The third most common questions and comments were related to baseline environmental studies and the potential environmental effects of the Project. Most of these comments were general while others were related to water supply and quality or pollution. Other more common comments related to how different communities may be affected or how they may benefit from the Project as it proceeds. A fair amount of comments also related to EOX community investments including donations and support of municipal projects like the village square in Ilovica.

5.0 STAKEHOLDER ENGAGEMENT ACTIVITIES 2015

Stakeholder engagement activities occur throughout the course of the ESIA, with public and face to face meetings supported by ongoing communications and information distribution. All stakeholder engagement materials are written in Macedonian or presented in spoken Macedonian at meetings or public events.

Two rounds of stakeholder engagement activities were held during the course of the ESIA baseline studies:

- Round one (March/April 2015) introduced the Project and the ESIA process and sought input to refine draft baselines and scopes for the ESIA (the report on Round One is available on the Euromax website and at the Ilovica Information Centre); and



- Round two (September 2015) reported back on the results of baseline studies (including the results of the water studies), provided an update on the Project description, and described the upcoming impact assessment process (the report on Round Two will soon be available on the Euromax website and at the Ilovica Information Centre).

Both rounds consisted of information distribution and offered the opportunity to hold meetings either one-on-one or in small groups. Consultation forms and a communications register were used to record all discussions during stakeholder engagement.

5.1 Round One: March-April 2015

The first round of stakeholder engagement focused on one-on-one and small group meetings with local government authorities and administrators and with representatives from interest groups.

Euromax Information Centre Administrator arranged meetings with interested stakeholders such as elected leaders and representatives of groups. The intent was to maximise opportunities for stakeholders to participate, using techniques other than an open house.

Euromax provided meeting minutes to Golder for input into future reporting. The report on Round One was completed by Golder and made publically available on the Euromax website and at the Ilovica Information Centre.

5.2 Round Two: September 2015

The second round of stakeholder engagement focussed on open house events which were open to members of the public and included a Project presentation and display of posters which provided information on the Project and the results of the ESIA baseline studies. Additional small group meetings were held with stakeholders.

6.0 FUTURE STAKEHOLDER ENGAGEMENT ACTIVITIES

A third round of stakeholder engagement will occur in early 2016 during the impact assessment stage of the ESIA and will provide an opportunity to explain the results of the baseline studies, impact assessment and proposed mitigation measures. The timing of the third round will be discussed and agreed with Euromax once further information is available regarding the Macedonian regulatory requirement for disclosure and public consultation.

In the meantime, Euromax will maintain their Information Centre in Ilovica and will continue to use the communication methods described in Section 7 to maintain contact with stakeholders.

7.0 COMMUNICATION METHODS

7.1 Frequently Asked Questions and Answers

Golder and Euromax have developed a list of frequently asked questions to highlight the key questions that may be asked during stakeholder engagement activities. The question and answer list will be continually updated as new issues are identified and new response information becomes available. The list will be maintained by Golder and Euromax and distributed to relevant Project team members when updates are added.



In general, questions from the public are to be referred to the Euromax Information Centre:

Euromax Resources Information Centre
Ilovica 220a, Municipality of Bosilovo.
E: estoeva@euromaxresources.mk
E: rbelicheva@euromaxresources.mk
T: +389 34 368 888
Corporate contact:
E-mail: info@euromaxresources.co.uk

Euromax Information Centre Administrator will coordinate the distribution of questions to relevant Project team members, including consultants, who will determine if any follow-up is required and/or if the issue should be addressed in the ESIA. Euromax is responsible for making sure that questions are answered in a timely fashion and will regularly connect with Golder's stakeholder engagement team to make sure that questions relevant to the assessment of social and environmental effects are considered by ESIA specialists in their discipline-specific reports.

7.2 Media Communication

The following forms of media have been considered for communication of the Project and the second round of stakeholder engagement activities:

- Local radio (*Macedonian Radio, Express Radio and Hit Radio*);
- Local television (*A1 TV, TV VIS and TV Intel*);
- Local online newspapers (*Strumica denes*)
- Notices in local shops; and
- Notices on Euromax Resources website and Facebook pages.

Media communication was used to advertise the open house events in the second round of stakeholder engagement. A newspaper advertisement was prepared and placed on news websites that are commonly read in the region, such as *Strumica denes* (Strumica Today, an online news website). Notices advertising the open house events were also placed in local shops and on the Euromax website and Facebook page.

Notices and advertisements appeared 6 days prior to stakeholder engagement activities.

7.3 Initial Stakeholder Contact

Elizabeta Stoeva (Euromax Information Centre Administrator) and Dragi Peltechki (Euromax Mining Engineer) made contact with municipal elected officials and administrators in the outreach area prior to sending out official information on the Project and open house invitations. Some of these visits had already been occurring.

Initial contact with the key stakeholders was made by telephone or in person. The purpose of these meetings and calls was to inform key stakeholders about the Project, plans for stakeholder engagement and to get their input into what engagement techniques are generally the most effective. Euromax also coordinated contact with local groups (e.g. farmer's associations, local businesses) to advise them of opportunities to participate and provide information on the baseline studies.

Some of the key stakeholders were contacted to participate in stakeholder interviews. Euromax also asked if key stakeholders would like to meet in person or in small group format to discuss the Project in more detail.



Each stakeholder (or group representative) was asked if there was anyone else that Euromax should be contacting.

The telephone conversations and/or meetings were followed up with distribution of a leaflet or newsletter delivered to interested stakeholders. All telephone conversations were documented on Euromax consultation forms and included in the stakeholder engagement tracking database.

7.4 Information Package and Project Updates

Information packages are developed and revised as needed to provide the information necessary to allow stakeholders to participate meaningfully in stakeholder engagement discussions.

A brief leaflet was produced and used for the first round of stakeholder engagement and was carried by ESIA field teams during their baseline studies.

A more detailed brochure was produced for the second round of stakeholder engagement and for ongoing information sharing. The following information is provided to key stakeholders through the brochure and other means of communication:

- Location of the Project in relation to common landmarks (e.g. major roads, water bodies, communities);
- Main components of the Project, including existing infrastructure to be used as part of the Project;
- Proposed timing and duration of the Project;
- Description of how potential environmental and socioeconomic effects of the Project will be assessed/addressed;
- How public safety will be addressed (reference to commitment to ongoing and continued improvement in safety record);
- Euromax's approach and commitment to environmental and community sustainability;
- How people can participate further in the stakeholder engagement process;
- How comments or concerns raised by the Project will be addressed; and
- Company contact information.

Project brochures were distributed to stakeholders, placed in common public places such as municipal offices and the Ilovica information centre, and were made available at the open house events. As new information becomes available, and as issues dictate, follow-up newsletters and/or fact sheets can be distributed.

7.5 Open Houses

The open house events were held over a four hour period where people could come and informally review information on the Project, the baseline studies and ESIA, results to date, and regulatory requirements, as well as to meet and ask questions of Euromax and Golder representatives. Golder and Euromax gave a presentation twice throughout the course of the open house.

Open houses were held in the following communities:

- Ilovica (to cover Ilovica, Shtuka, and other communities in the municipality of Bosilovo);
- Novo Selo (to cover the communities in the municipality of Novo Selo).



7.6 One-on-One Meetings

One-on-one meetings with key stakeholders will continue on an as needed/as requested basis.

7.7 Project Update Newsletters

Project updates will continue on a periodic basis throughout the ESIA process. The update newsletters are prepared for distribution to interested stakeholders to summarise the findings of the environmental and socioeconomic baseline studies and any potential changes to the Project design or timelines. The newsletter is posted on the Euromax website and hand delivered to stakeholders who have limited access to the internet.

Web posting is important. Copies of the following information are posted on the Euromax websites (<http://euromax-ilovitza.mk/> and <http://www.euromaxresources.com/>):

- Information package and Project updates;
- Project Newsletter;
- This Stakeholder Engagement Plan;
- Grievance Mechanism;
- Stakeholder engagement reports; and
- Draft and final ESIA report.

7.8 Posting in Public Buildings

Copies of the information indicated in Section 7.7 are placed in the following places for public access:

- Bosilovo Municipal building; and
- Novo Selo Municipal building;

8.0 TRACKING OF STAKEHOLDER ENGAGEMENT ACTIVITIES

Throughout the ESIA, consultation forms and the communications registry are used to record all findings. A stakeholder engagement tracking database is maintained by Euromax and regularly reviewed by Golder. The database is used to summarise the activities undertaken and to document and track key issues and responses. This information will be summarised in the stakeholder engagement report.

Key issues from the stakeholder meetings and open houses are identified and shared with the Project team, Euromax and the Feasibility Study engineering team to ensure appropriate follow-up measures are identified. Issues and commitments (responses) are entered into an excel database.

9.0 STAKEHOLDER ENGAGEMENT REPORT

Golder prepares a draft report after each round of stakeholder engagement. A final stakeholder engagement report will be appended to the ESIA and a summary of the key findings will be used to inform the impact assessment.



10.0 COMMUNITY INVESTMENT

Euromax has been making contributions to communities near the Project Site since 2012. Requests are made by letter to Euromax Information Centre and are considered if they are sustainable or “one-time only” investments. Requests must adhere to Euromax’s Community Investment Framework, and must fall under at least one of the company’s funding categories: Culture and Art, Education and Environment, or Community and Sports. To date, Euromax has donated or contributed to the following:

Culture and Art:

- Rusalii Folklore Cultural Event. 2012. Euromax contributed funds for new costumes and props for the dancers at a one day celebration of cultural heritage, traditions and ancestors.
- Baba Vanga’s Fountain - Novo Selo. 2013. Named after a local prophet, this project is an example of Euromax’s commitment to supporting cultural heritage.

Education and Environment:

- School Presentations. 2013. Euromax delivered presentations on mining and the environment to 120 students and their teachers at the St Cyril and Methodius School.
- Forestry Litter Clean-up. 2013. Euromax staff picked up litter around the reservoir and access roads and transported it to the Bosilovo landfill.
- St Clement of Ohrid School Project. 2014 (ongoing). Providing educational resources for students with disabilities.
- Waste Management and Recycling Program. 2015 (ongoing). Presentations about the importance of proper waste management and recycling, and the provision of recycling bins in the St Cyril and Methodius School.

Community and Sports:

- Ilovica Village Well. 2012. Improved the safety of steps and access to the water supply, and create an attractive and comfortable community meeting place.
- Shtuka Village Well. 2012. Improved the safety of steps and access to the water supply, and create an attractive and comfortable community meeting place.
- School Sports Sponsorship. 2013. Euromax provided funding for new sports clothing and equipment at the St. Cyril and Methodius School to promote active healthy lifestyles.
- Ograzden Football Club. 2013. Euromax funded all expenses for the football season.
- Ilovica Village Square. 2014. Euromax contributed by funding the construction of paved access paths and landscaping of grassed areas of the area in front of the school and the sports hall at the St. Cyril and Methodius School.
- New Water Pipeline. 2015. Euromax developed a new water pipeline to connect the existing water supply network with the new reservoir in Mokrino.

Euromax will undertake a planning process prior to construction that will identify key focus areas for intervention. Euromax will intervene in key areas where community needs are the greatest and where the Project will be especially well positioned to achieve meaningful results. Initiatives in these areas should be



designed first and foremost for effectiveness and ability to achieve measureable results, and secondly for being sustainable in the long term, after the mine closes.

A Community Investment Plan will be prepared by Euromax which will encompass the following:

1. Selection of relevant areas of focus for community investments;

Priorities for investment will be discussed with affected communities. Some suggestions to consider as priority areas include:

- Building skills and increasing educational opportunities;
- Helping community members have safe and healthy families;
- Improving opportunities for quality education and training locally;
- Contributing to sustainable rural livelihoods; and
- Improving environmental awareness conserving natural resources and management of the physical environment.

2. Set clear goals.

3. Establish clear and equitable selection criteria.

4. Establish a transparent project funding process.

5. Determine roles and responsibilities: Euromax will develop clear roles for community development partners, local government and Euromax itself.

6. Keep a focus on partnerships. Euromax can attract partnerships whereby NGOs and donors, local businesses, the company, and local government collaborate in meaningful partnerships to develop notions of corporate citizenship and jointly fund activities.

11.0 EMPLOYMENT AND PROCUREMENT

As a separate component of community investment, the Project will tailor its contracting and procurement strategy to maximise local economic development within local municipalities, to the extent feasible. This geographic area will be considered first for sourcing of raw materials, finished goods, and services. Euromax will promote viable local sources for these Project inputs by providing business development assistance and offering long term procurement commitments. The Project's recruiting strategy will also be geared towards maximising local employment to the extent feasible, and will include a training component to enhance the skill levels of local job applicants.



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