



**“Ilovica-Shtuka” Copper-Gold Project**

**Land Acquisition and Resettlement**

**Framework**

## **“Ilovica-Shtuka” Copper-Gold Project (The Project) Land Acquisition and Resettlement Framework (LARF)**

The Ilovica-Shtuka Gold-Copper Project is a proposed copper and gold mine with supporting facilities located in southeast Macedonia, approximately 180 km south east of Skopje, 18 km east of Strumica and 15 km west of the border with Bulgaria.

For further development of the Project within the mining Concession area as well as construction of the project access road, overhead power line and water supply infrastructure, there is a need for acquisition of land.

### **Potential Displacement Impacts:**

The Project is being carefully designed to avoid, or where avoidance is not possible, to minimise displacement impacts. Land acquisition is not expected to result in any loss of housing, but could impact upon income sources or means of livelihood for land owners and users.

### **Explanation of LARF:**

The Land Acquisition & Resettlement Framework (LARF) describes, amongst other things:

- how the project will avoid or minimise any displacement impacts;
- the principles and framework for compensation and assistance that Euromax will provide for any loss resulting from Project land acquisition or restrictions on use of land;
- how Euromax will consult and engage with people affected by land acquisition; and
- a grievance mechanism for people affected by land acquisition to raise concerns.

### **Programme of Land Access:**

The programme for construction of the mine facilities and key infrastructure means that land access is required at different times for different Project components. This is described in the LARF and needs to be carefully planned to ensure sufficient time is available to complete the necessary studies, data collection and consultations for each component. Firstly, the focus will be on land access within in the concession area (the map is presented in this document).

### **National Legislation and EBRD Policy Framework:**

#### **(PR5 Land Acquisition, Involuntary Resettlement and Economic Displacement)**

Land acquisition for the Project will meet national legislative requirements of Macedonia, as well as the requirements of international lenders and investors, including the European Bank for Reconstruction and Development (EBRD) which is helping to finance the Project. EBRD requirements include its Environmental and Social Policy Performance Requirement 5 (2014). In the case of inconsistency between national legislation and EBRD requirements, the higher standards will be adopted.

The Project has been screened as a Category A project under EBRD’s Environmental & Social Policy. EBRD requirements pertaining to land acquisition, relevant for this Project, can be summarised as follows:

- To avoid or, when unavoidable, minimise, any displacement impacts by exploring alternative project designs;
- To mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons’ use of and access to land or resources;
- To restore or, where possible, improve the livelihoods and standards of living of displaced persons, including those with formal and informal rights or claims to the land, to pre-project levels and support them during the transition period;
- To make special provisions for assisting disadvantaged or vulnerable individuals or groups; and
- To establish a grievance mechanism.

**Approach to Land Acquisition:**

In line with national legislation and EBRD requirements, Euromax's preferred approach to land access and acquisition is via negotiated settlement – i.e. mutually satisfactory agreements between the buyer and seller ('willing buyer, willing seller'). Should the negotiated approach be unsuccessful, legally defined expropriation processes activities established in the Expropriation Law for Public Interest of the Republic of Macedonia will be applied.

**Compensation and Assistance:**

The LARF presents the principles and framework for compensation and assistance that Project affected persons will be entitled to and how these will be set. For example, compensation for affected assets will be at full replacement cost (e.g. amortization is not considered) as established by a registered Government valuer.

**Consultation, Participation and Disclosure:**

Affected persons and communities (including vulnerable groups and individuals) will be consulted to facilitate their early and informed participation in decision-making processes related to eligibility, compensation and assistance and ensure that acquisition and compensation activities are implemented with appropriate disclosure of information and consultation.

**Grievance Management:**

A grievance management mechanism will be established for the Project by Euromax, and available on the Company website and at their offices.

**LARF Disclosure:**

The LARF will be disclosed from 07.09.2016 on the Euromax websites:

([www.euromaxresources.com](http://www.euromaxresources.com) in English) and  
([www.euromaxresources.mk](http://www.euromaxresources.mk) in Macedonian and English).

In addition, hard copies of the LARF will be available at the following locations:

- Euromax Resources DOO offices in:
  - Strumica – Goce Delchev 58, Strumica 2400, Macedonia.
  - Skopje - Blvd Partizanski Odredi, Br.14, 1/2-3, Skopje 1000, Macedonia.
- Euromax Information Centre, Ilovica (Ilovica 220a, Municipality of Bosilovo, E-mail: [info@euromaxresources.mk](mailto:info@euromaxresources.mk)).
- Municipality of Bosilovo (2431 Bosilovo, Macedonia [www.opstinabosilovo.gov.mk](http://www.opstinabosilovo.gov.mk); E-mail: [ops.bosilovo@t-home.mk](mailto:ops.bosilovo@t-home.mk) ).
- Municipality of Novo Selo (Manus Turnovski, 2434 Novo Selo, Macedonia [www.novoselo.gov.mk](http://www.novoselo.gov.mk); E-mail: [contact@novoselo.gov.mk](mailto:contact@novoselo.gov.mk) ).
- Euromax Land Acquisition office in Bosilovo, Magistralna ulica Br. 604, Dabilje, Strumica.

Tel: +389 34 347 001, Mob: +389 75 451 778

As the land acquisition process develops with regard to the overhead power line, relevant documents will be deposited at the Municipality of Berovo (Dimitar Vlahov 10, 2330 Berovo, Macedonia).

