

Response by GoldQuest Dominicana s.r.l. and GoldQuest Mining Corporation with regards to an article entitled, “Proyecto Minero Romero en SJM camino al colapso”

Submitted to:
Business and Human Rights Resource Centre
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The article cited, dated February 12, 2018 by “La Redacción” misrepresents the Romero Project, GoldQuest, and the benefits to be derived from the Romero project. Since we do not know exactly who the author is, we cannot speculate about the underlying reason for the statements made. Hence, we will address the facts as we understand them:

1. The statement (par.1) that the residents of the San Juan Province are opposed to the project is not supported by sources cited or data. Data taken from our house-to-house program indicates that only 21% of the 4,500 houses interviewed are opposed to mining (unpublished internal report). Our questionnaire does not disaggregate the number of persons opposed to the project from the number of persons opposed to mining in general. Within the communities in the impact zone of the project, there is an overwhelming favorable response, in part due to the need for steady income and in part due to confidence developed between GoldQuest and local communities during an 8-year exploration phase in the village of Hondo Valle. It is worth mentioning that under Dominican law, social license is not a requirement for the mining concession. It is a requirement for the next stage permit which is the environmental and social license.
2. We do not comprehend paragraph 3.
3. There is no data presented in paragraph 4. GoldQuest has submitted to the Dominican Government under a signed declaration a design for a subterranean mining project that harvests rainwater and will use no water from the San Juan River. The proposed operation will rely on efficient water use and recycling, will not discharge anything into the San Juan River, a physical processing regime of a concentrate of gold, silver, copper for export. There will be no use of chemicals that can contaminate the San Juan River. The design is included in the pre-feasibility document available at our website, www.goldquest.com. If approved by the Dominican government, GoldQuest will enter the feasibility stage of the project with final technical design work for a 23 km. road, electric, fiber optic cables, and deep design of the subterranean mining operation and mineral processing facility. Each of these requires a rigorous Environmental and Social Impact Assessment and extensive public involvement and consultation. The technical and environmental aspects cannot be completed until GoldQuest is granted the 1st stage mining concession by the Dominican Ministry of Energy and Mines. There is no mining activity in the Romero concession.
4. Paragraph 5: our pre-feasibility study presents a project that will not affect the water of the Rio San Juan and our proposal must be validated during a rigorous environmental and social impact assessment phase. Subterranean mining in the uplands can be complimentary to agriculture in

the lowlands. Water is not a zero-sum game when we take 21st century technology and cooperative social mechanisms into account.

5. There is no photo credit.
6. The Romero Project has not received the mining concession as stated in paragraph 6. The project is in the first stage permitting process. The project has been in the approval stages for 856 days and still requires presidential authorization, validation of the limits of the concession, and signature by the Minister of Energy and Mines.
7. Paragraph 8 has no scientific basis with regards to the Romero project. The project is located between 150 and 450 meters in a volcanic mass that, due to its origin, is impermeable. It is highly unlikely that there is any underground water. Drill cores taken during exploration down to 700 metres do not indicate subterranean water. The environmental phase will validate that point.
8. Paragraph 9, *GoldQuest has never cheated anyone*. Our statements have been delivered to the Dominican Government via the Ministry of Energy and Mines under a signed declaration. The mineral will certainly be processed in the form of a concentrate as described above. The concentrate will be exported to smelters outside of the Dominican Republic.
9. Paragraph 10 and 11 do not at all describe the process proposed for the Romero project or any impacts that could reasonably be expected as a result. The environmental impact phase should address unwarranted claims. The author(s) should cite a credible technical source or references.
10. The Romero project is located in the Tireo **formation, not concession**, as stated in paragraph 13. The project is located in the Romero **Concession**, located over 50 kilometers from the Municipality of San Juan de la Maguana.
11. On the section related to the Academy of Sciences. paragraphs 15 through 20, the Academy, or persons identifying themselves with the academy have been in print and mass media wanting to ban all mining in the Cordillera Central. These individuals have alleged the use of cyanide, excessive use of water from the San Juan River, among others, that are categorically false as described above. The Academy seeks to kill the project without the evidence that will be provided during a full environmental and social impact assessment: a position which is neither academic nor scientific. GoldQuest only seeks the opportunity to demonstrate during the feasibility stage that we will operate a safe, modern mine that is environmentally and socially beneficial and that does no harm. To the contrary, the project will not progress to implementation. The Academy of Science's only geologist, Osiris de Leon, has publicly stated that the project is sound and should progress to the environmental impact phase to determine if it is or is not feasible from an environmental and social standpoint.
12. Linking the value of water to the 224 Million dollar estimated benefit to the Dominican Government ignores the benefits of installing an improved public road and electricity on the local populations and on businesses. It ignores the amount of money a worker will take home and the effect on the overall economy, and it ignores the added impact of hundreds of additional contractors working in addition to the 800 temporary and 400 permanent positions that will be created.
13. The comparative values presented do not make sense. The Romero project is valued at \$1.1 Billion U.S. of which approximately 75% of the benefits will stay in the country and most of which in the local economy. This benefit will be produced on only about 56 hectares of land

over a 9-year period versus agriculture that yields its returns on over 34,000 Hectares according to the article. That is a pretty good return considering the alternatives presented. There is no reason not to study the potential to do both.

14. Finally, the article presents a plan to declare the area a national reserve. That would be unwelcome news to the 400 families that live in the area employing slash and burn agriculture to make a meager living on the steep hillsides. In this region, off-farm employment will enable local farmers to produce crops with permanent cover, such as avocado, macadamia, or coffee, which could expand permanent crops while improving the cash flow of local families, once the monthly needs of the family are covered.

The article reviewed presents legal, technical, and conceptual errors that could have been avoided through a simple inquiry. GoldQuest welcomes an open dialogue and exchange of information about the Romero project and invites the author(s) and readers of this article to contact us at info@goldquestcorp.com for more information.

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