

Continental **response re** "Tibetans protest against mining operations in Dharamsala", Asian News International (ANI), 25 June 2009

Continental Minerals Corporation has been exploring the Xietongmen Project, a copper-gold prospect in the Tibet Autonomous Region since 2005. The project is presently at the permitting stage.

Continental complies with the laws of the countries in which we operate whether in Canada, or anywhere else in the world. We are also committed to and apply internationally-recognized environmental, social and engineering best practices and work closely with local communities to understand their concerns and interests regarding the project. It is on the basis of this commitment that we operate in the Tibet Autonomous Region. We believe that through our work there is an opportunity to influence, by example, the thinking and approach to resource development in an area that has seen little activity of this kind.

Continental has actively engaged the people in the local communities near the project since our exploration work began in 2005. We have consulted on planned programs in advance of undertakings, entered into land and water use agreements with local villagers, relocated planned drilling operations and access roads and made other program modifications when requested. At times, we have deferred activities in order to facilitate more detailed discussions and to ensure that the local people understand our intentions and receive compensation as required by local legislation or beyond what is required as established by international convention. We reach agreements through active negotiation with both the local authorities and the local population. We have created training and employment opportunities for local people and encouraged our contractors to do so. We have actively consulted local people about how a mine might best be developed in their area, listened to their concerns and created a development plan mindful of those interests and sensitivities. Systems are in place for local villagers to communicate concerns about our activities and plans as well as their interests in community development programs.

Our community programs focus on building on local capacity and traditional lifestyles as well as opening doors for further education and skills development for young people. This is crucial in an area where poverty and low crop productivity (due to poor soil conditions and frequent droughts) often forces people to leave their communities looking for wage labour in larger cities. The cost of attending high schools in larger centers prevents most children from receiving education beyond the elementary level and illiteracy levels are high among the local population. During the exploration phase of the project our community development programs have included:

- donations of medical supplies, including an ambulance, and training for local Tibetan doctors;
- scholarship programs for children to pursue post-secondary education and contributions of materials and supplies to the local schools;
- driver training, as requested by local villagers;
- donations of construction materials for and training on the use of greenhouses;
- support for enhanced agricultural productivity through the construction of threshing grounds and irrigation systems; and
- an animal husbandry initiative to introduce healthier livestock that are stronger and more disease resistant, as well as training local people in basic veterinary care.

We are fully aware of the nature of Tibet's ecosystem and are particularly sensitive about all issues related to the use of water. Continental is committed to a high level of environmental protection and applies international standards to plan for the safety of people and the environment both during operation and after closure. Hence, apart from conducting a social and environmental impact assessment which conforms to international best practice, our work includes:

- engineering a zero discharge of mine water from the site;
- protecting and enhancing habitats for valued species such as the black-necked crane;
- developing plans for reclamation and closure to be implemented throughout the life of the project; and
- entering into a bond agreement with the government (similar to what is done in Canada) to ensure that closure of the mine is fully funded.

It is Continental's intention to continue and expand community development programs, and implement the environmental management programs through the operation of the mine with the aim of supporting sustainable benefits to local communities that continue beyond the life of the project.

In addition to community development opportunities, there will be direct financial benefits to the region from the development through the payment of wages, purchases of local goods and services, and remittances for taxes, royalties and fees at the local, prefectural and provincial levels.

There will be significant changes in the local area if the mine development proceeds. However, through our efforts toward collaborative planning and effective management of environmental and social effects and opportunities associated with mine development, we believe that the project will make a positive contribution to the livelihoods of the people in the local villages and the Tibetan region.

Finally, Continental is committed to transparency and dialogue and has been consulting with experts and stakeholders over the past years. We welcome all constructive suggestions which might help make our project a benefit for the Shigatse region and beyond.