



Prizma's Winter 2012 Newsletter

More Bankable, Credible & Sustainable

Biodiversity Management Strategy & Plan for Gold Mine

Prizma was invited by Kumtor Operating Company, which operates the Kumtor gold mine in the Kyrgyz Republic, to develop its Biodiversity Management Strategy and Plan (BMSP).

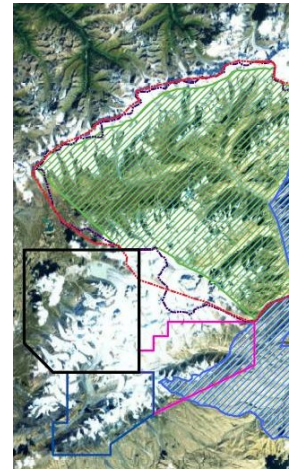
As part of this process, Prizma organized and facilitated a biodiversity oriented stakeholder focus group meeting in October 2012 in Kyrgyzstan.

The workshop was attended by representatives from the State Agency for Environment and Forestry, two Kyrgyz nature reserves, conservation NGOs, such as Flora and Fauna International, and eminent experts, such as Prof. Emil Shukurov, Editor of Kyrgyzstan's 'Red Book' of endangered species.

Stakeholders welcomed Kumtor's efforts

to develop its BMSP and related collaboration with stakeholders. Kumtor is the first mining company in the Kyrgyz Republic to engage in such activities.

Additional details about Kumtor's BMSP, and announcement of a new NGO partnership can be accessed here.



Prizma engaged to develop a Biodiversity Management Strategy for Kumtor Gold

Sustainability Reporting for Lucara Diamond Corp.

Prizma has been retained to assist Lucara Diamond Corp. to generate its inaugural sustainability report.

The producing asset of Lucara is the Karowe diamond mine. It is located in the Boteti Sub-District in Botswana. This mine is an open-pit mine with a mine life of 15+ years.

Karowe generated its first production diamonds in April 2012 and exceeded its design throughput in August 2012.

Karowe's last quarter featured no Lost Time Injuries or reportable environmental incidents, continuing its excellent safety, health and environment record.

Lucara Diamond Corp. is a member of the Lundin Group of Companies. Prizma has supported a number of members of the Lundin Group companies with their sustainability reporting processes. These include the Lundin Mining Corp. and Red Back Mining, which was acquired by Kinross in 2010.



Prizma engaged to assist Luara Diamond Corp. with sustainability reporting

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Our clients retain us to make their projects more bankable, credible and sustainable. They benefit from our insights, experience and relationships gained working in and with financial and multilateral institutions, blue chip corporations, consulting firms NGOs and academia. We critically evaluate and troubleshoot environmental and social impact assessments, and corporate social responsibility & sustainability strategies in line with leading international benchmarks and good industry practice.

Training CROs from Mongolia, Turkey and Kyrgyzstan

Prizma was recently selected to develop and deliver a training course for the Community Relations Officers (CRO) and selected other staff from the Sustainability, Environment, Media and Government Relations Departments at Centerra Gold's Kumtor gold mine in the Kyrgyz Republic.

Centerra Gold is the largest Western-based gold producer in Central Asia and has a number of other operations and exploration properties in the Kyrgyz Republic, Mongolia, Turkey, Russia and China. Kumtor's staff will be joined by others involved in community relations issues at Center-

ra Gold's Boroo operation in Mongolia and an exploration property in Turkey. The focus of the training course will be on stakeholder engagement, communication and grievance mechanism. Further details about this course can be accessed [here](#).



Prizma delivered training course to Community Relations Officers

Gold Reserve Updates about ICSID Arbitration

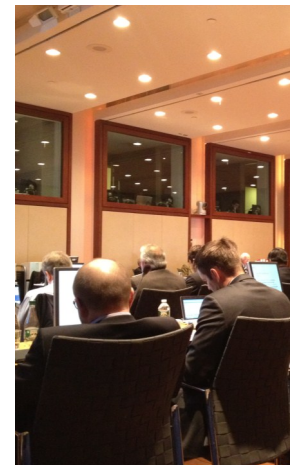
In November 2009, Gold Reserve filed its Request for Arbitration under the Additional Facility Rules of the International Centre for Settlement of Investment Disputes (ICSID) seeking compensation totaling US \$2.1 billion.

As part of this case, Mehrdad Nazari, Prizma's Senior ESIA and CSR Advisor, was engaged by White & Case LLP to serve as an expert witness on behalf of Gold Reserve.

After the parties each made several filings, including those to which Prizma contributed, the Tribunal held an oral hearing with the parties in Washington, D.C. during February 2012. Subsequently, the parties submitted post hearing briefs.

The Tribunal requested the production of further evidence related to valuation issues by December 21, 2012.

Gold Reserve continues to have discussions with the Venezuelan authorities regarding a settlement of the dispute. Further details are provided in Gold Reserve's recent [media release](#).



Prizma contributed to international arbitration case before ICSID