



GABRIEL  
*Rosia Montana*  
IN PARTNERSHIP

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## PRESS RELEASE

For Immediate Release

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## FIRST QUARTER REPORT

Toronto, Canada: May 5, 2011

### Highlights

- Permitting process ongoing, with the following key events taking place:
  - Ongoing engagement with the Technical Analysis Committee (“TAC”) in its review of the Rosia Montana Environmental Impact Assessment (“EIA”)
  - Archaeological Discharge Permit for the Carnic open pit submitted and awaiting assessment
  - Amended Zonal Urbanization Plan for the Industrial Area of Rosia Montana progressing with the Strategic Environmental Assessment approval granted in March 2011
  - Zonal Urbanization Plan for the Protected Area of the Historical Centre of Rosia Montana is ongoing
- Commitment to the Project and its cultural heritage continues with further restoration of the historical town centre of Rosia Montana
- Cash and short-term investments at March 31, 2011 of \$111.6 million following development spending of \$13.1 million during the quarter

Jonathan Henry, Gabriel’s President and Chief Executive Officer, stated:

“The first quarter of 2011 saw a continuation of the good progress made in the prior quarter on the permitting processes. There has been pro-active engagement and dialogue with all stakeholders in addressing the key issues in the development timeline for Rosia Montana. The Company’s public information campaign continues to inform our communities of the economic benefits for all stakeholders which are far reaching, in particular at the local and regional level, where economic development and employment opportunities have a very high public priority.”

The Company has filed its Interim Financial Report and Management Discussion & Analysis on SEDAR at [www.sedar.com](http://www.sedar.com) and these documents are also available on the Company’s website at [www.gabrielresources.com](http://www.gabrielresources.com).

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### **About Gabriel Resources Ltd (“Gabriel”) / Rosia Montana Gold Corporation (“RMGC”)**

Gabriel is a Canadian-listed resource company engaged in the exploration and development of mineral properties in Romania and is presently in the permitting stage and preparing to develop its 80.46%-owned Rosia Montana gold project (the “Project”). Gabriel is committed to responsible mining and sustainable development in the communities in which it operates. Rosia Montana is expected to bring US\$19 billion to Romania as direct and indirect investment according to estimates from British-based Oxford Policy Management. The Project will generate thousands of jobs while observing all Romanian and European environmental laws and also helping preserve important historic buildings as well as local cultural heritage. For more information please visit the Company’s websites at [www.gabrielresources.com](http://www.gabrielresources.com) and [www.rmgc.ro](http://www.rmgc.ro).

## **Financial Performance**

- The first quarter net loss was \$1.1 million, or \$0.003 per share, primarily reflecting stock based compensation and corporate costs of \$4.1 million offset by foreign exchange gains of \$2.9 million.
- A total of \$13.1 million was spent on development projects during the quarter.
- The Company has adopted IFRS for the year ending December 31, 2011 and has accordingly prepared the consolidated interim financial statements for the three-month period ended March 31, 2011, the first quarterly reporting date for which the Company is required to apply IFRS.

## **Liquidity and Capital Resources**

- Cash, cash equivalents and short-term investments at March 31, 2011 totaled \$111.6 million.
- The capital cost to complete the development of the Project – including interest, financing and corporate costs – is currently estimated at approximately US\$1 billion. Once the EIA approval is granted, the Company will re-examine its financing options to optimize the development of the Project.

## **Political Environment**

- Throughout the first quarter of 2011, the Romanian Government continued to implement austerity measures intended to reduce Romania's budget deficit and comply with the requirements of the International Monetary Fund emergency aid programme.
- The Ministry of Environment continued the TAC review of the Project's EIA.
- Management continues to meet with stakeholders to understand their issues and concerns and to explain the benefits and impacts of the Project. Continued strong local and regional support is welcomed by the Company which seeks to grow that support as a direct result of the Company's outreach.

## **Environmental/Permitting**

- Since the formal resumption of the TAC review process, three TAC meetings have been held, with the most recent on March 9, 2011. It is not known how many further TAC meetings will be required to review and make an assessment of the Project's EIA or how long this process may take. While the EIA is the most important Project approval, there is a significant number of other permits and approvals required to advance the Project to construction.
- The Company has submitted all required paperwork for issuance by the Ministry of Culture of the Archaeological Discharge Permit for the Carnic open pit; assessment of this submission is ongoing by the government authorities.
- The Company continues to move forward with the amended industrial zonal urbanization plan ("Amended PUZ"). In March 2011, the Regional Environmental Protection Agency in Sibiu granted the Company the Strategic Environmental Assessment approval relating to the Amended PUZ. At the end of March 2011, the Project had obtained 10 endorsements out of the total of 12 endorsements necessary for the final approval of the Amended PUZ.
- Once construction of the mine begins, it is expected to take an estimated 30 months to complete. Ultimately, the Romanian Government determines the timing of issuance of the EIA approval and all other permits and approvals required for the Project.