



PRESS RELEASE

FOR IMMEDIATE RELEASE

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Closing of Private Placement

Further to the news release of July 5, 2016, Gabriel Resources Ltd. (“Gabriel” or the “Company”) is pleased to announce that it has completed closing of the previously announced non-brokered private placement with Enescu Investments, LLC, an entity managed by Tenor Capital Management Company, L.P. (“Tenor”), and Kopernik Global Investors, LLC, on behalf of certain of its managed funds, (“Kopernik”, and together with Tenor, the “Subscribers”).

A total of 40,625 units (the “Units”) were issued to the Subscribers at a price of \$1,000 per Unit to raise aggregate gross proceeds of \$40.625 million (the “Private Placement”). Proceeds from the Private Placement will be used by the Company to finance the costs of its continuing arbitration case against Romania before the World Bank’s International Centre for Settlement of Investment Disputes (“ICSID Arbitration”) and for general working capital requirements.

Securities Currently In Issue

In addition to 384,149,500 common shares of the Company issued and outstanding (“Common Shares”), following closing of the Private Placement the Company has the following additional securities in issue (the “Relevant Securities”):

- \$95,625,000 of convertible subordinated unsecured notes, with an annual coupon of 0.025%, a conversion price of \$0.3105 and a maturity date of June 30, 2021. At maturity, the Company will have the ability to repay the notes through the issuance of Common Shares;
- 111,536,250 Common Share purchase warrants which are exercisable at a price of \$0.46 at any time prior to June 30, 2021; and
- 95,625 arbitration value rights (“AVRs”), comprising:
 - 55,000 AVRs entitling the holder to a pro rata share of 7.5% of any proceeds arising from any monies received by the Company and/or any of its affiliates pursuant to any settlement or arbitral awards irrevocably made in its favour in relation to the ICSID Arbitration (“ICSID Award”), subject to a maximum aggregate entitlement of \$175 million among all holders of such AVRs; and
 - 40,625 AVRs entitling the holder to a pro rata share of 5.54% of any proceeds arising from any ICSID Award, subject to a maximum aggregate entitlement of \$129.3 million among all holders of such AVRs.

The aggregate number of Common Shares to be issued assuming full conversion or exercise (as applicable) of the Relevant Securities is 419,448,750, representing approximately 109.2% of the Common Shares currently issued and outstanding on a non-diluted basis.

As previously disclosed, Tenor has been granted the right to appoint a nominee to the Board of the Company and Gabriel expects to announce such appointment in due course.

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

"The 2016 fundraisings have demonstrated the strong will of our investors to underpin the pursuit of value by Gabriel from either the operational integrity of the Roşia Montană project or the ICSID Arbitration. The funds raised have delivered flexibility for Gabriel to make long term strategic decisions.

There remains a continuing lack of engagement with the Romanian authorities since the ICSID Arbitration was launched one year ago. Meanwhile aggressive and unwarranted actions by Romanian fiscal authorities have recently increased, and initiatives have been declared by the Prime Minister to develop a longer term future for Rosia Montana apparently without the need for mining, which has been the lifeblood of the local community for centuries. We see no indication of any political desire to have a mine built at Rosia Montana or any political will behind settlement of our dispute. The Company's focus is therefore firmly on a positive outcome to the ICSID Arbitration and I am delighted that we have been able to add the necessary financial backing as well as the international arbitration insight that Tenor brings to the top tier team we have engaged in that endeavour."

Further detail regarding the Private Placement and the impact thereof can be found in the news release issued by the Company on July 5, 2016 which is available on the Company's website at www.gabrielresources.com and filed on SEDAR at www.sedar.com.

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About Gabriel

Gabriel is a Toronto Stock Exchange listed Canadian resource company. The Company's principal focus has been the exploration and development of the Roşia Montană gold and silver project in Romania. The Project, one of the largest undeveloped gold deposits in Europe, is situated in the South Apuseni Mountains of Transylvania, Romania, an historic and prolific mining district that since pre-Roman times has been mined intermittently for over 2,000 years. The exploitation license for the Project ("License") is held by Roşia Montană Gold Corporation S.A., a Romanian company in which Gabriel owns an 80.69% equity interest, with the 19.31% balance held by Minvest Roşia Montană S.A., a Romanian state-owned mining company. It is anticipated that the Project would bring over US\$24 billion (at US\$1,200/oz gold) to Romania as potential direct and indirect contribution to GDP and generate thousands of employment opportunities.

Since the grant of the License in June 1999, the Company has focused substantially all of its management and financial resources on the exploration, feasibility and subsequent development of the Project. Despite the Company's fulfilment of its legal obligations and its development of the Project as a high-quality, sustainable and environmentally-responsible mining project, using best available techniques, Romania has blocked and prevented implementation of the Project without due process and without compensation.

For more information please visit the Company's website at www.gabrielresources.com.

Forward-looking Statements

This press release contains "forward-looking information" (also referred to as "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. All statements, other than statements of historical fact, are forward-looking statements.

In this press release, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: the ICSID Arbitration; actions by the Romanian Government, conditions or events impacting the Company's ability to fund its operations or service its debt, exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation:

- the duration, required disclosure, costs, process and outcome of the ICSID Arbitration against Romania;
- changes in the liquidity and capital resources of Gabriel, and the group of companies of which it is parent ("Gabriel Group");
- access to funding to support the Gabriel Group's continued ICSID Arbitration and/or operating activities in the future;
- equity dilution resulting from the conversion or exercise of existing securities in part or in whole to Common Shares;
- the ability of the Company to maintain a continued listing on the Toronto Stock Exchange or any regulated public market for trading securities;
- the impact on business strategy and its implementation in Romania of: unforeseen historic acts of corruption, uncertain legal enforcement both for and against the Gabriel Group and political and social instability;
- regulatory, political and economic risks associated with operating in a foreign jurisdiction including changes in laws, governments and legal regimes;
- volatility of currency exchange rates, metal prices and metal production;
- the availability and continued participation in operational or other matters pertaining to the Gabriel Group of certain key employees and consultants; and
- risks normally incident to the exploration, development and operation of mining properties.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements.

Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies including Gabriel's Annual Information Form for the year ended December 31, 2015, which can be viewed online at www.sedar.com.

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