



G A B R I E L
Rozia Montana
I N P A R T N E R S H I P

GABRIEL RESOURCES LTD.

**NOTICE OF ANNUAL MEETING AND
SPECIAL MEETING OF SHAREHOLDERS**

TO BE HELD ON JUNE 16, 2011

AND

MANAGEMENT PROXY CIRCULAR

May 12, 2011

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GABRIEL RESOURCES LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “Meeting”) of the shareholders of Gabriel Resources Ltd. (“Gabriel”) will be held at the St. Andrews Club, Main Dining Room, 150 King St. West, 27th Floor, Toronto, Ontario, Canada, on Thursday, June 16, 2011 at the hour of 9:30 a.m. (Toronto time), for the following purposes:

- (1) to receive the audited consolidated financial statements of Gabriel for the financial year ended December 31, 2010, together with the report of the auditors thereon;
- (2) to elect Directors;
- (3) to re-appoint Auditors and to authorize the Directors to fix their remuneration;
- (4) to consider and, if thought fit, to pass an ordinary resolution approving Gabriel’s restricted share unit plan (“RSU Plan”); and
- (5) to transact any other business that may properly come before the Meeting, or any and all adjournments or postponements of the Meeting.

Accompanying this Notice of Meeting are a Management Proxy Circular, a form of Proxy and the 2010 Annual Report, which contains Gabriel’s audited consolidated financial statements for the financial year ended December 31, 2010. The accompanying Management Proxy Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

Only shareholders of record at the close of business on May 12, 2011 are entitled to receive notice of and vote at the Meeting unless shares are transferred after May 12, 2011 and the transferee establishes that he or she owns the shares and demands not later than 10 days before the Meeting that his, her or its name be included on the list of shareholders entitled to vote at the Meeting. Shareholders are entitled to vote at the Meeting either in person or by Proxy. Those shareholders who are unable to attend the Meeting are requested to read, complete, sign, date and return the enclosed form of Proxy in accordance with the instructions set out in the form of Proxy and in the Management Proxy Circular accompanying this Notice.

DATED at Toronto, Ontario on May 12, 2011.

BY ORDER OF THE BOARD OF DIRECTORS



Richard Brown
Acting Corporate Secretary

If you are a non-registered shareholder and received these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by such other intermediary. Failure to do so may result in your shares not being eligible to be voted at the Meeting.

GABRIEL RESOURCES LTD.
Registered Office: Suite 200-204 Lambert Street
Whitehorse, Yukon
Canada Y1A 3T2

London Operations Office: RM Gold (Services) Ltd
10th Floor
8-18 Great Queen Street
London
WC2B 5DG
United Kingdom

MANAGEMENT PROXY CIRCULAR

GENERAL INFORMATION

This Management Proxy Circular (the “Circular”) is furnished to the shareholders in connection with the solicitation of proxies by the management (“Management”) of Gabriel Resources Ltd. (“Gabriel”, “We” or the “Corporation”) for use at the annual and special meeting (the “Meeting”) of shareholders of Gabriel to be held on Thursday, June 16, 2011 at the time and place and for the purposes set forth in the accompanying Notice of Meeting and any adjournment or postponement thereof.

Date of Information in Circular

Information contained in this Circular is given as at May 10, 2011 unless otherwise indicated.

Information Contained in Circular

No person is authorized to give any information or to make any representation not contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized.

Meeting Record Date

Only shareholders of record at the close of business on May 12, 2011 (the “Meeting Record Date”) who either personally attend the Meeting or who have completed and delivered a form of Proxy in the manner and subject to the provisions described below will be entitled to vote or to have their shares voted at the Meeting, unless shares are transferred after the Meeting Record Date and the transferee establishes that the transferee owns the shares and demands not later than 10 days before the Meeting that the transferee’s name be included in the list of shareholders entitled to vote at the Meeting.

Mailing of Circular

It is anticipated that this Circular, together with the accompanying form of Proxy, will be distributed to shareholders on or about May 20, 2011.

Common Shares Outstanding

At the close of business on May 10, 2011 there were 348,526,338 common shares of Gabriel outstanding. Gabriel’s common shares trade on the Toronto Stock Exchange (the “TSX”) under the symbol “GBU”. Each common share is entitled to one vote.

Shareholders Holding 10% or More of the Common Shares Outstanding

As at May 10, 2011 to the knowledge of the directors and officers of Gabriel no person beneficially owns, or exercises control or direction, directly or indirectly, over 10% or more of the issued and outstanding common shares of Gabriel, except as follows:

Name and Address	Number of Shares	Percentage of Outstanding Common Shares
Electrum Strategic Holdings LLC⁽¹⁾ 1370 Avenue of the Americas, 19th Floor New York, New York 10019	61,420,739	17.62%
Paulson & Co. Inc.⁽²⁾ 590 Madison Avenue New York, New York 10022	61,420,000	17.62%
Newmont Canada Limited⁽³⁾ Suite 1900, Box 2005, 20 Eglinton Avenue West, Toronto, Ontario, M4R 1K8	50,274,702	14.42%
The Baupost Group, LLC⁽⁴⁾ 10 St. James Avenue, Suite 1700, Boston, MA 02116	39,625,822	11.37%

Notes:

- (1) According to a report under National Instrument 62-103 filed on SEDAR on June 3, 2009, Electrum Strategic Holdings LLC beneficially owned or exercised control or direction over the number of common shares of Gabriel indicated, as amended to reflect additional purchases of common shares of Gabriel pursuant to a private placement concluded in June 2009.
- (2) According to a report under National Instrument 62-103 filed on SEDAR on May 12, 2008, Paulson & Co. Inc. beneficially owned or exercised control or direction over the number of common shares of Gabriel indicated, as amended to reflect additional purchases of securities of Gabriel pursuant to a private placement concluded in June 2009.
- (3) According to a report under National Instrument 62-103 filed on SEDAR on June 4, 2008, Newmont Canada Limited beneficially owned or exercised control or direction over the number of common shares of Gabriel indicated.
- (4) According to a report under National Instrument 62-103 filed on SEDAR on April 8, 2011, The Baupost Group, LLC beneficially owned or exercised control or direction over the number of common shares of Gabriel indicated.

2010 Annual Report

A copy of Gabriel's 2010 Annual Report has been included with this Circular if you are a registered shareholder of Gabriel. You will not receive an Annual Report if your shares are held in the name of a nominee and you did not return the card sent last year to request a copy of Gabriel's Annual Report. A copy of Gabriel's 2010 Annual Report is also available on Gabriel's website at www.gabrielresources.com or a copy can be obtained in accordance with the instructions set out under "Availability of Documents" elsewhere in this Circular.

Change of Corporate Address

Gabriel's corporate address is Suite 1501, 110 Yonge Street, Toronto, Ontario, Canada M5C 1T4 until May 31, 2011 and after that date contact can be made with the Corporation through its UK subsidiary, RM Gold (Services) Limited, located at 10th Floor, 8-18 Great Queen Street, London, United Kingdom WC2B 5DG or through its registered office at Suite 200 – 204 Lambert Street, Whitehorse, Yukon, Canada Y1A 3T2.

VOTING QUESTIONS AND ANSWERS

Who can vote?

You are only entitled to vote at the Meeting if you were a registered holder of common shares of Gabriel as of the close of business on May 12, 2011. If a person has acquired common shares after the Meeting Record Date, that person is entitled to vote those shares at the Meeting upon producing properly endorsed share certificates, or otherwise establishing share ownership, and requesting the inclusion of his, her or its name in the list of shareholders not later than ten days before the date of the Meeting. Each common share is entitled to one vote.

What will I be voting on?

At the Meeting, you will be asked to vote on the following matters:

- Election of Directors;
- Re-Appointment of Auditors; and
- The creation of the RSU Plan

How will these matters be decided at the Meeting?

All matters set forth above to be considered at the Meeting require a simple majority (50% plus one vote) of the votes cast by shareholders in person or by Proxy at the Meeting. All votes will be determined on a show of hands, unless a ballot is requested, in which case the vote will be by ballot.

How can I vote if I am a registered shareholder?

- You may vote in person at the Meeting; or
- You may sign the accompanying form of Proxy appointing the named persons or some other person you choose (who does not need to be a shareholder) to represent you as Proxy holder and vote your shares at the Meeting.

Voting in Person

If you are a registered shareholder and plan to attend the Meeting and wish to vote your shares in person at the Meeting, **do not complete or return the accompanying form of Proxy**. Your vote will be taken and counted at the Meeting. When you arrive at the Meeting, please register with the transfer agent, Computershare Investor Services Inc.

If you attend the Meeting in person you need not revoke your Proxy and vote in person unless you wish to do so.

Voting by Proxy

You can appoint someone other than the persons named in the accompanying form of Proxy to attend the Meeting and vote for you as your Proxyholder, whether or not you attend the Meeting. You can choose another person to be your Proxyholder by printing his or her name in the space provided on the accompanying form of Proxy. A Proxyholder need not be a shareholder. The persons named in the accompanying form of Proxy are the Chairman and the President and CEO of Gabriel. Your votes can only be counted if your appointee attends the Meeting and votes on your behalf. If you have voted by Proxy, then you may not cast your vote again in person at the Meeting unless you have revoked your Proxy prior to the Meeting.

The accompanying form of Proxy, when properly completed and signed, confers discretionary authority on the Proxyholders named therein with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, Management knows of no such amendments, variations or other matters to come before the Meeting.

How will my Proxy be voted?

You can indicate on your Proxy how you want your Proxyholder to vote your shares, or you can let the Proxyholder decide for you. If you specify on your Proxy how you want your shares to be voted on a particular item of business, then your Proxyholder must vote your shares that way. If you do not specify

on your Proxy how you want your shares to be voted on a particular item of business, then (except as provided below) your Proxyholder can vote your shares in accordance with his or her best judgment.

If you appoint the persons designated in the accompanying form of Proxy and do not specify how you want your shares voted, then your shares will be voted as follows:

- Election of Directors **FOR**
- Re-Appointment of Auditors **FOR**
- Approval of the RSU Plan **FOR**

What if there are amendments or variations or if other matters are brought before the Meeting?

The accompanying form of Proxy gives the persons named in it authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting and on other matters that may properly be brought before the Meeting.

Management does not intend to present any other business at the Meeting. Management is not aware of any amendments to the proposed matters or of any other matters which may be presented for consideration at the Meeting. If other matters requiring the vote of shareholders properly come before the Meeting, then the persons named in the accompanying form of Proxy will vote on them in accordance with their best judgment.

What do I do with my completed Proxy?

Completed proxies must be deposited at the office of Gabriel's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 or delivered by facsimile at (416) 263-9524 or 1-866-249-7775, not later than 9:30 a.m. (Toronto time) on Tuesday, June 14, 2011 or, if the Meeting is adjourned or postponed, by not later than 5:00 p.m. (Toronto time) on the business day prior to the date fixed for the adjourned or postponed meeting, in order for them to be valid.

You can return the completed Proxy to Computershare Investor Services Inc. ("Computershare") in the envelope provided in order that your vote is recorded.

Who is soliciting my Proxy?

Your Proxy is being solicited by and on behalf of the Management of Gabriel. Management and the Board of Gabriel are requesting that you sign and return your Proxy to ensure your votes are cast at the Meeting. The solicitation of proxies will be primarily by mail; however, proxies may be solicited personally or by telephone by employees of Gabriel (none of whom has been specially engaged for the purpose of soliciting proxies) at nominal cost. All costs of Proxy solicitation by Management will be borne by Gabriel.

What if my shares are not held in my name?

Only persons whose names appear on the register of Gabriel at the close of business on May 12, 2011 as the holders of shares or their duly appointed Proxyholders are permitted to vote at the Meeting. In many cases, however, shares beneficially owned by a holder (a "Non-Registered Shareholder") are registered in the name of either: (i) an intermediary (an "Intermediary") that a Non-Registered Shareholder deals with in respect of the shares (Intermediaries include, among others, securities dealers or brokers, banks, trust companies, and trustees or administrators of self-administered registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), registered education savings plan (RESPs) and similar plans); or (ii) a clearing agency (such as CDS Clearing and Depository Services Inc.) in which the relevant Intermediary is a participant. If you purchased your shares through a broker, you are likely a Non-Registered Shareholder.

In accordance with the requirements of National Instrument 54-101 — *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), Gabriel has distributed copies of the Notice of Meeting, this Circular and the form of Proxy (collectively, the "Meeting Materials"), to the Intermediaries for distribution to Non-Registered Shareholders. ***Gabriel will reimburse Intermediaries for costs incurred by them in mailing Proxy materials to Non-Registered Shareholders of Gabriel in accordance with the requirements of the Canadian Securities Administrators.***

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders in order to seek their voting instructions in advance of the Meeting. Shares held by Intermediaries can only be

voted in accordance with the instructions of Non-Registered Shareholders. The Intermediaries often have their own voting instruction form and mailing procedures and provide their own return instructions. Generally, Non-Registered Shareholders will either:

- (a) be given a form of Proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed. Because the Intermediary has already signed the form of Proxy, this form of Proxy is not required to be signed by the Non-Registered Shareholder when submitting the Proxy. In this case, the Non-Registered Shareholder who wishes to submit a Proxy should otherwise properly complete the form of Proxy and deliver it to Computershare as provided above; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, but which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its designated service company, will constitute voting instructions (often called a “Proxy authorization form”) which the Intermediary must follow. Typically, the Proxy authorization form will consist of a one page, pre-printed form. Sometimes, instead of the one page pre-printed form, the Proxy authorization form will consist of a regularly printed Proxy form accompanied by a page of instructions which includes a removable label containing a bar code and other information. In this case, in order for the form of Proxy to validly constitute a Proxy authorization form, the Non-Registered Shareholder must remove the label from the page of instructions and affix it to the form of Proxy, properly complete and sign the form of Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Shareholder should insert the Non-Registered Shareholder’s name in the appropriate blank space provided. ***In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary or its service company, including those regarding when and where the Proxy or Proxy authorization form is to be delivered.***

NI 54-101 now permits Gabriel to forward the Meeting Materials directly to “non-objecting beneficial owners”, or NOBOs. As a result NOBOs can expect to receive a voting instruction form from Computershare. The voting instruction form is to be completed and returned to Computershare in the envelope provided or by facsimile as provided above. In addition, Computershare provides both telephone voting and internet voting as described on the voting instruction form, including complete instructions. Computershare will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the applicable voting instruction forms received by Computershare.

What if I change my mind and want to revoke my Proxy?

You can revoke your Proxy at any time by depositing an instrument in writing executed by you or by your attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of such corporation, and delivered to the office of Gabriel’s registrar and transfer agent, Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting, or an adjournment of that Meeting, at which the Proxy is to be used, or with the chair of the Meeting on the day of the Meeting or an adjournment of the Meeting, or in any other manner permitted by law. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

If you attend the Meeting and vote on a ballot, you will automatically be revoking any valid Proxy previously delivered by you. If you attend the Meeting in person you need not revoke your Proxy and vote in person unless you wish to do so. A Proxy given pursuant to this solicitation may also be revoked in any other manner permitted by law. ***Only registered shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.***

What is the quorum for the meeting?

Gabriel's by-laws provide that the quorum for the transaction of business at the Meeting will be two persons present in person, each being a shareholder entitled to vote at the Meeting, or a duly appointed Proxy holder for a shareholder.

Who can I call if I have a question?

Please contact Computershare at 1-800-564-6253 (within North America) 1-514-982-7555 (collect outside North America).

BUSINESS OF THE MEETING

Financial Statements

The audited consolidated financial statements for the financial year ended December 31, 2010 were mailed with this Circular to all registered shareholders and those beneficial shareholders who have requested them, on or about May 20, 2011.

Election of Directors

According to Gabriel's articles, Gabriel must have between three (3) and twenty-one (21) directors. Currently, the Board is comprised of ten (10) directors. The Board has decided to put forward the existing ten (10) directors of Gabriel as nominees for re-election.

The ten nominees proposed for election as directors of Gabriel are therefore:

Ed Flood	Wayne Kirk	Simon Prior-Palmer
Dr. Alfred Gusenbauer	Igor Levental	Walter Segsworth
Jonathan Henry	David Peat	Murray Sinclair
Keith Hulley		

See "Nominees for Election to the Board of Directors".

In the opinion of the Board and Management, the proposed nominees are qualified to act as directors for the following year. Each nominee has confirmed his eligibility and willingness to serve as a director if elected.

Management and the Board recommend that shareholders vote FOR the election of these nominees. The persons named in the accompanying form of Proxy intend to vote FOR the election of each of these nominees unless the shareholder specifies that authority to do so is withheld.

Management is not aware of any reason why a nominee would be unavailable for election. However, if a nominee is not available to serve at the time of the Meeting, or any adjournment or postponement thereof, the persons named in the accompanying form of Proxy will vote for a substitute nominee or nominees selected by the Board.

Re-Appointment of Auditors

The Audit Committee has recommended to the Board, and the Board recommends, the re-appointment of PricewaterhouseCoopers LLP, Chartered Accountants of Toronto, Ontario as auditors of Gabriel to hold office until their successor is appointed and the authorization of the directors to fix their remuneration. PricewaterhouseCoopers LLP were first appointed as auditors of Gabriel on October 3, 2006.

The Audit Committee and the Board recommend that shareholders vote FOR this appointment. The persons named in the accompanying form of Proxy intend to vote FOR this appointment unless the shareholder specifies that authority to do so is withheld.

Representatives of the auditors are expected to be present at the Meeting. These representatives will be given the opportunity to make a statement if they desire to do so and will be available to answer appropriate questions.

Approval of the RSU Plan

Background of the RSU Plan and its Proposed Creation

As more particularly described in the Statement of Executive Compensation on page 25 of this Circular, for the past several years, Gabriel's compensation program has been comprised of base salary, short-term incentives, in the form of annual bonuses; and long-term incentives in the form of deferred share units and share options. A challenge for Gabriel has been the retention of its executives and other key employees and advisors during a period of significant uncertainty, created by events beyond its control, on the Rosia Montana project.

In the context of a renewed Technical Analysis Committee's review of the Rosia Montana project's Environmental Impact Assessment in late 2010, it is essential to creating shareholder value that Gabriel ensures its compensation program is designed to attract, retain and motivate executives and employees with relevant mining and other key related skills and experience to successfully permit, finance, develop and operate its Rosia Montana project.

In what is a fiercely competitive international mining industry market for such highly qualified individuals, the Corporation engaged Mercer (Canada) Limited (“Mercer”) to provide a peer group analysis of corporate incentive schemes. The proposed RSU Plan reflects considerations based on the market information and recommendations provided by Mercer.

Principal terms of the RSU Plan

The Board has approved the RSU Plan, subject to approval of the shareholders at the Meeting. The RSU Plan has been drafted to comply with the policies of the TSX as they exist at the date of this Circular. The following information is intended as a summary of the RSU Plan, and is qualified in its entirety by the more detailed provisions of the RSU Plan attached as Schedule “C” to this Circular.

The RSU Plan is intended to furnish an incentive to directors, officers, employees or consultants of the Corporation or any subsidiary of the Corporation (the “RSU Eligible Persons”, and when such RSU Eligible Persons are granted RSUs, the “RSU Participants”) to continue their services for the Corporation and to encourage such RSU Eligible Persons whose skills, performance and loyalty to the objectives and interests of the Corporation are necessary to its success. The RSU Plan will permit the grant of restricted share units (“RSUs”) to RSU Eligible Persons from time to time by the Board. The RSU Plan will be administered by the Board, in consultation with the Compensation Committee. The Board will make the final determination as to who is eligible to receive RSUs under the RSU Plan.

The aggregate maximum number of common shares of the Corporation which may be reserved for issuance for all purposes under all share based compensation arrangements of the Corporation (including the RSU Plan, Incentive Stock Option Plan and Deferred Share Unit (“DSU”) Plan) shall not exceed ten percent (10%) of the common shares of the Corporation issued and outstanding from time to time, subject to certain adjustment under the RSU Plan if there are changes in the capital of the Corporation as a result of a merger, amalgamation or other corporate arrangement or reorganization.

The aggregate maximum number of common shares of the Corporation which may be issued to insiders and associates of such insiders under the RSU Plan at any time or within any one-year period shall not exceed ten percent (10%) of the issued and outstanding common shares of the Corporation at the time of issuance. The aggregate maximum number of common shares of the Corporation which may be issued within any one-year period to any one insider and associates of such insider shall not exceed five percent (5%) of the issued and outstanding common shares of the Corporation at the time of issuance.

Subject to applicable laws, rules and regulations, the Board will fix the date or dates upon which RSUs will vest (the “Vesting Date”) and any other vesting conditions, such conditions to be provided to the RSU Participant under a separate agreement.

The RSU Participant will be entitled to receive, after the Vesting Date, but no later than the 90th day following the Vesting Date (the “Expiry Date”), payment for each awarded RSU in the form of common shares of the Corporation (on a one for one basis) or, at the RSU Participant’s election, an amount in cash equal to the market value of one common share of the Corporation for each RSU. For the purposes of such cash payment, the market value of the common shares of the Corporation shall be the volume weighted average trading price of the common shares of the Corporation on the TSX for the five trading days immediately preceding the date of settlement of the RSUs.

A RSU Participant’s account will be credited where the Corporation declares and pays dividends on the common shares (“Dividend RSUs”). The number of Dividend RSUs credited to a RSU Participant’s account in connection with the payment of dividends on common shares will be based on the actual amount of cash dividends that would have been paid to such RSU Participant had he been holding such number of common shares equal to the number of RSUs credited to the RSU Participant’s account on the date on which cash dividends are paid on the common shares and the market price of the common shares on the payment date. For the purposes of such determination, the market value of the common shares of the Corporation shall be the volume weighted average trading price of the common shares of the Corporation on the TSX for the five trading days immediately preceding the dividend payment date. Dividend RSUs credited to a RSU Participant’s account shall vest and be settled in the same manner and on the same date as the RSUs to which they relate.

Unless the Board decides otherwise, a RSU Participant’s unvested RSUs shall terminate automatically as of the date of the RSU Participant’s (a) death, (b) voluntary resignation, or (c) termination by the Corporation other than for cause, provided that any time during the ninety (90) day period commencing on the date of such termination of service, the RSU Participant (or his or her executor or administrator, or the person or persons to whom the RSU Participant’s RSUs are transferred by will or the applicable

laws of descent and distribution) will be eligible to request that the Corporation settle his or her vested RSUs and upon the 90th day following such termination of service any RSUs that have not been settled shall automatically terminate. Upon a RSU Participant's employment being terminated for cause, the RSU Participant's participation in the RSU Plan shall be immediately terminated and all RSUs credited to such RSU Participant's account, whether vested or not vested, shall be forfeited and cancelled.

RSUs may not be assigned or transferred, with the exception of an assignment to a personal representative of a deceased participant.

The Board has the discretion to make amendments to the RSU Plan which it may deem necessary, without having to obtain shareholder approval. The Board will however require the approval by a majority of the votes cast by the holders of the common shares for the following amendments to the RSU Plan (or to RSUs granted under the Plan): (i) increasing the number of common shares that can be issued under the RSU Plan; (ii) extending the Expiry Date of any outstanding RSU; (iii) permitting the grant of an RSU with Expiry Date of more than five (5) years from the grant date; (iv) removing or exceeding the insider participation limits; and (v) amending the amendment provision of the RSU Plan.

In the event of a change of control, the Board, at its discretion, may (i) accelerate the vesting of RSUs, (ii) permit the conditional settlement of RSUs, (iii) otherwise amend or modify the terms of the RSUs, and (iv) terminate unsettled RSUs following the successful completion of the change of control event. A change of control event is defined in the RSU Plan.

In the opinion of the Board and Management, the proposed RSU Plan creates a suitable medium term incentive structure which aligns the interests of RSU Participants with the goals and objectives of other stakeholders in the Corporation.

The Compensation Committee, Management and the Board recommend that shareholders vote FOR the creation of the RSU Plan. The persons named in the accompanying form of Proxy intend to vote FOR the creation of the RSU Plan unless the shareholder specifies that authority to do so is withheld.

Other Business

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matters, are properly brought before the Meeting, it is the intention of the persons named in the form of Proxy accompanying this Circular to vote on such matters in accordance with their best judgment.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

The Board presently consists of ten (10) directors, eight of whom were elected at the last annual meeting held on June 17, 2010, with the remaining two directors, Dr. Gusenbauer and Mr. Peat, being appointed to the Board immediately following said meeting. Recognizing the complexity of the Rosia Montana project and taking into account the experience and skills of the current Board, the Board proposes to nominate the existing ten (10) directors for re-election for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as Management's nominees and the persons named in the accompanying form of Proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each nominee elected as a director will hold office until the next annual meeting of Gabriel or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the by-laws of Gabriel, or the provisions of the *Business Corporations Act* (Yukon).

Nominees for Election to the Board of Directors

The following table and notes thereto set out information regarding the nominees for election as directors:

Keith Hulley
Laguna Beach,
California
USA

Keith Hulley, 71, is the current Chairman of the Board of Directors of Gabriel, is the former Interim CEO of Gabriel and has been a member of the Gabriel Board since 2006. Previously, Mr. Hulley served seven years as President, CEO and Executive Chairman of Apex Silver Mines before retiring in 2004. Mr. Hulley has more than 40 years experience in the mining business which includes Board and senior executive experience at Western Mining Holdings Ltd. and USMX Inc.

- Director since February 13, 2006.
- Mr. Hulley is not independent within the meaning of NI 58-101.
- Mr. Hulley is the Chairman of the Board of Directors and a member of the Technical Committee.

Securities Ownership in Gabriel

Common Shares Owned:	Nil
Exercisable Stock Options:	1,111,111
Total Stock Options Held:	1,150,000
Deferred Share Units Held:	Nil

Jonathan Henry
London, England

Jonathan Henry, 44, has been the President & CEO of Gabriel since June 7, 2010. He is the former CEO of Avocet Mining, a London listed gold mining company with assets in West Africa and South East Asia. Mr. Henry served as the CEO of Avocet Mining from 2006 until May 31, 2010. Prior to that, Mr. Henry served as Avocet Mining's Finance Director from 2002 until becoming the CEO in 2006.

- Director of Gabriel since June 1, 2010.
- Mr. Henry is not independent within meaning of NI 58-201.

Securities Ownership in Gabriel

Common Shares Owned:	25,000
Exercisable Stock Options:	245,371
Total Stock Options Held:	2,591,667
Deferred Share Units Held:	383,857

Murray Sinclair
Vancouver,
British Columbia
Canada

Murray Sinclair, 50, has extensive knowledge in areas of asset backed lending, real estate, corporate restructuring and natural resources. Mr. Sinclair is Chairman and a director of Sprott Resource Lending Corp. a natural resource lender focused on providing bridge and mezzanine financing to mining and oil and gas companies. Prior to his current position as Chairman, from 2003 to 2007 he was the Managing Director of Quest Capital Corp. He is also a director and officer of several other public companies.

- Director since June 17, 2003.
- Mr. Sinclair is independent within the meaning of NI 58-101.
- Mr. Sinclair is the Chairman of Compensation Committee and a member of the Finance Committee.

Securities Ownership in Gabriel

Common Shares Owned:	100,000
Exercisable Stock Options:	333,334
Total Stock Options Held:	400,000
Deferred Share Units Held:	62,423

Ed Flood
Ketchum, Idaho
USA

Ed Flood, 66, is the Founder and Chairman and CEO of Concordia Resource Corp., formally known as Western Lithium Corporation and Western Uranium Corp. Mr. Flood also serves as a Director on the Board on Ivanhoe Mines, South Gobi Energy Resources and Baker Steel Royalty Trust. Prior to his work at Concordia Resource Corp, he worked with Haywood Securities in differing capacities, most recently as the Managing Director of Investment Banking in the London office, with a focus on natural resource development. Mr. Flood has had a long career in the natural resources industry, working at such firms as Ivanhoe Minerals, Nerco Minerals, Chevron Minerals, Kerr McGee, Gulf Minerals, and Bunker Hill Mining. Mr. Flood received a Bachelor's degree in Geology from the University of Nevada, followed by a Masters in Geology from the University of Montana.

- Director of Gabriel since June 17, 2010.
- Mr. Flood is independent within the meaning of NI 58-101.
- Mr. Flood is a member of the Finance and Technical Committees.

Securities Ownership in Gabriel

Common Shares Owned:	Nil
Exercisable Stock Options:	55,556
Total Stock Options Held:	200,000
Deferred Share Units Held:	Nil

Dr. Alfred Gusenbauer
Vienna, Austria

Alfred Gusenbauer, 51 is the former Federal Chancellor of Austria and was a member of the European Council. Dr. Gusenbauer holds a PhD in political science from the University of Vienna. In addition to a long career in politics in Austria and Europe, he also works in academia as a Professor-at-Large at Brown University and is a Fellow for Global Affairs at Columbia University. Dr. Gusenbauer is currently the CEO of Gusenbauer Projektentwicklung und Beteiligung GmbH.

- Director of Gabriel since June 17, 2010.
- Dr. Gusenbauer is independent within the meaning of NI 58-101.
- Dr. Gusenbauer is a member of the Corporate Governance Committee.

Securities Ownership in Gabriel

Common Shares Owned:	Nil
Exercisable Stock Options:	55,556
Total Stock Options Held:	200,000
Deferred Share Units Held:	Nil

Wayne Kirk
Orcas,
Washington
USA

Wayne Kirk, 67, has over 35 years of experience as a corporate attorney, including nine years experience as Vice President, General Counsel and Corporate Secretary of Homestake Mining Company. Mr. Kirk currently holds directorships and is the Chairman of the Nominating & Governance Committees at each of Anoroaq Resources Corporation, Great Basin Gold Ltd., Northern Dynasty Minerals Ltd. and Taseko Mines Limited. He also is the Chairman of the Corporate Governance and Nominating Committee and Compensation Committee of Electrum Ltd., a privately-held gold exploration company. From 2002 until his retirement in 2004, he was Special Counsel at Thelen Reid & Priest LLP. Mr. Kirk holds a law degree from Harvard University. He has been a member of the California Bar since 1969.

- Director since June 19, 2008.
- Mr. Kirk is independent within the meaning of NI 58-101.
- Mr. Kirk is the Chairman of the Corporate Governance Committee and a member of the Audit Committee

Securities Ownership in Gabriel

Common Shares Owned:	45,603
Exercisable Stock Options:	88,334
Total Stock Options Held:	155,000
Deferred Share Units Held:	Nil

Igor Levental
Denver, Colorado
USA

Igor Levental, 56, is the President of the Electrum Group, a privately-owned company with holdings in precious metals companies, including Gabriel. Mr. Levental is a Director of NovaGold Resources Inc., Sunward Resources Inc. and Taung Gold Ltd. With more than 30 years of experience in the mining industry internationally, Mr. Levental has held senior positions with mining companies including Homestake Mining Company and International Corona Corp. Mr. Levental holds a BSc in Chemical Engineering and an MBA from the University of Alberta, Canada.

- Director since June 19, 2008.
- Mr. Levental is independent within the meaning of NI 58-101.
- Mr. Levental is a member of the Corporate Governance and Finance Committees.

Securities Ownership in Gabriel

Common Shares Owned:	Nil
Exercisable Stock Options:	247,223
Total Stock Options Held:	350,000
Deferred Share Units Held:	Nil

David Peat
Fernandina Beach,
Florida
USA

David Peat, 58, has over 25 years of experience in financial leadership in support of mining companies. Mr. Peat was Acting CFO for Gabriel from December 10, 2010 through March 9, 2011. He has been a Director and Chairman of the Audit Committee of Brigus Gold Corp. since 2006. Mr. Peat was Vice President and CFO of Frontera Copper Corporation from 2006 through 2009, Vice President and Global Controller of Newmont Mining Corp. from 2002 through 2004, and Vice President of Finance and CFO of Homestake Mining Company from 1999 through 2002.

- Director since June 17, 2010
- Mr. Peat is independent within the meaning of NI 58-101.
- Mr. Peat is the Chairman of the Audit Committee and a member of the Compensation Committee.

Securities Ownership in Gabriel

Common Shares Owned:	Nil
Exercisable Stock Options:	55,556
Total Stock Options Held:	200,000
Deferred Share Units Held:	Nil

Simon Prior-Palmer
London, England

Simon Prior-Palmer, 60, has more than 35 years of experience in international financial markets. He brings to Gabriel extensive European business experience and financial expertise having held positions with JP Morgan and Credit Suisse First Boston (CSFB) in Europe for more than 30 years. As CEO of UK Investment Banking from 1987 to 1998 he led the UK business developing a full breadth of advisory and capital market services. In September 2010 he was appointed a Senior Advisor at the Financial Services Authority (FSA) in London.

- Director since October 1, 2006
- Mr. Prior-Palmer is independent within the meaning of NI 58-101
- Mr. Prior-Palmer is the current Chairman of the Finance Committee and a member of the Audit Committee.

Securities Ownership in Gabriel

Common Shares Owned:	25,000
Exercisable Stock Options:	341,667
Total Stock Options Held:	400,000
Deferred Share Units Held:	Nil

Walter Segsworth
Vancouver,
British Columbia
Canada

Walter Segsworth, 62, is a Director of Explorator Resources, Pan American Silver, and Telus World of Science. Mr. Segsworth has 40 years of experience in mining in Canada and overseas. Mr. Segsworth has served as a senior officer of several mining companies including Westmin Resources, where he was President and CEO and Homestake Mining Company, where he was President and COO. He is currently Chairman of the Board of Plutonic Power Corp. Mr. Segsworth is past Chairman of both the Mining Associations of British Columbia (BC) and Canada and was named BC's Mining Person of the year in 1996. He received his bachelor of science in mining engineering from Michigan Technological University.

- Director of Gabriel since June 17, 2010
- Mr. Segsworth is independent within the meaning of NI 58-101
- Mr. Segsworth is the Chairman of the Technical Committee

Securities Ownership in Gabriel

Common Shares Owned:	5,000
Exercisable Stock Options:	55,556
Total Stock Options Held:	200,000
Deferred Share Units Held:	2,670

Notes:

- (1) The information as to residence, age, principal occupation and number of shares beneficially owned or over which control or direction is exercised, not being within the knowledge of Gabriel, has been furnished by the respective nominees individually.
- (2) Exercisable stock options refer to all stock options that have vested as of May 10, 2011.

Other Public Company Directorships/Committee Appointments

The following table sets out all other public companies on which Gabriel's nominees for election as directors serve. At the present time, no current director of Gabriel serves on the board of any other public company with any other Gabriel director.

Director	Other Public Company Directorships	Committee Appointments
Ed Flood	Ivanhoe Mines SouthGobi Energy Resources Concordia Resource Corp.	Corporate Governance Committee Compensation Committee Corporate Governance Committee Chairman Audit Committee
Dr. Alfred Gusenbauer	Strabag Societas Europaea	President of Board Audit Committee Compensation Committee
Jonathan Henry	N/A	N/A
Keith Hulley	Ecometals Limited	Chairman of Audit Committee Compensation Committee Corporate Governance Committee
Wayne Kirk	Anooraq Resources Corporation Great Basin Gold Ltd. Northern Dynasty Minerals Ltd. Taseko Mines Limited	Nominating & Governance Committee (Chair) Audit Committee Nominating & Governance Committee (Chair) Audit Committee Nominating & Governance Committee (Chair) Audit Committee Compensation Committee Pebble Limited Partnership Oversight Committee (Chair) Nominating & Governance Committee (Chair) Audit Committee Environmental, Health & Safety Committee
Igor Levental	NovaGold Resources Sunward Resources	Corporate Governance Committee Corporate Governance Committee
David Peat	Brigus Gold Corp.	Audit Committee (Chair)
Simon Prior-Palmer	N/A	N/A
Walter Segsworth	Explorator Resources Pan American Silver Plutonic Power Corporation	Chairman of Board Compensation Committee Human Resources and Compensation Committee (Chair), Health, Safety and Environment Committee Chairman of Board Health, Safety and Environment Committee (Chair)
Murray Sinclair	Twin Butte Energy Ltd. Sprott Resources Corp. (formerly General Mineral Corporation) Elgin Mining Inc. (formerly Phoenix Coal Inc.) Sprott Resource Lending Corp. (formerly Quest Capital Corp.) Ram Power, Corp (formerly GTO Resources Corp.) Denovo Capital Corp. Dundee Capital Markets Inc.	M&A Committee (Chair) Corporate Governance & Compensation Committee Audit Committee (Chair) Compensation Committee Reserves, Operations & Health, Safety & Environmental Committee Special Committee Chairman N/A President and CEO, CFO & Secretary N/A

Except as otherwise disclosed in this Circular, to the knowledge of Gabriel, no proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Gabriel) that,
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer, or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including Gabriel) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

For the purposes of the paragraphs above, “order” means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

Disclosure

On February 22, 2002, February 25, 2002 and March 15, 2002, Balloch Resources Ltd. (now Katanga Mining Limited), of which Mr. Sinclair was a director from May 1, 1998 until July 10, 2006, was issued Cease Trading Orders by the Ontario, British Columbia and Alberta Securities Commissions, respectively, for failing to file financial statements and pay filing fees within their prescribed times. These orders were rescinded on September 20, 2002, October 1, 2003 and October 23, 2003, respectively, following the filing of the financial statements and payment of the outstanding fees.

On February 27, 2002, PetroFalcon Corporation (now Etrion Corporation) of which Mr. Sinclair was a director from November 2001 to June 2003 was issued an order by the British Columbia Securities Commission (“BCSC”) regarding a private placement of PetroFalcon to Quest Ventures Ltd., a private company in which Mr. Sinclair was a director from January 1997 to January 2005. The BCSC considered it to be in the public interest to remove the applicability of certain exemptions from the prospectus and registration requirements of the Securities Act (British Columbia) for PetroFalcon until a shareholders’ meeting of PetroFalcon was held. In addition, BCSC removed the applicability of the same exemptions for Quest Ventures Ltd. in respect of the common shares received pursuant to the private placement. Approval of shareholders was received on May 23, 2002 and BCSC reinstated the applicability of the exemptions from the prospectus and registration requirements for both companies shortly thereafter.

Mr. Hulley was a director and Chairman of Apex Silver Mines Limited (“Apex”) from October 2004 until March 2009, and on January 12, 2009 Apex filed a voluntary petition for reorganization relief under the United States Bankruptcy Code. On March 24, 2009 the Joint Plan of Reorganization filed by Apex and its wholly owned subsidiary became effective and Apex emerged from its reorganization proceedings.

In 2010, Burani Designer Holding NV (“Burani”), of which Mr. Prior-Palmer was a director from May 22, 2007 until June 16, 2009, was subject to a Milan Court Order. Burani de-listed from the AIM Market of the London Stock Exchange on June 16, 2009. On February 11, 2010 the Milan Bankruptcy Court opened insolvency proceedings against Burani.

Independence and Board Committees

The Corporate Governance Committee and the Board have considered and determined the independence of the directors in accordance with the definition of independence set forth in National Instrument 58-101 — Corporate Governance Disclosure. All current directors, other than Keith Hulley and Jonathan Henry have been determined by the Board to be independent.

The members of the current standing committees of the Board are as follows:

	Board Committees				
	Audit⁽²⁾ (Three Members)	Compensation⁽³⁾ (Three Members)	Corporate Governance⁽⁴⁾ (Three Members)	Finance⁽⁵⁾ (Four Members)	Technical⁽⁶⁾ (Three Members)
Directors – Independent⁽¹⁾					
Ed Flood				✓	✓
Dr. Alfred Gusenbauer			✓		
Wayne Kirk	✓		(Chairman)		
Igor Levental			✓	✓	
David Peat	(Chairman)	✓			
Simon Prior-Palmer	✓			(Chairman)	
Walter Segsworth		✓			(Chairman)
Murray Sinclair		(Chairman)		✓	
Directors – Not Independent					
Keith Hulley ⁽⁷⁾					✓
Jonathan Henry ⁽⁸⁾					

Notes:

- (1) This table indicates membership of all standing Board Committees as of May 10, 2011.
- (2) All members of the Audit Committee are independent in accordance with the definition of independence in National Instrument 52-110 — Audit Committees.
- (3) All members of the Compensation Committee are independent in accordance with the definition of independence in National Instrument 52-110 — Audit Committees.
- (4) All members of the Corporate Governance Committee are independent in accordance with the definition of independence in National Instrument 52-110 — Audit Committees.
- (5) All members of the Finance Committee are independent in accordance with the definition of independence in National Instrument 52-110 — Audit Committees.
- (6) All members of the Technical Committee, with the exception of Mr. Hulley, are independent in accordance with the definition of independence in National Instrument 52-110 — Audit Committees.
- (7) Mr. Hulley, as Non-Executive Chairman of the Board of Directors, is an official member of the Technical Committee only and attends all other meetings on a non-compensated basis.
- (8) Mr. Henry is not independent as he is the President and CEO of Gabriel but does attend all meetings on a non-compensated basis.

Board of Directors Skills Matrix

Below is a matrix of the relevant skill sets the Board uses as its selection criteria for new directors and reflects the strength of skill sets amongst the current slate of nominee directors.

Skills and Experience	Ed Flood	Dr. Alfred Gusenbauer	Jonathan Henry	Keith Hulley	Wayne Kirk	Igor Levental	Simon Prior-Palmer	David Peat	Walter Segsworth	Murray Sinclair
Senior Executive ⁽¹⁾										
Other Directorships ⁽²⁾										
Legal Expertise										
Technical Expertise										
Financial Expertise										
Mining Industry Experience										
Environment/Sustainable Development										
European Experience										

Notes:

- (1) Any senior officer or Chair of a major corporation.
- (2) Director of a major organization (Public, Private, Non-Profit).

Board and Committee Meetings Held and Attendance for 2010

The number of board and standing committee meetings attended by each current director during 2010 is as follows:

Director⁽¹⁾ (Number of Meetings Held)	Board (13)	Audit (4)	Compensation (2)	Corporate Governance (4)	Finance (3)	Technical (2)
Ed Flood ⁽³⁾⁽⁵⁾⁽⁶⁾	3/4	–	–	–	–	–
Dr. Alfred Gusenbauer ⁽³⁾	2/4	–	–	1/1	–	–
Jonathan Henry ⁽²⁾⁽⁴⁾	5/5	–	–	–	–	–
Keith Hulley ⁽⁴⁾	13/13	–	–	–	–	2/2
Wayne Kirk ⁽³⁾	13/13	4/4	1/1	1/1	–	–
Igor Levental ⁽³⁾	13/13	–	–	1/1	3/3	–
David Peat ⁽³⁾	4/4	2/2	1/1	–	–	–
Simon Prior-Palmer	13/13	4/4	–	–	3/3	–
Walter Segsworth ⁽³⁾⁽⁵⁾	4/4	–	1/1	–	–	–
Murray Sinclair	12/13	–	2/2	–	3/3	–

Notes:

- (1) This table indicates attendance by each Director at all Board and Committees meeting held during 2010 while he was a member of the Board and such Committees. In some cases Directors were appointed to Board Committees or removed from Board Committees during 2010.
- (2) Mr. Henry became a director of the Corporation on June 1, 2010.
- (3) Following the Annual Meeting of shareholders of Gabriel on June 17, 2010, the membership of the various committees of the Board was amended. As of June 17, 2010 the following changes took place:
 1. Dr. Gusenbauer and Messrs. Flood, Peat, and Segsworth became directors of the Corporation
 2. Mr. Peat became chairman of the Audit Committee;
 3. Mr. Kirk became chairman of the Corporate Governance Committee;
 4. Mr. Segsworth became chairman of the Technical Committee;
 5. Messrs. Peat and Segsworth became members of the Compensation Committee;
 6. Dr. Gusenbauer and Mr. Levental became members of the Corporate Governance Committee;
 7. Mr. Flood became a member of the Finance and Technical Committees; and
 8. Mr. Kirk ceased being a member of the Compensation Committee.
- (4) Mr. Hulley, as Interim CEO until June 7, 2010 and Non-Executive Chairman of the Board after June 17, 2010, attended meetings of all Committees. Mr. Henry has attended all meetings of all Committees since being appointed President & CEO on June 7, 2010.
- (5) Two meetings of the Technical Committee took place prior to Messrs. Flood and Segsworth joining this committee.
- (6) Three meetings of the Finance Committee took place prior to Mr. Flood joining this committee.

Board and Committee Meetings Held Without Management

The independent directors of the Board and the members of each standing Board Committee meet without management present whenever any independent board member requests such an “in-camera” session at the conclusion of each meeting. There were four Audit Committee Meetings, two Corporate Governance Meetings and one Board Meeting held without management being present during 2010.

Share Ownership Guidelines

The Board of Directors has not established guidelines with respect to share ownership by directors.

Loans to Directors

As set out in Gabriel’s Corporate Governance Guidelines, Gabriel does not make loans to its directors or officers and there are no loans outstanding from Gabriel to any of its directors.

Directors’ Liability Insurance

Gabriel currently maintains liability insurance for its directors and officers providing coverage of US\$60,000,000 per policy year. Claims under the policy are, under certain circumstances, subject to a deductible of US\$50,000 per occurrence. Gabriel paid a premium of C\$252,580 in respect of the current policy which started on March 1, 2011 and expires on March 1, 2012.

AUDIT COMMITTEE REPORT

The Audit Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to: (a) financial reporting and disclosure requirements; (b) ensuring that an effective risk management and financial control framework has been implemented by management of Gabriel; and (c) the internal and external audit process.

Membership & Experience

The Committee presently consists of three directors, Mr. Peat, Mr. Prior-Palmer, and Mr. Kirk each of whom is independent in accordance with the definition of independence of National Instrument 52-110 — Audit Committee and each of whom is also financially literate.

Mr. Peat, the Chairman of the Committee, is a chartered accountant, and has over 25 years of experience in financial leadership in support of mining companies. He has been a Director and Chairman of the Audit Committee of Brigus Gold Corp. since 2006. Mr. Peat was Vice President and CFO of Frontera Copper Corporation from 2006 through 2009, Vice President and Global Controller of Newmont Mining Corp. from 2002 through 2004, and Vice President of Finance and CFO of Homestake Mining Company from 1999 through 2002.

Mr. Prior-Palmer has more than 35 years of experience in international financial markets. He brings to Gabriel extensive European business experience and financial expertise having held positions with JP Morgan and Credit Suisse First Boston (CSFB) in Europe for more than 30 years. As CEO of UK Investment Banking from 1987 to 1998 he led the UK business developing a full breadth of advisory and capital market services. In September 2010, he was appointed a Senior Advisor at the Financial Services Authority (FSA) in London.

Mr. Kirk holds a Bachelor of Arts in Economics from the University of California (Berkeley) and a law degree from Harvard University. Mr. Kirk is an experienced securities and corporate lawyer. From 1992 to 2001 Mr. Kirk was the Vice President, General Counsel and Corporate Secretary of Homestake Mining Company. Prior to his retirement in June 2004 he spent two years as Special Counsel for the law firm of Thelen Reid & Priest, in San Francisco. Currently, Mr. Kirk sits as an independent director on the boards and audit committees of several public companies and one private gold exploration company.

Audit Committee Charter

A copy of the Gabriel's Audit Committee Charter is attached as Schedule "A" to Gabriel's Annual Information Form for 2010, a copy of which is available on our website at www.gabrielresources.com, on SEDAR, or by request to the Acting Corporate Secretary as set out on page 38.

Pre-Approval Policies & Procedures

The Audit Committee is responsible for the pre-approval of all audit, audit-related, tax related and other services provided by the external auditor. The Chairman of the Audit Committee is responsible for proper implementation of and compliance with this policy. The Committee has delegated to the Chairman the authority to pre-approve all services, not previously approved, up to \$25,000 and to report these to the Audit Committee as a whole at the next Audit Committee meeting.

External Auditor Service Fees

All fees billed by PricewaterhouseCoopers LLP (the “Auditors”), Gabriel’s external auditors, during the two most recently completed financial years are as follows:

	Year ended December 31, 2010	Year ended December 31, 2009
Audit Fees		
PricewaterhouseCoopers LLP	\$189,349	\$219,000
Audit-Related Fees		
PricewaterhouseCoopers LLP	\$185,317	\$143,200
Tax and Other Fees		
PricewaterhouseCoopers LLP	\$18,954	\$5,316
All Other Fees		
PricewaterhouseCoopers LLP	\$54,071	\$43,279
Total		
PricewaterhouseCoopers LLP	<u>\$447,691</u>	<u>\$410,795</u>

Audit Fees: All services performed by the Auditors in connection with the review of annual consolidated financial statements of Gabriel, including services performed to comply with Generally Accepted Auditing Standards.

Audit Related Fees: All services performed by the Auditors in connection with: (i) the review of quarterly financial statements and management discussion and analysis (“MD&A”) in accordance with generally accepted standards for a review; (ii) review of annual and quarterly financial statements of Gabriel’s wholly or majority owned, offshore subsidiaries; (iii) internal control reviews; (iv) translation of financial statements, MD&A and other documents into French or another language; and (v) such other services as may be designated by the Committee from time to time as Audit Related Services.

Tax and Other Fees: All services performed by the Auditors which are not Audit Services or Audit Related Services including, without limitation: (i) services in connection with tax planning, compliance and advice; and (ii) such other services as may be designated by the Committee from time to time as Tax and other services.

All Other Fees: All services performed by the Auditors dealing with IFRS diagnostic and review of component evaluation, and other consulting services below \$5,000.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Gabriel is a junior mining company engaged in the development of the Rosia Montana project in Romania. The Rosia Montana project is one of the largest, undeveloped gold deposits in the world and represents Gabriel's principal asset. Gabriel has initiated the majority of all necessary permitting and approval processes, including environmental, archaeological and land use regulations, as well as the acquisition of all necessary surface rights. Due to the suspension of the environmental permitting process by the Romanian Ministry of Environment in the fall of 2007, Gabriel continued to significantly curtail its development activities for the Rosia Montana project until the reinstatement of the environmental permitting process in September 2010. A challenge for Gabriel has been the retention of its executives and other key employees and advisors during a period of significant uncertainty, created by events beyond its control, on the Rosia Montana project. Furthermore it is essential that Gabriel be in a position to attract individuals with key skills as and when necessary in the future.

During the past several years, increased activity in the international mining industry has intensified the demand for experienced executives. Gabriel must operate in this highly competitive market for executives and must ensure that its compensation program is designed to attract and retain executives with relevant mining and other related skills and experience.

Shareholder value is created through the successful permitting, financing, developing and operating of precious metal deposits. With increased international emphasis on environmental, cultural and social issues associated with the development of mineral deposits, the timeframe for development of such deposits continues to expand. In addition, as the development of mineral deposits requires a significant investment of executive time and capital, Gabriel's compensation program has been designed to combine a mix of short term compensation and incentives, together with long term incentives in order to align management priorities with near term strategic objectives of the Corporation and the longer term interests of shareholders.

Compensation Objectives

The objectives of Gabriel's compensation program are to attract and to retain executives with the requisite skills and experience to successfully permit, finance, develop and operate its Rosia Montana project in order to create shareholder value.

Compensation Philosophy

Gabriel's compensation philosophy is based on the following principles:

- (1) compensation levels should be competitive in order to facilitate the recruitment and retention of individuals with appropriate executive skills and abilities in the highly competitive international mining industry;
- (2) compensation should provide short-term incentives to facilitate the achievement of near-term strategic objectives;
- (3) compensation should align the interests of management with those of the shareholders through long-term equity based incentives and the completion of key milestones; and
- (4) compensation should be transparent in order that both executives and shareholders understand the executive compensation program, its objectives, how it works, and the basis upon which compensation is provided.

Compensation Review Process

Role of the Compensation Committee

The Compensation Committee's primary purpose is to assist the Board in establishing key compensation policies and making recommendations to the Board with respect to the compensation of the Named Executive Officers. During the period January 1 to June 17, 2010, the Compensation Committee was comprised of Messrs. Murray Sinclair, Alan Thomas and Wayne Kirk. Since June 17, 2010 Messrs. Murray Sinclair as Chairman, David Peat, and Walter Segsworth are members of the Compensation Committee, each of whom was independent within the meaning of National Instrument 58-101. Gabriel's corporate governance guidelines require that all members of the Compensation Committee be independent within the meaning of National Instrument 58-101.

The Compensation Committee met two times during 2010, and at both meetings either executive compensation or director compensation matters were discussed. On May 13, 2010 the Compensation Committee met to discuss and recommend the regulatory disclosure in the management information circular, as well as to consider and make recommendations with respect to director, CEO and management compensation. The Compensation Committee met again on December 14, 2010 to discuss the annual performance review of the CEO, and to consider and make recommendations with respect to payment of 2010 annual bonuses, short-term and long-term incentives, as well as base salary for 2011 for the senior management of the Corporation.

The Named Executive Officers for purposes of the compensation discussion and analysis during the financial year ended December 31, 2010 are Keith Hulley, the former Interim President and CEO, who resigned that position and become Chairman effective June 7, 2010, Jonathan Henry, the current President and CEO, Richard Young, the former Vice President and CFO who resigned effective March 31, 2010, Katerina DeLuca, the former Acting CFO and Corporate Controller who resigned effective December 10, 2010, David Peat, the acting CFO from December 10, 2010 until March 9, 2011 when Max Vaughan was appointed as the Corporation's CFO, David Savarie, the former Deputy General Counsel and Corporate Secretary, who resigned effective November 15, 2010, and Greg Duschek the current Corporate Controller (each, a "Named Executive Officer" or "NEO"). No other individuals are considered "Named Executive Officers" as such term is defined in Form 51-102F6 — Statement of Executive Compensation.

Role of the Executive Officers

The CEO plays a role in executive compensation decisions as he makes recommendations to the Compensation Committee regarding executive officer base salary, annual bonuses, short-term incentives, and long-term incentives. The Compensation Committee reviews the basis for these recommendations and can exercise its discretion in modifying any of the recommendations prior to making its recommendations to the Board of Directors. The CEO does not make recommendations with respect to his own compensation.

Role of the Compensation Consultant

The Compensation Committee has in the past engaged Mercer to provide market data on executive and director compensation and a technical analysis of the market data in light of the Corporation's compensation plans and practices. Decisions made by the Compensation Committee, however, are the responsibility of the Committee and may reflect factors and considerations other than the information and recommendations provided by Mercer. In the latter part of 2010, Mercer was retained to assist the new CEO and Compensation Committee with revising the incentive schemes in place for the Corporation to align these with the Corporation's peer group.

During the financial year ended December 31, 2009, Mercer was retained by the Compensation Committee to provide an analysis with respect to compensation for the appointment of Keith Hulley as interim CEO of Gabriel. The results of Mercer's March 2009 report were used by the Compensation Committee in its recommendation to the Board for a compensation package for Mr. Hulley, which was similar to that of the former CEO in terms of base salary and long-term incentives.

During the financial year ended December 31, 2010, Mercer was retained by the Board of Directors to provide a CEO market compensation review. The results of Mercer's March 2010 report were used by the Compensation Committee in its recommendation to the Board for a compensation package for Mr. Henry who was appointed CEO in June 2010.

During the financial year ended December 31, 2010, Mercer was paid \$21,900 for its services provided to the Compensation Committee, as compared to \$25,500 for the financial year ended December 31, 2009.

Elements of Executive Compensation

For the past several years, Gabriel's compensation program has been comprised of three main components, as described further below:

- (1) base salary;
- (2) short-term incentives, in the form of annual bonuses; and
- (3) long-term incentives in the form of deferred share units and stock options.

Gabriel's strategy is to provide an overall competitive compensation package designed to attract and retain highly qualified individuals and motivate these individuals to achieve Gabriel's strategic objectives.

Benchmarking

Generally, executive compensation has been designed to be competitive with the executive compensation offered by companies comparable to Gabriel in terms of size, assets and stage of development within the international mining industry, with a particular emphasis on the gold mining industry. While there are no directly comparable junior gold mining companies that have a single development project of the magnitude of Gabriel's Rosia Montana project, Gabriel has taken into account the peer group identified by the Mercer executive compensation report issued in April 2010 and has targeted total compensation at a level slightly above the median for those junior mining companies of comparable market capitalization identified by Mercer.

The following is a listing of the 14 companies identified by Mercer which they, in consultation with the Compensation Committee, used as the peer group of Gabriel for the purposes of Mercer's executive compensation review report issued in May 2010:

Alamos Gold Inc	Gammon Gold Inc	Northgate Minerals Corp
Aurizon Mines Ltd	Golden Star Resources Ltd	NovaGold Resources Ltd
Crew Gold Corp	Jaguar Mining Inc	Quadra Mining Ltd
Equinox Minerals Ltd	Jinshan Gold Mines Inc	Semafo Inc
European Goldfields Ltd	New Gold Inc	

The following is a listing of the 15 companies identified by Mercer which they, in consultation with the Compensation Committee, used as the peer group of Gabriel for the purposes of Mercer's executive compensation review report issued in February 2011:

Alamos Gold Inc	Detour Gold Corp	New Gold Inc
Allied Nevada Group Corp	Equinox Minerals Ltd	NovaGold Resources Inc
Anatolia Minerals Dev. Ltd	European Goldfields Ltd	Osisko Mining Corp
Centamin Egypt Ltd	Golden Star Resources Ltd	Seabridge Gold Inc
Centerra Gold	Great Basin Gold Ltd	Semafo Inc

Base Salary

The primary element of Gabriel's compensation program is base salary. The amount payable to executive officers as base salary is determined primarily by the anticipated future contribution of the executive officers, together with comparisons to the base salaries offered by comparable companies in the international gold mining industry. Base salaries are reviewed and adjusted annually, in order to ensure that they remain at a level at or above the median for comparable companies. Both the CEO's salary and the salaries for those executives reporting directly to the CEO are approved by the Compensation Committee and the Board of Gabriel.

Short Term Incentives

Gabriel provides its executive officers with short-term incentives in the form of annual bonuses, which are designed to reward executive officers for their contribution towards the achievement of Gabriel's strategic objectives. There is no written policy with respect to short-term incentives and the recommendation and payment of such incentives is in the discretion of the Compensation Committee and Board based on the recommendation of the CEO. The CEO makes recommendations for annual bonuses for all executive officers other than himself. The Compensation Committee makes a recommendation to the Board regarding an annual bonus for the CEO. The Board exercises its discretion in determining the amount of annual bonuses awarded to all executive officers.

Given the state of development of the Corporation, Gabriel has recently established milestone targets, either by way of corporate targets or individual performance objectives, for the executive officers, although the majority of any performance award remains based on subjective assessment of the permitting process in Romania. Similarly, the Compensation Committee's assessment of the CEO's performance is based on subjective assessment, and the recommendation of the Chairman of the Corporation, with the use of milestone awards also in place.

During the past two financial years, the Compensation Committee has recommended to the Board that annual bonuses be between approximately 15% to 125% of the executive officers' annual base salaries, based on a subjective assessment of their individual performance during the year.

Long-Term Incentives

Gabriel provides the executive officers with long term incentives in the form of stock options and deferred share units (DSUs), which are designed to align the interests of management with the interest of Gabriel's shareholders.

Stock Options: The Corporation's Incentive Stock Option Plan (the "Stock Option Plan") provides for the granting to participants of stock options to purchase common shares of Gabriel. Under the terms of the Stock Option Plan, stock options expire not later than the tenth anniversary of the date the options were granted, however the Board has exercised its discretion to reduce the term of all option grants to five years from the date of grant. The Board has the discretion with respect to all options granted under the Stock Option Plan to apply vesting provisions, and the standard vesting provisions provide for 1/36th of the stock options to vest every month. For further details regarding the terms of the Stock Option Plan, see "Stock Option Plan" on page 32.

There is no written policy with respect to the initial grant of stock options to executive officers, annual grants of stock options, or the grant of stock options upon the expiry of an initial grant of options. All grants of stock options are in the discretion of the Compensation Committee and Board based upon the application of subjective criteria.

Mr. Henry's option grants during the financial year ended December 31, 2010, came in three separate grants. In June 2010, upon his appointment as President & CEO, Mr. Henry was granted 750,000 options which vest on the basis of 1/36th per month and 750,000 which vest in two tranches upon the attainment of certain project milestones. Mr. Henry was also granted 291,667 stock options in December 2010 of which 145,833 vest on the basis of 1/36th per month and 145,834 vest in two tranches upon the attainment of certain project milestones. Mr. Henry was also awarded a total of 800,000 stock options in December 2010 which vest in eight tranches upon the attainment of certain project milestones. Mr. Hulley was granted 50,000 options in June 2010 as part of his remuneration as a continuing member of the Board of Directors. Stock option grants in the amount of 150,000 to Mr. Savarie, and 50,000 to Mr. Duschek were awarded in May 2010 and vest upon certain timelines being met. Mr. Peat was awarded 200,000 stock options upon being elected to the Board of Directors for his first term.

No other stock option grants were made to the Named Executive Officers in 2010.

Deferred Share Units: The DSU Plan provides for officers and Directors to elect to receive a portion of their compensation, including base salary, annual incentive cash bonuses, and board of director fees, in the form of DSUs in lieu of cash. The DSUs may be redeemed by an officer only upon cessation of employment or by a director only upon retirement from the Board. Upon redemption, the holder of the DSU may elect to redeem the DSUs in common shares of Gabriel, or in a cash payment based upon the then current price of the underlying common shares, or some combination of both of these options. Accordingly, the value of the DSUs will fluctuate with variations in the market price of Gabriel's common shares. For further details regarding the terms of the DSU Plan, see "Deferred Share Unit Plan" on page 32.

No DSUs were issued to Named Executive Officers during the financial year ended December 31, 2010, other than to Mr. Henry who was granted 357,995 DSUs in June 2010 upon his appointment as President and CEO and an additional 25,862 DSUs in December 2010 representing 75% of his annual bonus award.

Chief Executive Compensation for 2010

Jonathan Henry was appointed President and CEO of Gabriel on June 7, 2010.

The components of the CEO's total compensation are the same as those for all other executive officers, namely: base salary, annual cash bonuses, and share compensation awarded under the DSU Plan and the Stock Option Plan. In determining the base salary and bonus component of the CEO compensation for the financial year ended December 31, 2010, the Compensation Committee reviewed the performance of the CEO and whether his base salary, bonus and long-term incentive compensation ranked above, at or below the median for CEOs of other companies in the resource sector with comparable projects.

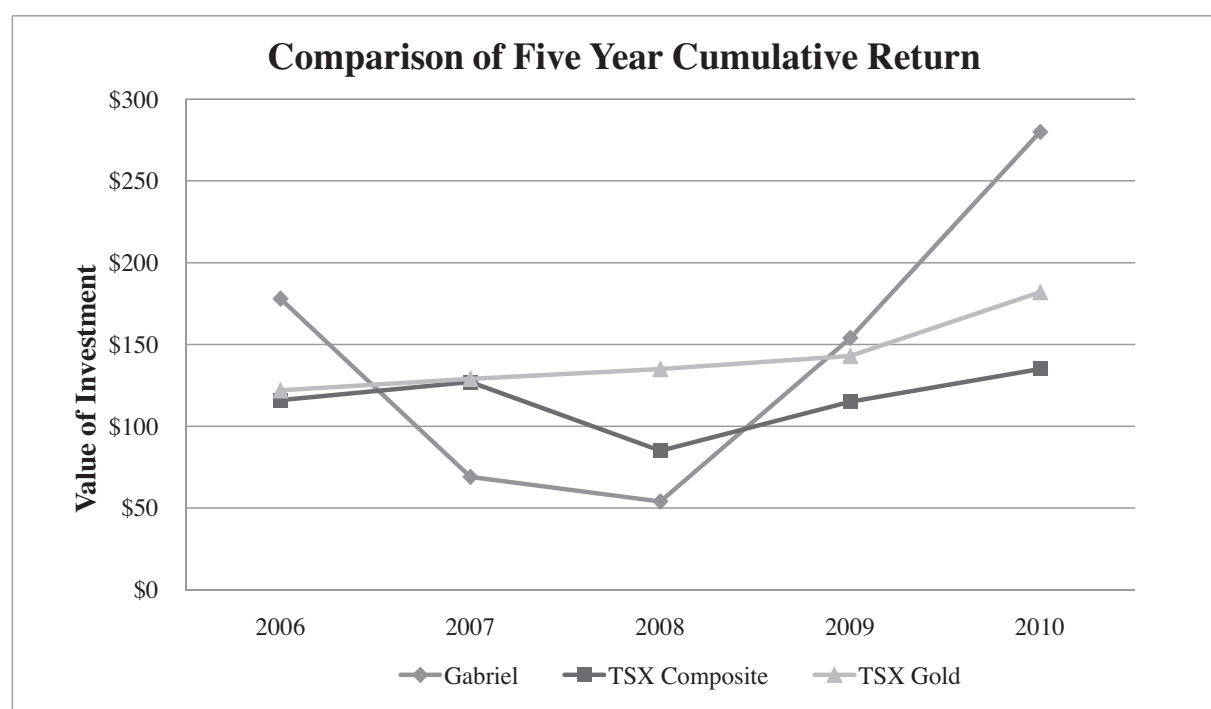
The Compensation Committee undertook a review of Mr. Henry’s performance as CEO for 2010 and concluded that, under his leadership, Gabriel had made progress in the development of the Rosia Montana project, despite significant obstacles.

The Compensation Committee also reviewed salaries for CEOs in the resource sector generally and concluded that no salary increase was required for the CEO.

Based on Mr. Henry’s performance in 2010, the Compensation Committee ranked him above target and consequently recommended a pro-rated performance bonus of \$280,000, which represented a value of approximately 75% of his pro-rated annual base salary during 2010 and which would bring his short term incentive compensation to above the median of that of his peers.

Performance Graph

The graph below compares Gabriel’s five year cumulative total shareholder return to the S&P/TSX Composite Index and S&P/TSX Gold Index, assuming reinvestment of dividends and considering a \$100 investment in the common shares of Gabriel on January 1, 2006.



	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10
Gabriel	\$178	\$69	\$54	\$154	\$280
TSX Composite	\$116	\$127	\$85	\$115	\$135
TSX Gold	\$122	\$129	\$135	\$143	\$182

Compensation to executive officers increased year over year from 2006 to 2010 in accordance with continued advancement in the development of the Rosia Montana project through resource definition, feasibility studies and basic engineering. During the period from 2006 to early 2007, increases in compensation reflected Gabriel’s performance in continuing to advance the development of the Rosia Montana project, submitting the environmental impact assessment (“EIA”) to the Romanian Government, conducting the public consultation process for the EIA, continuing a variety of permitting activities and the acquisition of surface rights, and commencing the construction of the Alba Iulia resettlement site. From the fall of 2007, when the EIA process was suspended for reasons beyond the control of Gabriel, compensation levels reflected the efforts by management to navigate the political arena in Romania with a view to restarting the EIA process. Executive compensation for the year 2010 was affected by the complete changeover in the corporate management team, a process which began with the appointment of the new President and CEO in June 2010 and the restart in September 2010 of the EIA review process.

Summary Compensation Table

The following table sets forth, to the extent required by the provisions of National Instrument 51-102 — Continuous Disclosure Obligations, information with respect to executive compensation paid or payable by Gabriel to the Named Executive Officers for the financial years indicated.

		Summary Compensation Table								
								Non-Equity Incentive Plan Compensation		
Name and Principal Position	Year	Salary (\$)	DSU-based awards ⁽¹⁾ (\$)	Option-based awards ⁽²⁾ (\$)	Annual cash bonus (\$)	Long-term incentive plans (\$)	Pension values (\$)	All other compensation (\$)	Total compensation (\$)	
Jonathan Henry⁽³⁾ President and CEO	2010	\$369,525	\$1,709,998	\$9,542,108	\$70,000	n/a	n/a	\$4,075	\$11,695,706	
	2009	—	—	—	—	n/a	n/a	—	—	
	2008	—	—	—	—	n/a	n/a	—	—	
Keith Hulley⁽⁴⁾ Former Interim President and CEO	2010	\$239,744	—	\$164,877	\$300,000	n/a	n/a	\$37,500	\$742,120	
	2009	\$435,417	—	\$1,794,862	\$220,000	n/a	n/a	\$14,625	\$2,464,904	
	2008	—	—	\$59,257	—	n/a	n/a	\$67,250	\$126,507	
Richard Young⁽⁵⁾ Former CFO	2010	\$98,000	—	—	\$25,000	n/a	n/a	—	\$123,000	
	2009	\$364,000	—	—	\$100,000	n/a	n/a	\$1,031,884	\$1,495,884	
	2008	\$350,000	\$112,500	—	\$37,500	n/a	n/a	\$3,826	\$503,826	
Katerina Deluca⁽⁵⁾ Former Acting CFO	2010	\$243,333	—	\$220,549	—	n/a	n/a	—	\$463,882	
	2009	\$100,000	—	\$362,504	\$40,000	n/a	n/a	—	\$502,504	
	2008	—	—	—	—	n/a	n/a	—	—	
David Peat⁽⁵⁾ Acting CFO	2010	—	—	\$659,507	—	n/a	n/a	\$27,731	\$687,238	
	2009	—	—	—	—	n/a	n/a	—	—	
	2008	—	—	—	—	n/a	n/a	—	—	
David Savarie⁽⁶⁾ Former General Counsel and Corporate Secretary	2010	\$231,000	—	\$441,098	—	n/a	n/a	\$633,000	\$1,305,098	
	2009	\$220,000	—	\$369,386	\$55,000	n/a	n/a	—	\$644,386	
	2008	\$190,000	—	\$164,856	\$50,000	n/a	n/a	—	\$404,856	
Greg Duschek Corporate Controller	2010	\$187,500	—	\$147,000	\$45,000	n/a	n/a	—	\$379,500	
	2009	—	—	—	—	n/a	n/a	—	—	
	2008	—	—	—	—	n/a	n/a	—	—	

Notes:

- (1) The figures shown reflect the grant date fair value of DSUs granted to the Named Executive Officers for 2010, 2009 and 2008 pursuant to Gabriel's DSU Plan. Grant date fair value is determined by multiplying the number of DSUs by the average of the closing share price, for the five prior days to the date of grant, on the TSX. The DSUs are further described under the heading "Statement of Executive Compensation — Deferred Share Unit Plan", on page 32.
- (2) The figures in this column reflect the grant date fair value of share options granted to Named Executive Officers for 2010, 2009 and 2008 pursuant to Gabriel's Stock Option Plan. The grant date fair value is an estimate calculated using the Black-Scholes Option Pricing Model. The stock option grants to the Named Executive Officers are further described in the Compensation Discussion & Analysis under "Long Term Incentives — Stock Options".
- (3) Mr. Henry joined the Corporation on June 7, 2010 as its President and CEO. Mr. Henry is paid a salary at the annual equivalent rate of \$618,900. Upon his appointment as President and CEO, Mr. Henry was awarded 357,995 DSUs at a grant price of \$4.19. The DSUs vest 50% on June 7, 2011 and 50% on June 7, 2012. Mr. Henry was also awarded 1,500,000 stock options upon his appointment. Of these, 750,000 options vest over thirty-six months and 750,000 options vest, in two tranches, upon certain project milestones being attained.
- (4) Mr. Hulley was appointed interim President and CEO of Gabriel on March 23, 2009 and was paid a salary at the annual rate of \$550,000. Mr. Hulley resigned as interim President and CEO of the Corporation upon the appointment of Mr. Henry. Mr. Hulley was subsequently elected to the position of Chairman of the Board of Directors.
- (5) Mr. Young resigned as Vice President and CFO on March 31, 2010. Ms. Deluca was appointed Acting CFO with effect April 1, 2010 and subsequently resigned from the Corporation on December 10, 2010. At that time, Mr. Peat, the Chairman of the Audit Committee accepted the role as Acting CFO. During 2010, Mr. Peat did not receive any compensation relating to his service as Acting CFO. The amounts received above by Mr. Peat, were received in his capacity as a Director of the Corporation. On March 9, 2011, Mr. Peat ceased to be Acting CFO and Mr. Vaughan was appointed as the Corporation's CFO.
- (6) Mr. Savarie was awarded a severance payment in 2010 of \$633,000 upon his resignation in accordance with his employment agreement effective November 15, 2010.

The additional amounts disclosed in the DSU-based awards column of the Summary Compensation Table discloses the dollar amount of the Named Executive Officers' annual incentive cash bonus which can be taken as DSUs. Under the DSU Plan, the DSUs are not redeemable until the Named Executive Officer ceases employment with Gabriel. As the value of Gabriel's common shares may rise or fall, the value of the common shares or the amount of the cash payment the Named Executive Officer ultimately obtains upon redemption of the DSUs may be different than the amount disclosed in the Summary Compensation Table.

Gabriel does not have a pension plan for any of its Named Executive Officers. All employees, including Named Executive Officers, are provided a standard employee benefit plan, including medical, dental, disability and life insurance benefits.

Stock Option Plan and DSU Plan Awards

The following table provides information regarding all incentive plan awards for each Named Executive Officer outstanding as at December 31, 2010.

Name	Outstanding Share-Based Awards and Option-Based Awards				DSU-Based Awards	
	Number of securities underlying unexercised options (number)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested ⁽²⁾ (\$)	Market or payout value of share-based awards that have not vested (\$)
Jonathan Henry	1,500,000	\$4.19	25-May-15	\$5,640,000	\$268,496	\$2,134,543
	1,091,667	\$8.12	14-Dec-15	–	n/a	n/a
Keith Hulley	50,000	\$4.13	10-May-12	\$191,000	n/a	n/a
	50,000	\$2.65	19-Jun-13	\$265,000	n/a	n/a
	750,000	\$2.52	2-Apr-14	\$4,072,500	n/a	n/a
	250,000	\$3.97	15-Dec-14	\$995,000	n/a	n/a
	50,000	\$5.23	25-Jun-15	\$136,000	n/a	n/a
Richard Young	–	–	n/a	–	n/a	n/a
Katerina Deluca	–	–	n/a	–	n/a	n/a
David Peat	200,000	\$5.23	25-Jun-15	\$544,000	n/a	n/a
David Savarie	150,000	\$4.66	14-May-15	\$493,500	n/a	n/a
Greg Duschek	138,889	\$3.97	15-Dec-14	\$552,778	n/a	n/a
	50,000	\$4.66	14-May-15	\$164,500	n/a	n/a

Notes:

(1) The values expressed in this column are based on the difference between the market value of the securities underlying the instruments as at December 31, 2010, and the exercise price of the option.

(2) Pursuant to the terms of the DSU Plan, all DSUs vest upon the date of grant, except for those awarded to Mr. Henry and discussed above, but only become redeemable upon cessation of employment with Gabriel.

The following table provides information regarding the value vested or earned of incentive plan awards for each Named Executive Officer for the financial year ended December 31, 2010.

Value Vested or Earned During the Financial Year Ended December 31, 2010

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	DSU-based awards – Value vested during the year ⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year ⁽³⁾ (\$)
Katerina Deluca	\$114,365	–	–
Greg Duschek	\$79,723	–	\$45,000
Jonathan Henry	\$266,456	\$585,000	\$70,000
Keith Hulley	\$1,299,611	–	\$300,000
David Peat	\$36,555	–	–
David Savarie	\$760,903	–	–
Richard Young	\$666,666	–	\$25,000

Notes:

(1) The numbers in this column reflect the aggregate dollar value that would have been realized if the options awarded had been exercised on the vesting date, computed using the then current market price of common shares of Gabriel.

(2) The numbers in this column reflect the dollar value of the DSUs awarded to the Named Executive Officer and vested during the year.

(3) The numbers in this column represent the annual cash incentive bonus granted to the Named Executive Officers.

Stock Option Plan

The Stock Option Plan is a rolling 10% plan, which means that at any point in time Gabriel is authorized to issue and have outstanding that number of options which is equal to 10% of its then currently issued and outstanding number of common shares. As at May 10, 2011, an aggregate of 348,526,338 common shares were issued and outstanding, therefore the maximum number of stock options issuable by Gabriel is 34,852,633 and an aggregate of 24,937,940 options have been granted, leaving an aggregate of 9,914,693 stock options theoretically available for issuance under the Stock Option Plan.

Under the Stock Option Plan, stock options may be granted to employees, officers, and directors of Gabriel, as well as to consultants. The exercise price per option is not to be less than the volume weighted average trading price of the common shares on the TSX for the five trading days immediately preceding the day the option is granted. Vesting provisions are in the discretion of the Board, and while Gabriel's standard vesting provisions provide that 1/36th of the stock options vest per month, the Board issues options with either specific vesting provisions, with vesting at the discretion of the Board, or fully vested at the time of the grant. The Stock Option Plan is administered by the Board, in consultation with the Compensation Committee.

Stock options are not assignable and as per the discretion of the Board, typically terminate: (i) within 90 days following the termination of an optionee's employment, with or without cause, or the retirement of the optionee as a Director of Gabriel; and (ii) within 12 months following the death of an optionee. In the event of a change of control, all stock options may automatically vest at the discretion of the Board. A change of control event is defined in the Stock Option Plan and, for the purposes of the employment agreements with the executive officers, includes change of control (as defined) of the Board.

Deferred Share Unit Plan

The DSU Plan was adopted by Gabriel on December 8, 2003 and was originally approved by the shareholders of Gabriel on April 19, 2005. The DSU Plan provides that up to 3,000,000 DSUs may be issued. As at May 10, 2011, 530,122 DSUs were issued and outstanding and 1,333,099 DSUs have been redeemed leaving 1,136,779 DSUs available for issuance.

Under the DSU Plan, directors and officers may elect to receive a portion of their compensation, including Board of Directors fees, base salary and annual incentive cash bonuses, in the form of DSUs in lieu of cash. DSUs may only be redeemed by a Director upon retirement from the Board, or by an officer upon cessation of employment. Upon redemption, the holder of the DSU may elect to redeem the DSU in common shares of Gabriel (on a one for one basis), or in a cash payment based upon the then current price of the underlying common shares, or some combination of the two. The DSU Plan is administered by the Board, in consultation with the Compensation Committee.

Employment Agreements – Termination and Change of Control Benefits

As of the date hereof, Gabriel has continuing employment agreements in place with two of its current Named Executive Officers, Jonathan Henry and Greg Duschek.

The employment agreement for Mr. Henry may be terminated by Gabriel with or without cause, or by the resignation of the employee, in all cases by written notice. Upon termination of the employment of Mr. Henry without cause by Gabriel, Gabriel will pay Mr. Henry a lump sum severance payment equal to the aggregate of: (i) 18 months salary plus one month's salary for each twelve months of completed service up to a maximum of 24 months salary; and (ii) the average of the two prior years bonus divided by twelve and multiplied by the notice period calculated in (i) and (iii) all outstanding stock options and DSUs will immediately vest.

In the event of a change of control all outstanding stock options and DSUs will immediately vest and if either (a) the involuntary termination of Mr. Henry within one year following the change of control event, or (b) the voluntary termination by Mr. Henry of his employment within 60 days following the date which is 120 days after the change of control occurs, Gabriel shall pay Mr. Henry a lump sum severance payment equal to the aggregate of: (i) two times his base annual salary; and (ii) two times his actual bonus averaged over the prior two years, with the bonus to include both the cash component and the cash equivalent as of the date of grant of any deferred share units comprising part of the bonus. In addition, medical, dental and life insurance policies will continue for a period of two years.

The employment agreement for Mr. Duschek may be terminated by Gabriel with or without cause, or by the resignation of the employee, in all cases by written notice. Upon termination of the employment of Mr. Duschek without cause by Gabriel, Gabriel will pay Mr. Duschek a lump sum severance payment

equal to the aggregate of: (i) twelve months salary and (ii) an amount equal to the bonus paid in the prior year and (iii) all outstanding stock options will immediately vest. In addition, medical, dental and life insurance policies will continue for a period of six months.

In the event of a change of control (as defined in the Corporation's Stock Option Plan) all outstanding stock options will immediately vest and if either (a) the involuntary termination of Mr. Duschek within one year following the change of control event occurs, or (b) Mr. Duschek voluntarily terminates his employment within 60 days following the date which is 120 days after the change of control occurs, Gabriel shall pay Mr. Duschek a lump sum severance payment equal to the aggregate of: (i) his base annual salary; and (ii) the value of the most recent annual bonus awarded prior to the change of control event. In addition, medical, dental and life insurance policies will continue for a period of six months.

The following table shows the value of the payments that would be made to Mr. Henry and Mr. Duschek in the event of termination of their respective employment agreements as of the date hereof:

Compensation on Termination of Employment and Change of Control

Name	Involuntary Termination Without Cause	Termination Following Change in Control
Greg Duschek	\$232,500	\$232,500
Jonathan Henry ⁽¹⁾	\$1,355,698	\$1,807,600

Notes:

(1) The exchange rate used to convert GBP to CAD was C\$1 = GBP 0.6463

The following table shows the value of the payments made to Messrs. Savarie and Young upon termination of their employment agreement as of March 31, 2010 and November 15, 2010 respectively.

Payments on Termination of Employment

Name	Payment
David Savarie ⁽¹⁾	\$633,000
Richard Young ⁽²⁾	\$1,028,000

Notes:

(1) Mr. Savarie resigned from his position as Deputy General Counsel & Corporate Secretary of Gabriel effective November 15, 2010 and his employment with Gabriel ceased as of that date. Mr. Savarie was paid an aggregate of \$633,000 in accordance with the provisions of his employment agreement.

(2) Mr. Young resigned from his position as Vice President and Chief Financial Officer effective March 31, 2010 and his employment with Gabriel ceased at that time. Mr. Young was paid an aggregate of \$1,028,000 on December 31, 2009 in accordance with the provisions of his employment agreement. In addition, Mr. Young was granted 164,374 DSUs under the DSU Plan while he was an officer of Gabriel. In May 2010, Mr. Young elected to redeem the DSUs in cash and was paid an aggregate amount of \$705,164.

Director Compensation

The Compensation Committee meets as necessary in order to review the adequacy and form of directors' compensation. Effective May 13, 2010, and with a view to benchmarking director compensation against market comparables the Board, upon the recommendation of the Compensation Committee, amended the annual compensation payable to Directors. The amendments included:

- I. increasing the Compensation Committee Chairman retainer from \$6,000 to \$7,500;
- II. increasing the Committee Chairman of the Corporate Governance, Technical and Finance Committee retainers from \$5,000 to \$6,000; and
- III. providing meeting fees of \$1,000 per meeting for only each member of the Audit Committee.

The following table provides information on annual compensation payable to Directors after May 13, 2010:

Type of Service	Director Designation	Annual Retainer	Meeting Fee
Chairman of the Board	Non-Executive ⁽¹⁾	\$75,000	–
Member of the Board	Non-Executive	\$40,000	–
Chairman of Audit Committee	Non-Executive	\$10,000	\$1,000
Members of Audit Committee	Non-Executive	–	\$1,000
Chairman of Compensation Committee	Non-Executive	\$7,500	–
Chairman of Corporate Governance Committee	Non-Executive	\$6,000	–
Chairman of Finance Committee	Non-Executive	\$6,000	–
Chairman of Technical Committee	Non-Executive	\$6,000	–

Notes:

- (1) During the year ended December 31, 2010, all directors were considered Non-Executive Directors, except Messrs. Hulley, Henry and Peat who were considered Executive Directors while they served as President, CEO and Acting CFO of Gabriel respectively. During 2010, Mr. Hulley and Mr. Henry did not receive compensation related to their activities as a Director while receiving compensation as President and CEO of Gabriel. During 2010, Mr. Peat did not receive any compensation relating to his services as Acting CFO.

Annual Board and committee retainers are paid quarterly, in arrears. Directors are entitled to elect to receive up to 100% of their annual retainer and meeting fees in DSUs in lieu of cash.

Director Compensation Table

The following table provides information regarding compensation earned by non-executive directors of Gabriel during the financial year ended December 31, 2010:

Name	Fees earned ⁽¹⁾ (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Ed Flood	\$20,000	–	\$659,507	–	n/a	–	\$679,507
Dr. Alfred Gusenbauer	\$20,000	–	\$659,507	–	n/a	–	\$679,507
Wayne Kirk	\$44,208	–	\$164,877	–	n/a	–	\$209,085
Igor Levental	\$41,750	–	\$329,753	–	n/a	–	\$371,503
David Peat ⁽⁴⁾	–	–	–	–	n/a	–	–
Simon Prior-Palmer	\$44,750	–	\$164,877	–	n/a	–	\$209,627
Walter Segsworth ⁽⁵⁾	\$23,000	–	\$659,507	–	n/a	–	\$682,507
Murray Sinclair ⁽⁵⁾	\$45,500	–	\$164,877	–	n/a	–	\$210,377
Michael Parrett ⁽⁵⁾⁽⁶⁾ (Former Chairman)	\$37,500	–	–	\$30,000	n/a	–	\$67,500
Marcel DeGuire ⁽⁶⁾ (Former Director)	\$20,000	–	–	–	n/a	–	\$20,000
Raphael Girard ⁽⁵⁾⁽⁶⁾ (Former Director)	\$21,750	–	–	–	n/a	–	\$21,750
Ronald Simkus ⁽⁶⁾ (Former Director)	\$21,750	–	–	–	n/a	–	\$21,750
Alan Thomas ⁽⁵⁾⁽⁶⁾ (Former Director)	\$25,000	–	–	–	n/a	–	\$25,000

Notes:

- (1) Total fees earned by all members of the Board for annual retainers, meeting fees, committee chair fees, and travel allowance totaled \$366,250 for the financial year ended December 31, 2010.
- (2) As per compensation policies set by the Board of Directors, new Directors are granted 200,000 options upon election or appointment and incumbent directors re-elected to the Board of Directors are granted 50,000 options in Gabriel after each annual general meeting of shareholders. The figures in this column reflect the grant date fair value of options granted to the non-executive directors of Gabriel during 2010 pursuant to the Stock Option Plan. The grant date fair value is an estimate calculated using the Black-Scholes Option Pricing Model.
- (3) Amounts referred to in this column in the case of Mr. Parrett represent a one-time cash payment to Mr. Parrett on account of the work he undertook as Chairman during 2010.
- (4) Mr. Peat's compensation has been disclosed in the Summary Compensation Table on page 30 as he was Acting CFO for part of 2010.
- (5) Messrs. Parrett, Girard, Sinclair and Segsworth each elected to take 100% of all annual board retainers in the form of DSUs. Mr. Thomas elected, after April 1, 2009, to take 50% of his annual board retainer in the form of DSUs.
- (6) Messrs. Parrett, Girard, Simkus, Thomas and DeGuire resigned as Directors of Gabriel on June 17, 2010.

Incentive Plan Awards

The Board has adopted a policy pursuant to which newly elected or appointed directors receive an initial grant of 200,000 stock options, vesting in accordance with Gabriel's standard vesting schedule of 1/36th per month. Each Director is also entitled to receive 50,000 stock options on an annual basis, with such share options also vesting on a 1/36th per month schedule.

The following table provides information regarding Stock Option Plan and DSU Plan awards outstanding as of December 31, 2010 for each non-executive director.

Name	Outstanding Option-Based Awards and DSU-Based Awards				Share-Based Awards	
	Number of securities underlying unexercised options (number)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested ⁽²⁾ (number)	Market or payout value of share-based awards that have not vested (\$)
Simon Prior-Palmer	200,000	\$4.33	03-Oct-2011	\$724,000	n/a	n/a
	50,000	\$4.13	10-May-2012	\$191,000	n/a	n/a
	50,000	\$2.65	19-Jun-2013	\$265,000	n/a	n/a
	50,000	\$1.91	24-Jun-2014	\$302,000	n/a	n/a
	50,000	\$5.23	25-Jun-2015	\$136,000	n/a	n/a
Murray Sinclair	50,000	\$2.75	19-May-2011	\$260,000	n/a	n/a
	50,000	\$4.13	10-May-2012	\$191,000	n/a	n/a
	200,000	\$2.65	19-Jun-2013	\$1,060,000	n/a	n/a
	50,000	\$1.91	24-Jun-2014	\$302,000	n/a	n/a
	50,000	\$5.23	25-Jun-2015	\$136,000	n/a	n/a
Wayne Kirk	75,000	\$2.65	19-Jun-2013	\$397,500	n/a	n/a
	30,000	\$1.91	24-Jun-2014	\$181,200	n/a	n/a
	50,000	\$5.23	25-Jun-2015	\$136,000	n/a	n/a
Igor Levental	200,000	\$2.65	19-Jun-2013	\$1,060,000	n/a	n/a
	50,000	\$1.91	24-Jun-2014	\$302,000	n/a	n/a
	100,000	\$5.23	25-Jun-2015	\$272,000	n/a	n/a
Dr. Alfred Gusenbauer	200,000	\$5.23	25-Jun-2015	\$544,000	n/a	n/a
David Peat ⁽³⁾	—	—	—	—	—	—
Walter Segsworth	200,000	\$5.23	25-Jun-2015	\$544,000	n/a	n/a
Ed Flood	200,000	\$5.23	25-Jun-2015	\$544,000	n/a	n/a
Michael Parrett ⁽⁴⁾ (Former Chairman)	50,000	\$2.75	19-May-2011	\$260,000	n/a	n/a
	50,000	\$4.13	10-May-2012	\$191,000	n/a	n/a
	200,000	\$2.65	19-Jun-2013	\$1,060,000	n/a	n/a
	50,000	\$1.91	24-Jun-2014	\$302,000	n/a	n/a
	50,000	\$2.75	19-May-2011	\$260,000	n/a	n/a
Raphael Girard ⁽⁴⁾ (Former Director)	50,000	\$2.75	19-May-2011	\$260,000	n/a	n/a
	50,000	\$4.13	10-May-2012	\$191,000	n/a	n/a
	50,000	\$2.65	19-Jun-2013	\$265,000	n/a	n/a
	50,000	\$1.91	24-Jun-2014	\$302,000	n/a	n/a
Ronald Simkus ⁽⁴⁾ (Former Director)	9,722	\$2.65	19-Jun-2013	\$51,527	n/a	n/a
	26,389	\$1.91	24-Jun-2014	\$159,390	n/a	n/a
Marcel DeGuire ⁽⁴⁾ (Former Director)	200,000	\$2.65	19-Jun-2013	\$1,060,000	n/a	n/a
	50,000	\$1.91	24-Jun-2014	\$302,000	n/a	n/a
Alan Thomas ⁽⁴⁾ (Former Director)	50,000	\$2.65	19-Jun-2013	\$265,000	n/a	n/a
	50,000	\$1.91	24-Jun-2014	\$302,000	n/a	n/a

Notes:

- (1) The values expressed in this column are based on the difference between the market value of the securities underlying the instruments at the end of the year, and the exercise price of the option.
- (2) Pursuant to the terms of the DSU Plan, all DSUs vest upon the date of grant but only become redeemable upon cessation of employment, or holding the position as a Director or Executive Officer of Gabriel.
- (3) Mr. Peat's option-based and DSU-based awards has been disclosed in the Outstanding Share-Based Awards and Option-Based Awards Table on page 31 as he was Acting CFO for part of 2010.
- (4) Messrs. Parrett, Girard, Simkus, Thomas and DeGuire resigned as Directors of Gabriel on June 17, 2010.

The following table provides information regarding the value vested, or earned, of Stock Option Plan and DSU Plan awards for each non-executive director for the financial year ended December 31, 2010.

Value Vested or Earned During the Financial Year Ended December 31, 2010

Name	Stock options – Value vested during the year⁽¹⁾ (\$)	DSUs – Value vested during the year⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Ed Flood	\$36,555	–	–
Dr. Alfred Gusenbauer	\$36,555	–	–
Wayne Kirk	\$236,654	–	–
Igor Levental	\$245,791	–	–
David Peat ⁽³⁾	–	–	–
Simon Prior-Palmer	\$108,626	–	–
Murray Sinclair	\$238,751	\$40,000	–
Walter Segsworth	\$36,555	\$10,000	–
Michael Parrett ⁽⁴⁾ (Former Chairman)	\$229,614	–	\$30,000
Marcel DeGuire ⁽⁴⁾ (Former Director)	\$227,517	–	–
Raphael Girard ⁽⁴⁾ (Former Director)	\$99,489	\$20,475	–
Ronald Simkus ⁽⁴⁾ (Former Director)	\$99,489	–	–
Alan Thomas ⁽⁴⁾ (Former Director)	\$99,489	\$9,308	–

Notes:

- (1) Stock Options — Value vested during the year is calculated as the difference between the closing market price on December 31, 2010 of the underlying securities and the exercise price of the options.
- (2) DSUs — Value vested during the year represents value of DSUs issued during the year as of the grant date. The redemption price for DSUs is nil, hence the value vested during the year represents the market price of the underlying securities upon date of grant of the DSUs.
- (3) Mr. Peat's value vested or earned during the year has been disclosed in the Value Vested or Earned During the Financial Year Ended December 31, 2010 Table on page 31 as he was Acting CFO for part of 2010.
- (4) Messrs. Parrett, Girard, Simkus, Thomas and DeGuire resigned as Directors of Gabriel on June 17, 2010.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out as at December 31, 2010 the number of common shares of Gabriel to be issued upon (i) the exercise of options under the Stock Option Plan (a compensation plan previously approved by shareholders) to directors, officers and employees of, and consultants to, Gabriel and its Romanian subsidiary company, Rosia Montana Gold Corporation S.A. and (ii) under the DSU Plan to directors and executive officers:

Plan Category	Number of Securities to be Issued Upon the Exercise of Outstanding Options/ Units (a)	Weighted-Average Exercise Price of Outstanding Options (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column(a)) (c)
Stock Option Plan ⁽¹⁾	25,195,916	\$3.95	9,622,420
DSU Plan	446,184	N/A ⁽²⁾	1,220,717
Equity compensation plans not approved by security holders	Nil	Nil	Nil

Notes:

- (1) The Stock Option Plan is a rolling plan and re-loading plan such that the maximum amount of securities available for grant of stock options is a number equal to 10% of the issued and outstanding Common Shares at any point in time.
- (2) Unlike stock options, DSUs may be converted into cash, common shares of Gabriel or a combination of both at the election of the holder of the DSU at the time of redemption. Therefore, the weighted average exercise price in the future cannot be forecast ahead of time.
- (3) As per footnote (2) above, the number of securities listed in column (c) represents only the number of DSUs that remain available for future issuance and is not reflective of the number of common shares of Gabriel that may be ultimately issued once they are redeemed.

For more detailed disclosure of the Stock Option Plan and the DSU Plan, see the table attached as Schedule "B".

ADDITIONAL INFORMATION

Interest of Management and Others in Material Transaction or Matters to Be Acted Upon

Except as disclosed elsewhere in this Circular, no director or officer of Gabriel, or any associate or affiliate thereof or, to the knowledge of Gabriel, any person who beneficially owns, or controls or directs, directly or indirectly, 10% or more of the voting shares of Gabriel, or any associate or affiliate thereof, has had any material interest, direct or indirect, by way of beneficial ownership of shares or otherwise, in any matter to be acted upon or in any transaction of Gabriel since January 1, 2010, or in any proposed transaction that has materially affected or will materially affect Gabriel or any of its subsidiaries.

Auditor and Registrar and Transfer Agent

Gabriel's external auditors are PricewaterhouseCoopers LLP at its principal offices in Toronto, Ontario. Gabriel's registrar and transfer agent is Computershare Investor Services Inc. at its principal offices in Toronto, Ontario.

Availability of Documents

Gabriel files its annual information form, its audited consolidated financial statements, together with the auditors' report, all interim financial statements for any period subsequent to the most recently completed financial year, all management discussion and analysis and this Circular with the Canadian securities regulators. A copy of these documents will be sent free of charge to any shareholder upon request. A copy of these documents can also be obtained free of charge from the SEDAR website on the Internet at www.sedar.com under Gabriel's name. All documents Gabriel is required to file with the Canadian securities regulators can also be accessed through Gabriel's website at www.gabrielresources.com.

All requests should be in writing and up to May 31, 2011 addressed to:

Gabriel Resources Ltd.
110 Yonge Street – Suite 1501
Toronto, Ontario M5C 1T4
Attention: Acting Corporate Secretary

From June 1, 2011 requests should be addressed to:
Gabriel Resources Ltd.
c/o RM Gold (Services) Ltd.
10th Floor,
8-18 Great Queen Street
London
WC2B 5DG
United Kingdom

Communicating with the Board of Directors

Shareholders may write to the Board or any member or members of the Board up to May 31, 2011 in care of the following address:

Gabriel Resources Ltd.
110 Yonge Street – Suite 1501
Toronto, Ontario M5C 1T4
Attention: Acting Corporate Secretary

From June 1, 2011 requests should be addressed to:
Gabriel Resources Ltd.
c/o RM Gold (Services) Ltd.
10th Floor,
8-18 Great Queen Street
London
WC2B 5DG
United Kingdom

The Board has consulted with Management to develop a procedure to assist in managing inquiries directed to the Board or its members. While the Board oversees management, it does not participate in the day to day business and affairs of Gabriel. The Board has instructed the Acting Corporate Secretary

to review all inquiries and, in his discretion, determine whether a response from the Board is appropriate or, if the inquiries relate to the day to day business and affairs of Gabriel, then to direct the inquiry to Management for a response. All inquiries will receive a response from either the Board or Management as appropriate. Records of all inquiries will be maintained by the Acting Corporate Secretary.

BOARD OF DIRECTORS APPROVAL

The contents of this Circular and the sending thereof to the shareholders have been approved by the Board of Directors of Gabriel.

DATED at Toronto, Ontario, as of May 12, 2011.

ON BEHALF OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Richard Brown". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Richard Brown
Acting Corporate Secretary

SCHEDULE “A” – FORM 58-101F1 — CORPORATE GOVERNANCE DISCLOSURE

The following table sets out how Gabriel’s corporate governance practices comply with the provisions of National Instrument 58-101 — Disclosure of Corporate Governance Practices.

Board of Directors

Independent Directors

The eight incumbent directors determined by the Board to be independent pursuant to the definition of independence in National Instrument 58-101 are set out in the table on page 20.

Non-Independent Directors

The two incumbent directors who are determined by the Board to not be independent, and the basis for that determination, is set out in the table on page 20.

Majority of Independent Directors

A majority of the incumbent directors are independent. Eight of the ten nominees proposed by management for election to the Board have been determined by the Board to be independent pursuant to the definition of independence in National Instrument 58-101.

Other Directorships

All directorships with other reporting issuers for each incumbent member of the Board and each nominee for election are set out in the table on page 18.

Meetings Without Management

The independent directors and the independent members of each Board Committee meet without management at every regularly scheduled meeting where either a director or a member requests such a meeting. There were four Audit Committee Meetings, two Corporate Governance Meetings and one Board Meeting held without Management during 2010.

Independence of Board Chair

Mr. Hulley, the Non-Executive Chairman of the Board, has been determined by the Board to be a non-independent director due to his prior position as Interim President & CEO of Gabriel. The responsibilities of the Chairman of the Board are set out in the Position Description for the Chairman. The Position Description for the Chairman is available on the Corporation’s website at www.gabrielresources.com, on SEDAR, or by request to the Acting Corporate Secretary as set out on page 38. Mr. Sinclair is the Lead Independent Director. The role of the Lead Independent Director will normally be filled by the non-executive Chairman of the Board. At any time when the Chairman of the Board is an executive of Gabriel, the non-executive directors will select an independent director to carry out the functions of the Lead Independent Director. This person will Chair regular meetings of the non-executive directors and assume other responsibilities which the non-executive directors as a whole have designated.

Director Attendance

The attendance record of the directors for meeting of the Board and each Board committee is set out in the table on page 22.

Board Mandate

The Board Mandate is available on the Corporation’s website at www.gabrielresources.com, on SEDAR, or by request to the Acting Corporate Secretary as set out on page 38.

Position Descriptions

Board and Committee Position Descriptions

A position description for the Board Chairman is available on the Corporation’s website at www.gabrielresources.com, on SEDAR, or by request to the Acting Corporate Secretary as set out on page 38. The Board has determined that given the size of the Board, the stage of development of Gabriel and the fact that each committee has a comprehensive written charter, a written position description for the chairman of each committee is not required at this time.

CEO Position Description

A position description for the CEO is available on the Corporation's website at www.gabrielresources.com, on SEDAR, or by request to the Acting Corporate Secretary as set out on page 38.

Orientation and Continuing Education

Orientation

The Board maintains a Directors' Binder, a copy of which is provided to each Director, which contains corporate governance material, including corporate governance guidelines, board mandate, position descriptions, board committee charters, principal corporate policies and relevant documentation describing Gabriel's current business activities. Gabriel's external counsel are made available to all directors to address any questions they may have on the role of the Board or its various committees. Information regarding Gabriel's current business is included in the Directors' Binder provided to each director and is reported on at each meeting.

Continuing Education

The Board does not have a formal program for the continuing education of its directors, however, all directors are encouraged to visit Gabriel's Rosia Montana project site to facilitate their understanding of Gabriel's business activities. All directors are also encouraged to attend mining industry conferences and events. Periodic presentations are provided by outside legal counsel regarding recent development in corporate governance matters.

Ethical Business Conduct

Code of Conduct

The Code of Business Conduct and Ethics is available on the Corporation's website at www.gabrielresources.com, on SEDAR, or by request to the Acting Corporate Secretary as set out on page 38. The Code of Business Conduct and Ethics requires the CEO to obtain annual certifications from all directors and employees as to compliance with the Code of Business Conduct and Ethics and to provide a summary of the results of the certification process to the Board prior to the completion of the first financial quarter. The Board did not grant any waiver of the Code of Business Conduct and Ethics in favour of a director or executive officer during 2010 or ever. Accordingly, no material change report had been required or filed.

Material Interest

The Code of Business Conduct and Ethics requires all Directors to disclose any material interest in any proposed transaction and recuse themselves from voting on the transaction.

Culture of Ethical Business Conduct

The position descriptions for both the Chairman and the CEO make the promotion of ethical business conduct an integral part of their duties and responsibilities. In addition, the Code of Business Conduct and Ethics is distributed to all employees. Information sessions are held to explain to all employees the purpose of the Code of Business Conduct and Ethics as well as expectations for compliance.

Nomination of Directors

Identification of New Candidates for Nomination

The Board has appointed the Corporate Governance Committee with responsibility for the identification and recommendation to the Board of new candidates for election as directors of Gabriel. Gabriel's Corporate Governance Guidelines and the Charter of the Corporate Governance Committee establish the procedure for identifying and nominating directors for election. The Corporate Governance Committee annually prepares and reviews criteria for nomination to the Board together with a competency matrix identifying the characteristics, qualities, skills and experience required for nominees to the Board. Each director, and nominee for election, is assessed based upon such criteria in order to ensure that the Board as a whole has the appropriate mix of skills and competence.

Independent Nominating Committee

The Corporate Governance Committee acts as the Independent Nominating Committee and is currently comprised of three directors, all of whom have been determined by the Board to be independent pursuant to National Instrument 58-101.

Nominating Committee Mandate

The Corporate Governance Committee charter contains the Nominating Committee Mandate and is available on the Corporation's website at www.gabrielresources.com, on SEDAR, or by request to the Acting Corporate Secretary as set out on page 38.

Compensation Committee

Director and Officer Compensation

The Board has appointed a Compensation Committee with responsibility for reviewing and recommending to the Board compensation for the directors and officers.

Independence

The Compensation Committee is currently comprised of three directors, all of whom have been determined by the Board to be independent pursuant to National Instrument 58-101.

Mandate

The Compensation Committee charter is available on the Corporation's website at www.gabrielresources.com, on SEDAR, or by request to the Acting Corporate Secretary as set out on page 38.

Outside Compensation Consultant

The activities of the Compensation Committee's outside compensation consultant are disclosed commencing on page 26.

Other Board Committees

Gabriel has four additional standing committees: 1) Finance; 2) Technical; 3) Audit; and 4) Compensation. In 2010, all standing committees were comprised of a majority of members who were independent within the meaning of National Instrument 58-101 and, with respect to the Audit Committee, Compensation Committee and Corporate Governance Committee all of the members were independent.

Board Assessments

The Corporate Governance Committee conducts an annual assessment of the performance and effectiveness of the Board. The evaluation consists of a questionnaire which covers self-evaluation and evaluation of one's peers. The results of the evaluation are presented to the Board by the Corporate Governance Committee together with any recommendations for improving the performance and effectiveness of the Board.

**SCHEDULE “B” – TSX SECURITY BASED COMPENSATION
ARRANGEMENTS DISCLOSURE**

The following table sets out the relevant disclosure required by the TSX with respect to Gabriel’s Incentive Stock Option Plan and DSU Plan as at May 10, 2011:

Disclosure Item	Incentive Stock Option Plan	Deferred Share Unit Plan
	Any director, officer or employee of, or consultant to, Gabriel or of any subsidiary.	A director or senior officer of Gabriel designated by the Compensation Committee of Gabriel as eligible to participate in the DSU Plan.
Total number of securities issuable and issued and the percentage of Gabriel’s currently outstanding capital represented by such securities	Issuable — 10% of Gabriel’s total outstanding shares on an undiluted basis. Issued and outstanding — 24,937,940 options which are 7.2% of Gabriel’s total outstanding shares on an undiluted basis.	Issuable — 3,000,000 A total of 1,863,222 DSU have been issued.
Maximum percentage, if any, of securities under each arrangement available to insiders of Gabriel	The maximum number of common shares which may be reserved for issuance to insiders of Gabriel is currently 10% of the common shares outstanding at the time of the grant on an undiluted basis.	Not applicable as all units issued are to insiders.
Maximum number of securities any one person or company is entitled to receive and the percentage of Gabriel’s currently outstanding capital	The maximum number of shares which can be issued to any one insider during any one year period is 5% of the common shares outstanding at the time of issuance.	Not applicable.
The method of determining exercise price	The Board determines the exercise price which cannot be less than the volume weighted average trading price of Gabriel’s common shares as reported on the TSX for the five (5) trading days immediately preceding the day on which the Option is granted.	Redemption price is the closing price of a common share of Gabriel on the TSX averaged over the five consecutive trading days immediately preceding date of grant or termination date as applicable.
Term and vesting of stock options	The Board has the authority to determine the term and vesting provisions of stock options, provided that the term may not be longer than 10 years. All options issued as at the date hereof have a term of five years and all are either fully vested, vest as to 1/36 per month over a three-year period or on the attainment of certain project milestones.	Not applicable.
Causes of cessation of entitlement including termination of employment	The Option Plan states that 12 months after: (a) termination of an officer’s or employee’s employment, with or without cause; (b) the date on which an individual ceases to be a director; or (c) the death of an officer, employee or director, all vested options held by that individual cease to be exercisable. The Board of Directors has exercised its discretion to reduce the time frames listed in (a) and (b) above to 90 days for grants to all employees since 2005.	Upon termination of a senior officer’s employment, with or without cause, or the date on which an individual ceases to be a director or the date of death of a senior officer or director the right to participate terminates.
Assignability	Not assignable or transferable.	Not assignable or transferable.
Procedure for amending the security based compensation arrangement, including whether shareholder approval is required for amendments	The Board has the authority to amend, suspend or terminate the Plan without shareholder approval but subject to any required regulatory approval.	The Board has the authority to amend or suspend the plan without shareholder approval, except for the increase in the maximum number of DSUs, which requires shareholder and regulatory approval.
Financial assistance provided by Gabriel to any participant to facilitate the purchase	None.	None.

SCHEDULE “C” – RESTRICTED SHARE UNIT PLAN



G A B R I E L
Rozia Montana
I N P A R T N E R S H I P

GABRIEL RESOURCES LTD.

RESTRICTED SHARE UNIT PLAN

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Schedule “A” Relevant Definitions taken from Section 1 of the *Securities Act* (Ontario)

Schedule “B” Definition of Reporting Insider taken from National Instrument 55-104

Appendix “A” Illustrative Form of Certificate

Appendix “B” Form of Settlement Notice

RESTRICTED SHARE UNIT PLAN
ARTICLE 1
PURPOSE AND INTERPRETATION

Section 1.1 Purpose

The purpose of the Plan is to promote and advance the interests of the Corporation by (i) providing Eligible Persons with additional incentive through an opportunity to receive a portion of their compensation in the form of Common Shares of the Corporation, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation, (iv) encouraging Eligible Persons to remain with the Corporation or its Subsidiary Companies, and (v) attracting new directors, employees and officers.

Section 1.2 Definitions

- (1) For the purposes of this Plan, the following terms shall have the following meanings:
- (a) “Account” means a notional account maintained for each Participant on the books of the Corporation which will be credited with Restricted Share Units and Dividend RSUs, in accordance with the terms of the Plan;
 - (b) “Associate” has the meaning ascribed to that term under Section 1 of the *Securities Act* (Ontario) as may be amended from time to time, which for convenience is set out in Schedule A;
 - (c) “Affiliated Companies”, “Controlled Companies” and “Subsidiary Companies” have the meanings ascribed to those terms under Section 1 of the *Securities Act* (Ontario) as may be amended from time to time, which for convenience is set out in Schedule A;
 - (d) “Black-Out Period” means the period during which designated directors, officers, employees and consultants of the Corporation and, if applicable, any Subsidiary Company, cannot trade Common Shares pursuant to the Corporation’s insider trading policy which is in effect at that time (which, for certainty, does not include the period during which a cease trade order is in effect to which the Corporation, or in respect of a Reporting Insider, that Reporting Insider, is subject);
 - (e) “Board” means the board of directors of the Corporation or such delegate as referred to by the term in Section 3.1(1);
 - (f) “Business Day” means any day other than a Saturday, Sunday or a statutory or civic holiday in the City of Toronto, Ontario;
 - (g) “Cause” means (i) if the Participant has a written employment agreement with the Corporation or Subsidiary Companies in which “cause” is defined, “cause” as defined therein; or otherwise (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) the failure of the Participant to follow the Corporation’s reasonable instructions with respect to the performance of his or her duties; (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Corporation; (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (E) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;
 - (h) “Certificate” has the meaning given to that term in Section 3.1(3);
 - (i) “Change of Control Event” means:
 - (i) The sale by the Corporation of all or substantially all of its assets;
 - (ii) The acceptance by the Shareholders, representing in the aggregate fifty percent (50%) or more of all of the issued Common Shares, of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Common Shares; provided that no change of control event shall be deemed to have occurred if upon completion of any such transaction individuals who were members of the Board immediately prior to the

effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date;

- (iii) The acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Common Shares acquired), directly or indirectly, of beneficial ownership of such number of Common Shares or rights to Common Shares, which together with such person's then-owned Common Shares and rights to Common Shares, if any, represent (assuming the full exercise of such rights) fifty percent (50%) or more of the combined voting rights attached to the then-outstanding Common Shares;
 - (iv) The entering into of any agreement by the Corporation to merge, consolidate, restructure, amalgamate, initiate an arrangement or be absorbed by, into or with another corporation; provided that no change of control event shall be deemed to have occurred if upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date; or
 - (v) The passing of a resolution by the Board or Shareholders to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a *bona fide* reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement).
- (j) "Common Shares" means the common shares in the share capital of the Corporation;
 - (k) "Corporation" means Gabriel Resources Ltd.;
 - (l) "Consultant" means an individual (including an individual whose services are contracted through a personal holding corporation) with whom the Corporation or a Subsidiary Company has a contract for substantial services for a period of 12 months or more, on a continuous basis;
 - (m) "Dividend RSUs" means a bookkeeping entry credited to a Participant's Account equivalent in value to the dividend, if any, paid on a Common Share in accordance with Section 4.2 of the Plan;
 - (n) "Eligible Person" means:
 - (i) any director, officer, employee or Consultant of the Corporation or any of its Subsidiary Companies or any of the Corporation or its Subsidiary Companies ongoing service providers who have been providing services to the Corporation or any of its Subsidiary Companies for a period of at least 12 months on a continuous basis; and
 - (ii) any Personal Holding Company;who is designated by the Board as eligible to participate in the Plan;
 - (o) "Expiry Date" means the 90th day following the Vesting Date, following which an RSU is expired and is thereafter incapable of settlement, and is of no value whatsoever;
 - (p) "Market Price" means the volume weighted average trading price of the Shares as reported on the Stock Exchange for the five (5) trading days immediately preceding the day on which it is calculated;
 - (q) "Participant" means an Eligible Person to whom RSUs have been granted;
 - (r) "Personal Holding Company" means a personal holding corporation that is either wholly owned, or controlled by, the Participant, and the shares of which are held directly or indirectly by any of the Participant or the Participant's spouse, minor children and/or minor grandchildren;
 - (s) "Plan" means this Restricted Share Unit Plan of the Corporation;
 - (t) "Reporting Insider" means a reporting insider as defined under National Instrument 55-104 as may be amended from time to time, which for convenience is set out in Schedule B;

- (u) “Restricted Share Unit” or “RSU” means a bookkeeping entry equivalent in value to a Common Share credited to a Participant’s Account and representing the right of a Participant to whom a grant of such restricted share units is made to receive one Common Share (or, pursuant to Section 4.3, an amount of cash equal to the Market Value thereof), pursuant to and subject to the terms and conditions set forth in this Plan and in the applicable Certificate;
- (v) “RSU Award” means the number of RSUs determined by the Board to be awarded to the Participant and credited to a Participant’s Account, as evidenced by a Certificate;
- (w) “Settlement Date” means the Business Day during the Settlement Period on which a Participant elects to settle an RSU in accordance with Section 4.3;
- (x) “Settlement Notice” has the meaning set out in Section 4.3;
- (y) “Settlement Period” means the 90-day period starting on the Vesting Date and ending on the Expiry Date;
- (z) “Shareholder” means a holder of a Common Share in the capital of the Corporation;
- (aa) “Share Compensation Arrangement” means any stock option, stock option plan, employee stock purchase plan, restricted share unit, or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- (bb) “Stock Exchange” means the Toronto Stock Exchange or if the Common Shares are not listed on the Toronto Stock Exchange, any stock exchange on which the Common Shares are listed or traded, as determined by the Board;
- (cc) “Termination Date” means the date on which a Participant ceases to be an Eligible Person. For greater certainty, in the case of a Participant whose employment or term of office with the Corporation or any Subsidiary Company terminates in the circumstances set out in Section 4.4(1)(a) or Section 4.4(1)(b), the date that is designated by the Corporation or any Subsidiary Company, as the last day of the Participant’s employment or term of office with the Corporation or such Subsidiary Company, provided that in the case of termination of employment or term of office by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and “Termination Date” specifically does not include any period of reasonable notice that the Corporation or any Subsidiary Company may be required at law to provide to the Participant;
- (dd) “Vesting Date” means the date on which an RSU is vested for the purposes of the Plan.

Section 1.3 Interpretation

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

Section 1.4 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Section 1.5 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

ARTICLE 2
SHARE CAPITAL

Section 2.1 Shares Reserved

- (1) Subject to Section 5.3(1), the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Common Shares.
- (2) The Corporation shall at all times during the term of this Plan ensure that the number of Common Shares it is authorized to issue shall be sufficient to satisfy the requirements of this Plan.
- (3) The aggregate number of RSUs issuable under this Plan and under all other Share Compensation Arrangements of the Corporation shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time on a non-diluted basis.
- (4) Any Common Shares subject to an RSU which for any reason is cancelled or terminated without having been settled shall again be available for grants under the Plan. Any Common Shares subject to an RSU which has been settled by a Participant, shall again be available for grants under the Plan. Fractional shares will not be issued and will be treated as specified in Section 3.3(5).

Section 2.2 Limits With Respect to Reporting Insiders

- (1) The maximum number of Common Shares (i) issued to Reporting Insiders and such Reporting Insiders' Associates under the Plan within any one year period, and (ii) issuable to Reporting Insiders and such Reporting Insiders' Associates under the Plan at any time, shall not be more than 10% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis), including Common Shares issued under the Plan or any other Share Compensation Arrangement.
- (2) The maximum number of Common Shares which may be issued to any one Reporting Insider and such Reporting Insider's Associates under the Plan within a one year period shall be 5% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis), excluding Common Shares issued to such Reporting Insider and such Reporting Insider's Associates under the Plan or any other Share Compensation Arrangement over the preceding one year period.
- (3) Any entitlement to acquire Common Shares granted pursuant to the Plan or any other Share Compensation Arrangement prior to the grantee becoming a Reporting Insider shall be excluded for the purposes of the limits set out in (1) and (2) above.

**ARTICLE 3
ADMINISTRATION**

Section 3.1 General

- (1) This Plan shall be administered by the Board. Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. Any delegation pursuant to this Section 3.1 shall be documented in a resolution of the Board. Whenever used herein, the term “Board” means the board of directors of the Corporation, and shall be deemed to include any committee or director to which the Board has, fully or partially, delegated the administration and operation of this Plan pursuant to this Section 3.1
- (2) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, vesting, settlement and method of settlement of RSUs (as hereinafter defined), all on such terms (which may vary between RSUs granted from time to time) as it shall determine. In addition, the Board shall have the authority to:
 - (a) select any directors, officers, employees or Consultants of the Corporation or Subsidiary Companies of the Corporation to participate in this Plan; provided that RSUs granted to any Participant shall be approved by the Shareholders if the rules of the Stock Exchange require such approval;
 - (b) construe and interpret this Plan and all agreements entered into hereunder;
 - (c) prescribe, amend and rescind rules and regulations relating to this Plan; and
 - (d) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (3) An RSU Award shall be evidenced by an RSU agreement certificate (“Certificate”), signed on behalf of the Corporation, substantially in the form attached at Appendix “A”, subject to amendment by the Board from time to time, and which shall specify:
 - (a) the number of RSUs subject to the RSU Award to be credited to the Participant’s Account;
 - (b) the date of grant of the RSU Award;
 - (c) the Vesting Date or Vesting Dates applicable to the RSUs subject to the RSU Award;
 - (d) the Settlement Period applicable to an RSU subject to the RSU Award;
 - (e) the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Common Shares acquired upon settlement of the RSU,
 - (f) the nature of the events, if any, and the duration of the period in which any Participant’s rights in respect of Common Shares acquired upon settlement of an RSU may be forfeited;
 - (g) such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine.

Section 3.2 Compliance with Legislation

- (1) The Plan, the grant and settlement of RSUs hereunder and the Corporation’s obligation to sell and deliver Common Shares upon settlement of RSUs shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Stock Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any RSU hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No RSU shall be granted and no Common Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any RSU or issue or sale of Common Shares hereunder in violation of this provision shall be void.
- (3) The Corporation shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly listed, upon official notice of issuance, with the Stock

Exchange. Common Shares issued and sold to Participants pursuant to the settlement of RSUs may be subject to limitations on sale or resale under applicable securities laws.

- (4) If Shares cannot be issued to a Participant upon the settlement of an RSU due to legal or regulatory restrictions, the obligation of the Corporation to issue such Common Shares under the Plan shall terminate.

Section 3.3 Miscellaneous

- (1) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.
- (2) Nothing contained in the Plan nor in any RSU granted thereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever other than as set forth in the Plan and pursuant to the settlement of any RSU.
- (3) The Plan does not give any Participant or any employee of the Corporation or any of its Affiliated Companies, Subsidiary Companies or Controlled Companies the right or obligation to continue to serve as a consultant, director, officer or employee, as the case may be, of the Corporation or any of its Affiliated Companies, Subsidiary Companies or Controlled Companies. The awarding of RSUs to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Corporation or any of its Subsidiary Companies other than as specifically provided for in the Plan.
- (4) The existence of any RSUs shall not affect in any way the right or power of the Corporation or its Shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.
- (5) No fractional Common Shares shall be issued upon the settlement of RSUs granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the settlement of an RSU, or from an adjustment pursuant to Section 5.3(1) such Participant shall only have the right to receive the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

ARTICLE 4
RESTRICTED SHARE UNITS

Section 4.1 Granting of RSUs

- (1) Where the Board determines to grant an RSU Award to an Eligible Person and the terms and condition applicable to such RSU Award, the Corporation shall deliver to the Eligible Person a Certificate, containing the terms and condition applicable to such RSU Award.
- (2) On the grant of an RSU Award, the Corporation will credit the Participant's Account with the number of RSUs granted to such Participant under the terms of the RSU Award.
- (3) The grant of an RSU Award shall entitle the Participant to the conditional right to elect to receive one Common Share for each RSU credited to the Participant's Account or an amount in cash, net of applicable taxes and contributions to government sponsored plans, equal to the Market Price of one Common Share for each RSU credited to the Participant's Account, subject to the conditions set out in the Certificate and in the Plan.
- (4) An Eligible Person may receive an RSU Award on more than one occasion under the Plan and may receive separate RSU Awards on any one occasion.

Section 4.2 Dividends

- (1) Unless the Board determines otherwise, additional RSUs ("**Dividend RSUs**") will be credited to a Participant's Account where the Corporation declares and pays a dividend on Common Shares. The number of Dividend RSUs credited to a Participant's Account in connection with the payment of dividends on Common Shares will be based on the actual amount of cash dividends that would have been paid to such Participant had he been holding such number of Shares equal to the number of RSUs credited to the Participant's Account on the date on which cash dividends are paid on the Shares and the Market Price of the Common Shares on the payment date.
- (2) Dividend RSUs credited to a Participant's Account shall vest and be settled in the same manner and on the same date as the RSUs to which they relate.

Section 4.3 Settlement of Restricted Share Units

- (1) Subject to the provisions of the Plan and in particular Section 4.4 and Section 5.2 and any vesting limitations imposed by the Board at the time of grant, RSUs subject to an RSU Award may be settled by a Participant during the Settlement Period applicable to the RSU by delivery to the Corporation of a notice in a form substantially similar to that attached at Appendix "B" (the "Settlement Notice"). As soon as practicable following the receipt of the Settlement Notice, RSUs will be settled by the Corporation through the delivery by the Corporation of such number of Common Shares equal to the number of RSUs then being settled or, at a Participant's election, an amount in cash, net of applicable taxes and contributions to government sponsored plans, equal to the Market Price of one Common Share for each RSU then being settled. Where, prior to the Expiry Date, a Participant fails to elect to settle an RSU, the Participant shall be deemed to have elected to settle such RSUs on the day immediately preceding the Expiry Date and to receive Common Shares in respect thereof.
- (2) Notwithstanding the foregoing, no Common Shares will be issued or transferred until:
 - (a) an amount sufficient to cover the withholding taxes payable on the settlement of such RSUs has been received by the Corporation;
 - (b) the Participant undertakes to arrange for such number of Common Shares to be sold as is necessary to raise an amount equal to such withholding taxes, and to cause the proceeds from the sale of such Common Shares to be delivered to the Corporation; or
 - (c) the Participant elects to redeem for cash such number of RSUs as is necessary raise funds sufficient to cover such withholding taxes with such amount being withheld by the Corporation.
- (3) Subject to the terms of the Plan, as soon as practicable after receipt of any of the amount, undertaking or election listed in Section 4.3(2), the Corporation will forthwith cause the transfer agent and registrar of the Common Shares to deliver to the Participant a certificate or certificates in the name of the Participant or a statement of account, at the discretion of the Participant, representing in the aggregate Common Shares issued to the Participant.

- (4) Notwithstanding any other provision of the Plan:
- (a) no RSU shall be capable of settlement after the Expiry Date; provided, however, that if the Expiry Date in respect of an RSU falls on, or within nine (9) Business Days immediately following, a date upon which such Participant is prohibited from exercising such RSU due to a Black-Out Period or other trading restriction imposed by the Corporation, then the Expiry Date of such RSU shall be automatically extended to the tenth (10th) Business Day following the date the relevant Black-Out Period or other trading restriction imposed by the Corporation is lifted, terminated or removed;
 - (b) the Settlement Period shall be automatically reduced in accordance with Section 4.4 upon the occurrence of any of the events referred to therein; and
 - (c) no RSU in respect of which Shareholder approval is required under the rules of the Stock Exchange shall be settled until such time as such RSU has been approved by the Shareholders.

Section 4.4 Termination of Service

- (1) Except as otherwise determined by the Board:
- (a) all RSUs held by the Participant (whether vested or unvested) shall terminate automatically upon the termination of the Participant's service with the Corporation or any Subsidiary Companies for any reason other than as set forth in paragraph (b) below.
 - (b) in the case of a termination of the Participant's service by reason of (A) termination by the Corporation or any Subsidiary Companies other than for Cause, (B) the Participant's death, or (C) voluntary resignation, only the Participant's unvested RSUs shall terminate automatically as of such date, and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant (or his or her executor or administrator, or the person or persons to whom the Participant's RSUs are transferred by will or the applicable laws of descent and distribution) will be eligible to request that the Corporation settle his vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the Termination Date) the Participant fails to elect to settle a vested RSU, the Participant shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the Termination Date) and to receive Common Shares in respect thereof
 - (c) For greater certainty, where a Participant's employment or term of office terminates by reason of termination by the Corporation or any Subsidiary Companies for Cause then any RSUs held by the Participant, whether or not vested at the Termination Date, immediately terminate and are cancelled on the Termination Date or at a time as may be determined by the Board, in its sole discretion.
 - (d) A Participant's eligibility to receive further grants of RSUs under this Plan ceases as of the earliest of the date the Participant resigns from the Corporation or any Subsidiary Company and the date that the Corporation or any Subsidiary Company provides the Participant with written notification that the Participant's employment or term of office, as the case may be, is terminated, notwithstanding that such date may be prior to the Termination Date.
 - (e) For the purposes of the Plan, a Participant shall not be deemed to have terminated service where: (i) the Participant remains in employment or office within or among the Corporation or any Subsidiary Company or (ii) the Participant is on a leave of absence approved by the Board.

Section 4.5 Non-transferability of RSUs

- (1) RSUs shall not be transferable or assignable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative.

ARTICLE 5
TERMINATION, AMENDMENTS AND ADJUSTMENTS

Section 5.1 Amendment and Termination

- (1) The Board may amend, suspend or terminate the Plan or any portion thereof without the approval of the holders of the Common Shares at any time in accordance with applicable law, and subject to any required regulatory approval. No such amendment, suspension or termination shall alter or impair any RSUs or any rights pursuant thereto granted previously to any Participant without the consent of such Participant. The Board will however require the approval by a majority of the votes cast by the holders of the Common Shares for the following amendments to the Plan (or to RSUs granted under the Plan): (i) increasing the number of Common Shares that can be issued under the Plan; (ii) extending the Expiry Date of any outstanding RSU; (iii) permitting the grant of an RSU with Expiry Date of more than 5 years from the grant date; (iv) removing or exceeding the Reporting Insider participation limits as set out in Section 2.2 and (v) amending this Section 5.1. If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan termination shall continue in effect during such time as an RSU or any rights pursuant thereto remain outstanding.
- (2) With the consent of the affected Participant, the Board may amend or modify any outstanding RSU in any manner to the extent that the Board would have had the authority to initially grant such award as so modified or amended, including without limitation, to change the date or dates as of which the RSU becomes exercisable, subject to the prior approval of the Stock Exchange where necessary.

Section 5.2 Change of Control

- (1) Notwithstanding any other provision of this Plan, in the event of an actual or potential Change of Control Event, the Board may, in its discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any RSU; (ii) permit the conditional settlement of any RSU, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting Participants to settle any RSU, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the RSUs not settled prior to the successful completion of such Change of Control Event. The determination of the Board in respect of any such Change of Control Event shall for the purposes of this Plan be final, conclusive and binding.

Section 5.3 Adjustments

- (1) If there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the Stock Exchange, appropriate substitution or adjustment in
 - (a) the number or kind of Common Shares or other securities reserved for issuance pursuant to the Plan, and
 - (b) the number and kind of Common Shares or other securities subject to unsettled and outstanding RSUs granted pursuant to the Plan;

provided, however, that no substitution or adjustment shall obligate the Corporation to issue fractional RSUs or shares. If the Corporation is reorganized, amalgamated with another corporation or consolidated, the Board shall make such provisions for the protection of the rights of Participants as the Board in its discretion deems appropriate.

ARTICLE 6 GENERAL

Section 6.1 Effective Date

- (1) The Plan shall be effective upon the approval of the Plan by:
 - (a) The Stock Exchange and any other exchange upon which the Common Shares of the Corporation may be posted and listed for trading, and shall comply with the requirements from time to time of the Stock Exchange; and
 - (b) the Shareholders of the Corporation, given by the affirmative vote of a majority of the votes attached to the Common Shares of the Corporation entitled to vote and be represented and voted at an annual or special meeting of the holders of such Common Shares held, among other things, to consider and approve the Plan.

Section 6.2 Notice

Any Notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid, or delivered by courier or by facsimile transmission addressed, if to the Corporation, to the operations office of the Corporation in London, England, Attention: Corporate Secretary; or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

Section 6.3 Tax Withholdings

The Corporation shall be entitled to withhold such number of Common Shares or amount of cash payable to a Participant, either under this Plan or otherwise, as may be necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding of tax or other required deductions.

Section 6.4 Rights of Participants

No person entitled to settle any RSU granted under this Plan shall have any of the rights or privileges of a Shareholder in respect of any Common Shares issuable upon settlement of such RSU until such Common Shares have been issued to such person.

Section 6.5 Right to Issue Other Shares

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Common Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

Section 6.6 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and a Participant, including without limitation, the legal representatives of such Participant or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

Section 6.7 Funding of the Plan

The Plan shall be unfunded. No funds will be set aside to guarantee the payment of RSUs, which will remain an unfunded liability recorded on the books of the Employer.

SCHEDULE “A”

RELEVANT DEFINITIONS TAKEN FROM SECTION 1 OF THE *SECURITIES ACT* (ONTARIO)

“Associate”, where used to indicate a relationship with any person or company, means,

- (a) except in Part XX¹, any company of which such person or company beneficially owns, directly or indirectly, voting securities carrying more than 10 per cent of the voting rights attached to all voting securities of the company for the time being outstanding,
 - (a.1) in Part XX, any issuer of which such person or company beneficially owns or controls, directly or indirectly, voting securities carrying more than 10 per cent of the voting rights attached to all voting securities of the issuer for the time being outstanding,
- (b) any partner of that person or company,
- (c) any trust or estate in which such person or company has a substantial beneficial interest or as to which such person or company serves as trustee or in a similar capacity,
- (d) any relative of that person who resides in the same home as that person,
- (e) any person who resides in the same home as that person and to whom that person is married or with whom that person is living in a conjugal relationship outside marriage, or
- (f) any relative of a person mentioned in clause (e) who has the same home as that person; (“personne qui a un lien”)

“Affiliated companies”

(2) Except for the purposes of Part XX, a company shall be deemed to be an affiliate of another company if one of them is the subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same person or company. R.S.O. 1990, c. S.5, s. 1 (2); 2007, c. 7, Sched. 38, s. 1 (3).

“Controlled companies”

- (3) Except for the purposes of Part XX, a company shall be deemed to be controlled by another person or company or by two or more companies if,
- (a) voting securities of the first-mentioned company carrying more than 50 per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company or by or for the benefit of the other companies; and
 - (b) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of the first-mentioned company. R.S.O. 1990, c. S.5, s. 1 (3); 2007, c. 7, Sched. 38, s. 1 (4).

“Subsidiary companies”

- (4) Except for the purposes of Part XX, a company shall be deemed to be a subsidiary of another company if,
- (a) it is controlled by,
 - (i) that other, or
 - (ii) that other and one or more companies each of which is controlled by that other, or
 - (iii) two or more companies each of which is controlled by that other; or
 - (b) it is a subsidiary of a company that is that other’s subsidiary. R.S.O. 1990, c. S.5, s. 1 (4); 2007, c. 7, Sched. 38, s. 1 (5).

¹ Part XX relates to take-over bids and issuer bids.

SCHEDULE “B”

DEFINITION OF REPORTING INSIDER TAKEN FROM NATIONAL INSTRUMENT 55-104

“Reporting Insider” means an insider of a reporting issuer if the insider is

- (a) the CEO, CFO or COO of the reporting issuer, of a significant shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;
- (a) a director of the reporting issuer, of a significant shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;
- (b) a person or company responsible for a principal business unit, division or function of the reporting issuer;
- (c) a significant shareholder of the reporting issuer;
- (d) a significant shareholder based on post-conversion beneficial ownership of the reporting issuer’s securities and the CEO, CFO, COO and every director of the significant shareholder based on post-conversion beneficial ownership;
- (e) a management company that provides significant management or administrative services to the reporting issuer or a major subsidiary of the reporting issuer, every director of the management company, every CEO, CFO and COO of the management company, and every significant shareholder of the management company;
- (f) an individual performing functions similar to the functions performed by any of the insiders described in paragraphs (a) to (f);
- (g) the reporting issuer itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or
- (h) any other insider that
 - (i) in the ordinary course receives or has access to information as to material facts or material changes concerning the reporting issuer before the material facts or material changes are generally disclosed; and
 - (ii) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the reporting issuer.

APPENDIX “A”

**ILLUSTRATIVE FORM OF CERTIFICATE
GABRIEL RESOURCES LTD.
RESTRICTED SHARE UNIT PLAN (THE “PLAN”)
GRANT OF RESTRICTED SHARE UNITS**

Name: [name of Participant]

Date of grant: [insert date]

We are please to inform you that you are being granted RSUs under the Plan. Your grant of RSUs are governed in all respects by the terms of the Plan, and the provisions of the Plan are hereby incorporated by reference. Capitalized terms used and not otherwise defined in this Certificate shall have the meanings set forth in the Plan. If there is a conflict between this Certificate and the Plan, the Plan governs.

Your Award You are hereby granted [●] RSUs.

Vesting Date Subject to the Terms of the Plan, your award of RSUs will vest and become capable of settlement as follows:

[Date(s)]

Additional conditions / restrictions on vesting [List applicable vesting restrictions, if any.]

Settlement Subject to earlier forfeiture as provided for in the Plan, RSUs granted pursuant to this Certificate shall be capable of being settled on the Vesting Date applicable to the RSU and shall remain capable of settlement until the Expiry Date.

Expiry Date Subject to earlier forfeiture as provided for in the Plan, RSUs granted pursuant to this Certificate shall expire on ●. If you do not elect to settle RSUs on or prior to the Expiry Date, you will be deemed to have settled such RSUs on the Expiry Date and to have elected to receive Common Shares in respect thereof.

Termination of Employment and Forfeiture The RSUs subject to this RSU Award are conditional and are subject forfeiture as set forth in the Plan.

Please sign and return a copy of this award certificate to the corporation.

I acknowledge receipt of this Certificate, a copy of the Plan (including all the schedules to the Plan), and agree to be bound by the terms thereof. By accepting this grant, I represent and warrant to the Corporation that my participation in the Plan is voluntary and has not been induced by expectation of engagement, appointment, employment, continued engagement, continued appointment or continued employment, as applicable.

Signature: _____ Date: _____

On behalf of the Corporation:

Name:
Title:

APPENDIX “B”

FORM OF SETTLEMENT NOTICE

**GABRIEL RESOURCES LTD.
RESTRICTED SHARE UNIT PLAN (THE “PLAN”)**

RESTRICTED SHARE UNITS SETTLEMENT NOTICE

I, _____, in respect of the Certificate of Restricted Share Units that was granted to me on _____, hereby elect to settle _____ Restricted Share Units and to receive (check one):

- (i) Cash; or
- (ii) Common Shares.

If I elect to receive cash, I acknowledge that the Corporation will deduct applicable withholding taxes.

If I elect to receive Common Shares, I (check one):

- (i) enclose cash, a certified cheque, bank draft or money order payable to the Corporation in the amount of \$_____ as full payment for the applicable withholding taxes;
- (ii) undertake to direct that such number of Common Shares are to be sold, and the proceeds of such Common Shares delivered to the Corporation, as is necessary to put the Corporation in funds equal to the amount that would have otherwise been required in (i) above; or
- (iii) elect to redeem for cash such number of RSUs as is necessary raise funds sufficient to cover such withholding taxes with such amount being withheld by the Corporation.

Date:

Participant’s Signature:

(Print name)