



## PRESS RELEASE

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### **Annual Results and Fourth Quarter Report**

Gabriel Resources Ltd. ("Gabriel" or the "Company") announces the publication of its Annual Results and Fourth Quarter Management's Discussion and Analysis Report for the period ended December 31, 2013.

#### **Summary of recent events**

*Capitalised terms used in this summary section are defined in "Further Information" below.*

- During 2013, the public profile of the Project rose significantly within the political and public arenas in Romania following its inclusion in a national strategic plan of the Government in July and also with the subsequent introduction of several legislative proposals related to, or impacting upon, the Project, all of which were widely covered in television debates, on the internet and in print media.
- This Parliamentary and legislative action, high profile and related NGO opposition served to intensify the focus on the actions of Government and politicians in respect of the Project and, ultimately, no progress or clarity of process has been forthcoming in Q4 2013 regarding the Government's review of the environmental permitting for the Project.
- Whilst, on the whole, 2013 saw a period of increased political stability in Romania, a renewed sense of political uncertainty has emerged post-period end with the collapse of the ruling 'USL' Government coalition in February 2014 and the formation of a new Government alliance in March.
- On March 5, 2014, a new coalition Government, including UDMR, a political alliance representing the ethnic Hungarians of Romania, was sworn in. The UDMR has been allocated certain ministerial and state secretarial offices, including, of particular relevance to the Project, the Ministries of Environment and Culture, positions it most recently held when in Government in 2012. Each new UDMR minister has recently stated that they do not believe the next steps to the permitting of Rosia Montana fall under their responsibility.
- The renewed political instability and recently effected ministerial changes, together with the failed legislative initiatives of 2013, have resulted in a lack of transparency in the foreseeable process for permitting the Project. Until such time as the Company can initiate additional, meaningful dialogue with the Government regarding the completion of various permitting processes of the Project including the EIA, Gabriel cannot provide any assurances or estimates of the likely time required to address and resolve matters currently preventing the advancement of the Project.
- In light of the repeated delays of the Government to properly address the assessment and permitting of the Project, as of March 1, 2014, RMGC has initiated legal procedures for the retrenchment of approximately 400 employees, equivalent to approximately 80 per cent of the workforce. If there is no progress in the advancement of the Project, the affected contracts may be terminated as of May 1, 2014.

## Q4 Summary

- The Government has made no progress with issuing the decision required on the environmental permitting of the Project, having deferred it until after the conclusion of the Parliamentary Review and the recommendation of the Ministry of Environment. The Company is unable to provide guidance on the related timeframes to a final decision from the TAC, MoE or the Government. Ultimately, the EP must be approved by a Cabinet decision of the Government prior to its issuance.
- In January 2014, the Suceava Tribunal admitted a request for the temporary suspension of the ADC for the Carnic open pit which was issued in July 2011. The ruling is not irrevocable and is the subject of an appeal by RMGC. The ADC remains valid while suspended.
- During Q4 2013, the Company increased communications and legal activity levels in response to the Parliamentary Review. These activities lead to increased expenditure in the latter part of 2013, with the cash impact also affecting expenditure in Q1 2014.
- \$42.1 million of cash and cash equivalents was held as at December 31, 2013.

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

"Romania has the potential to be a leading gold producer in Europe through the development of Rosia Montana. This would be Romania's first modern mine, built to the exacting environmental standards that international companies are used to operating under in today's world.

We still remain fully committed to constructing and operating a mine at Rosia Montana but we need to see a similar commitment from Romania. With no environmental permitting progress forthcoming, and following expenditure in Romania of \$550 million over a fifteen year period, the Company has recently had to give almost 400 Romanian employees notice of redundancy. All of these jobs and more will be lost unless we see a real and transparent process from the new Government in the coming weeks and months to proceed with the Project, which has the potential to create over 3,600 jobs."

**Further information and commentary on the operations and results in the fourth quarter of 2013 and full financial year, together with events anticipated in the short term, is given below. The Company has filed its Annual Consolidated Financial Statements and Management's Discussion & Analysis on SEDAR at [www.sedar.com](http://www.sedar.com) and each is available for review on the Company's website at [www.gabrielresources.com](http://www.gabrielresources.com).**

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## Further Information

### Financial Performance

- The net loss for the fourth quarter of 2013 was \$0.5 million, and for the year ended December 31, 2013 was \$2.5 million, or \$0.01 per share.

### Liquidity and Capital Resources

- Cash and cash equivalents at December 31, 2013 amounted to \$42.1 million.
- During the year ended December 31, 2013 the Company issued 3.5 million common shares on the exercise of stock options for aggregate gross proceeds of approximately \$5.4 million.
- Excluding the impact of funds received by the Company through the exercise of stock options, tax refunds and realized foreign exchange translation differences, the Company's average monthly net cash usage throughout 2013 was \$3.9 million (2012: \$4.9 million; 2011: \$5.5 million).
- During 2013 the Company has continued with its underlying cost containment, following implementation of cost reduction measures initiated in mid-2012, to preserve capital until such time as the Government moves ahead with Project permitting. During Q4 2013, the Company increased communications and legal activity levels in response to the Parliamentary Review (defined below). These activities led to increased expenditure in the latter part of 2013, with the cash impact also affecting expenditure in Q1 2014.

### Capital Cost

- Including interest, financing and corporate costs, the Company estimates the capital required to bring the Project into production and to a position of positive cash flow is approximately US\$1.5 billion.

### Political Environment

- Whilst, on the whole, 2013 saw a period of increased political stability in Romania, a renewed sense of political uncertainty has emerged with the collapse of the ruling Romanian Government ("Government") coalition in early 2014 and the formation of a new Government alliance in March, as described below.
- From the parliamentary elections held on December 9, 2012 until late February 2014, the 'USL' alliance of the Social Democrat ("PSD"), National Liberal ("PNL"), the Conservative Party ("PC") and the National Union for the Progress of Romania ("UNPR"), led by Social Democrat leader and Prime Minister Victor Ponta, held a two-thirds majority in parliament, a position enabling it to control both the Chamber of Deputies and the Senate of the Romanian Parliament ("Parliament").
- On February 25, 2014, the PNL adopted a resolution for its withdrawal from the Government, and also called for the resignation of Prime Minister Ponta and the legal dissolution of the USL. Accordingly, the PNL ministers, state secretaries and other political appointees resigned from the Government on February 26, 2014. This schism in the coalition was the culmination of a series of recent disputes between the USL coalition partners— principally owing to rivalry in the lead up to the presidential elections, which are to be held in November 2014 and, most recently, ministerial appointments.
- On March 3, 2014, it was announced that the PSD, PC and the UNPR, had reached a political agreement of the terms on which the Democratic Union of Hungarians in Romania ("UDMR"), a political alliance representing the ethnic Hungarians of Romania, was to join the Government. This agreement follows UDMR being in a position of political opposition for almost two years. Pursuant to such agreement, UDMR has been allocated certain ministerial and state secretarial offices, including, of particular relevance to the Project, the Ministries of Environment and Culture, positions it most recently held when in government in 2012.
- On March 4, 2014, a vote in both chambers of the Romanian Parliament approved the composition of the new governing alliance of the PSD, PC, UNPR and UDMR, and the new Government was sworn in on March 5, 2014. The new Government will hold approximately 54% of the seats in the Senate and 62% of the seats in the Chamber of Deputies.

### *National Plan for Strategic Investment and Job Creation*

- In the first half of 2013 the USL Government added definition to its strategic agenda for its four-year term, which manifested itself in an announcement by Prime Minister Ponta on July 11, 2013 of a 'National Plan for Strategic Investment and Job Creation' ("Strategic Plan"). Seven projects within the Romanian mineral resources sector were identified in the Strategic Plan, of which one was the Project.
- Throughout 2013, the Company, through RMGC, sought to engage with the Government and various ministries on the numerous matters pertaining to the Project including negotiations relating to a proposed increase of the State's equity interest in the Project and the royalty rate applicable to the Project's future gold and silver production, the Company's long-term commitments on environmental and cultural heritage initiatives, and the implementation of a defined route to successful permitting of the Project.

### *Special Draft Law in respect of the Project*

- In order to achieve certain of the objectives assumed by the Government through the Strategic Plan, the Government approved and issued a draft law "on certain measures related to the exploitation of the gold-silver deposits from Roşia Montană and stimulation and facilitation of mining development in Romania" ("Special Draft Law") on August 27, 2013, which was subsequently submitted to the Romanian Parliament for debate ("Parliamentary Review").
- The Government's announcement of the Special Draft Law and the associated Parliamentary Review gave rise to significant discourse within the political and public arenas in Romania. On September 17, 2013, Parliament established a Special Joint Committee of the Senate and of the Chamber of Deputies ("Special Committee") to analyse the Special Draft Law. The Special Committee was given an objective of (a) examining the Special Draft Law, as initiated by the Government together with any amendments submitted by the Government, deputies and senators; (b) preparing a report on the Special Draft Law for discussion in each chamber of the Parliament; and (c) facilitating a decision on the adoption of the Special Draft Law in a plenary session of each Chamber.

### *Report of the Special Committee*

- On November 11, 2013 the Special Committee published its report on the Special Draft Law ("Report"), and voted in favour of a recommendation for the rejection of the Special Draft Law by seventeen votes "for" and with two abstentions.
- Notwithstanding the recommended rejection of the legislation initiated by the Government specific to Roşia Montană, the conclusions of the Report also recommended that a general legislative framework be drafted for the mining industry, and gold and silver mining projects as a whole. The Report did not propose acceptance or rejection of the Project by the Parliament.
- The Special Committee was primarily empowered by the Parliament to review the Special Draft Law and to issue a recommendation thereon for further debate in the plenary of the Parliament. However, given the interest of Romanian society in the Project, the Special Committee considered it necessary to undertake a wider debate and analysis of the Project and, accordingly, issued numerous and wide-ranging conclusions and recommendations in the Report, as reported in the Company's MD&A for the third quarter of 2013, including a request that various ministries and institutions involved in the assessment of the Project examine and, where appropriate, investigate certain issues identified during the hearings of the Special Committee.
- A number of the recommendations presented by the Special Committee in response to concerns raised by interested parties during the Special Committee hearings, particularly relating to the preservation of cultural heritage, the risks of cyanide use, the utilisation of alternative technologies for gold and silver recover and the safety of the tailings management facility, have already been addressed extensively by the competent authorities or institutions charged with assessing the Project, such as the Technical Assessment Committee of the Environment Ministry ("TAC").

### *Rejection of the Special Draft Law*

- On November 19, 2013 the Special Draft Law and Special Committee recommendation were debated in the plenary of the Senate. The Senate rejected the Special Draft Law adopting the Report drawn-up by the Special Commission.

- The Report and Special Draft Law were subsequently transmitted to the Chamber of Deputies, as the decision-making body of Parliament charged with voting on its adoption. No vote has taken place to date although the Company fully expects the Special Draft Law to be rejected by the Chamber of Deputies when it is presented.

#### *Further Attempts to Reform the Mining Law*

- In September 2013, the Government commenced a separate legislative initiative (“Draft Amended Mining Law”) in Parliament to amend the existing mining law, Law No. 85/2003, which was intended to facilitate the general development of all mining activities across Romania. This bill was neither specific to the Project nor incorporated any agreement between the Company or RMGC and the State.
- It is understood that further analysis and amendment of the original terms of the Draft Amended Mining Law was undertaken by the Government in the following months, some of which arose from the Special Committee review and others arising from consultation with Transparency International Romania, a non-governmental organization that monitors and publicises corporate and political anti-corruption initiatives for international development.
- On December 2, 2013, the Draft Amended Mining Law was debated and voted on by the plenary of the Senate where it failed to receive the requisite majority for its approval despite 85 of the 94 senators present voting in favour of its approval.
- On December 10, 2013, the Draft Amended Mining Law was debated and voted on in the Chamber of Deputies where it again failed to garner the minimum number of votes required for its adoption - notwithstanding that a majority of the deputies present voted in favour of its adoption (160 votes in favour, 105 against, 22 abstentions).

#### *Impact on the Project*

- Whilst some of the conclusions and recommendations of the Special Committee may be positive for the development of the Project, certain conclusions and recommendations, if acted upon, may cause unspecified delay in the permitting process and/or necessitate changes to the terms of the License and/or the existing joint venture arrangements between Gabriel and Minvest Rosia Montana (“Minvest RM”), the Romania state partner in the Project.
- The political instability and ministerial changes recently effected, together with the failed legislative initiatives of 2013, have resulted in a lack of transparency in the foreseeable process for permitting the Project. Until such time as the Company can initiate additional, meaningful dialogue with the relevant ministries of the Government regarding the completion of environmental permitting and any proposals for further legislative processes through parliament which may affect the Project, Gabriel cannot provide any assurances or estimates of the likely time required to address and resolve matters such as those raised in the Report of the Special Committee or as to the impact of recent events upon the permitting progress of the Project.
- In light of the repeated delays of the Government to properly address the assessment and permitting procedures for the Project, as of March 1, 2014 RMGC has initiated legal procedures for the retrenchment of approximately 400 employees, equivalent to approximately 80 per cent of the workforce. The employment contracts of such employees are temporarily suspended pending consultation regarding retrenchment compensation. If there is no progress in the advancement of the Project, the affected contracts will be terminated as of May 1, 2014.
- Additionally, a thorough review of all activities associated with the development of the Project is ongoing, with a goal of further reducing expenditures to ensure the Company remains financially strong, while maintaining, as far as possible, all existing licenses and permits in good standing.

#### **Project Ownership and Royalty Rates**

- In accordance with the terms of a reorganization of Minvest’s business approved by the Government on April 30, 2013, Minvest transferred its entire direct 19.31% shareholding in RMGC to Minvest RM, a wholly-owned state entity. On November 1, 2013 the shareholders of RMGC formally approved the transfer of the shareholding in RMGC from Minvest to Minvest RM.

- In line with one recommendation of the Special Committee, on November 14, 2013, the Government issued an emergency ordinance to amend the Fiscal Code and, in particular, to provide for a new set of royalties applicable to mineral resources to be applied from 2014 upon either (i) the conclusion of a license or (ii) the issuance of a mining permit (“GEO 102/2013”). For noble metals, including gold, a royalty of 6% of the mining production value is to be applied under GEO 102/2013. Whilst the Senate has approved GEO 102/2013, it is now to be debated and voted on by the Chamber of Deputies, the decisional body, who could potentially modify the applicable royalty rates. Until such time as an addendum to the exploitation license for the Project (“RM License”) is agreed by RMGC, it is the Company’s understanding that the royalty rate of 4% established in the RM License will continue to apply to the Project.

## **Environmental/Permitting**

- The Company’s previous understanding was that only Government approval of the environmental permit (“EP”) was pivotal to the permitting progress of the Project and furthermore, a key factor in the Government decision was the recommendation of the TAC, originally charged with the detailed assessment of the environmental impact and compliance of the Project. The Company remains confident that it will comply with, and in certain aspects exceed, its obligations under European Union and Romanian laws for environmental protection and guarantees.
- To date the outcome of the Parliamentary Review has been a rejection in the Senate and debate is yet to be concluded in the Chamber of Deputies, where the Company expects the Special Draft Law to be rejected. The Draft Amended Mining Law garnered an insufficient number of supporting votes to see the legislation carried for its adoption. The outlook regarding any re-submission to Parliament of legislation related to the amending the existing mining law is uncertain at this time and, as such, the Company remains unable to provide guidance on the timeframes to a final decision on environmental permitting of the Project from the TAC, Ministry of Environment (“MoE”) or the Government. Ultimately, and in accordance with current legislation, the EP must be approved by a Cabinet decision of the Government prior to its issuance.
- The Company’s amended industrial zonal urbanism plan (“Industrial Area PUZ”) remains at an advanced stage, and currently there are 19 valid endorsements of the 23 required for its approval. In addition, 10 out of the total of 13 endorsements necessary for the final approval of the zonal urbanism plan for the Rosia Montana historical protected area (“Historical Area PUZ”) had been obtained at the end of Q4 2013.
- While the Company understands there is no formal link between the receipt of remaining endorsements for the Industrial Area PUZ, the Historical Area PUZ and the EIA review process, it believes that these respective remaining endorsements are likely to be obtained on, or after, the issuance of the EP.

## **Archaeology and Preservation of Cultural Heritage**

- An archaeological review of the historical mining activity at Rosia Montana is a critical step in the granting of the construction permits to build the Project. A number of archaeological discharge certificates are required for various parts of the proposed Project footprint. In order to obtain such discharge certificates, the Company has conducted an extensive program of exploratory and preventative archaeology in order to ensure that valuable historical relics in the area are uncovered and preserved.
- In July 2011, the Alba County Directorate for Culture and National Patrimony issued a new ADC to RMGC for the Carnic open-pit, which complemented those it already held for the Cetate and Jig open-pits. In January 2014, the Suceava Tribunal admitted a request for the temporary suspension of the ADC for the Carnic open pit. The ruling is not irrevocable and is being appealed. The ADC remains valid while suspended.
- The Company continues to commit resources to preserve the important archeological areas that it has previously opened and restored. However, further restoration work has been put on hold until such time as the Government moves ahead with Project permitting.

## **Litigation**

- Over the years, certain foreign and domestically-funded non-governmental organizations (“NGOs”) have initiated a multitude of legal challenges against licenses, permits, authorizations and approvals obtained for the exploration and development of the Project. While a small number of these actions over many years have been successful, the vast majority have been, and continue to be, proved to be without merit in the Romanian courts.

- The publicly stated objective of the NGOs in initiating and maintaining these legal challenges is to use the Romanian court system not only to delay as much as possible, but ultimately to stop the development of the Project. Often an action will be taken by the NGOs on a particular issue in several different regional court jurisdictions, and such legal objection may be raised in separate cases seeking a suspension or cancellation of a particular license, permit or approval.
- Key developments that have occurred in legal proceedings concerning the Project since the end of the third quarter of 2013 and certain upcoming court hearings in the first quarter of 2014 are as follows:
  - RMGC submitted several applications to the High Court of Cassation and Justice (“Supreme Court”), and the Cluj Court of Appeal, seeking the relocation of certain legal claims relating to the Project from the Cluj Tribunal to alternative forums. These applications were submitted on the grounds of the association of certain members of the judiciary of the Cluj Tribunal with opponents of the Project and that such Tribunal was an unsuitable forum for hearing such claims given the fervent and negative social and political environment in the Cluj area vis-à-vis the Project. Pursuant to these applications, each of the relevant claims have been relocated to alternative Tribunals, as described further below.
  - On October 25, 2013 a claim initiated by two NGOs seeking the suspension of the strategic environmental assessment (“SEA”) endorsement for the Industrial Area PUZ was relocated from the Cluj Tribunal to the Bacau Tribunal. At a hearing on March 12, 2014, RMGC submitted a motion for the dismissal of the case, a decision on which is expected on March 14, 2014.
  - On October 31, 2013 an action filed by three NGOs requesting the suspension of the Archaeological Discharge Certificate (“ADC”) for the Carnic open-pit was relocated from the Cluj Tribunal to the Suceava Tribunal. On 30 January 2014, the Suceava Tribunal admitted the request for the temporary suspension of such ADC. The ruling is not irrevocable and has been appealed by RMGC, which it currently anticipates will be heard by a Court of Appeal in the coming months.
  - On November 5, 2013 a claim brought by the same three NGOs seeking the cancellation of the ADC for the Carnic open-pit was relocated from the Cluj Tribunal to the Buzau Tribunal, and the next hearing of that claim is scheduled for March 18, 2014.
  - On November 6, 2013 a claim initiated by two NGOs seeking the cancellation of the SEA endorsement was relocated from the Cluj Tribunal to the Covasna Tribunal, and the next hearing date for this claim has been scheduled for March 14, 2014.
  - On February 14, 2014 a claim registered by three NGOs seeking the cancellation of UC-47 was relocated to the Bistrita Tribunal. The first hearing date of this claim before the Bistrita Tribunal has been scheduled for March 14, 2014.
  - As previously reported, on April 1, 2013 the Bucharest Tribunal rejected a claim brought by an NGO which sought the disclosure of certain documents pertaining to the RM License. On October 2, 2013, the complainant NGO submitted an appeal against this decision to the Bucharest Court of Appeal and the first appeal hearing has been scheduled for April 25, 2014.
- Due to the inherent uncertainties of the judicial process, the Company is unable to predict the ultimate outcome or impact, if any, with respect to matters challenged in the Romanian courts. In all circumstances, the Company and/or RMGC will vigorously maintain its legal rights and will continue to work with local, county and federal authorities to ensure the Project receives a fair and timely evaluation in accordance with Romanian and EU laws. However, there can be no assurance that any claims will be resolved in favor of the Company, RMGC or the Project. The implications of a negative court ruling will only be known once such a decision is issued formally by the relevant Court and the position of the Government is assessed, and may have a material adverse effect on the timing and/or outcome of the permitting process for the Project and the Company’s financial condition.

#### *Other Legal Proceedings*

- On November 12, 2013, RMGC initiated a defamation suit against the former director general of the Romanian Institute of Geology (IGR), Mr. Ștefan Marincea, in response to the completely ungrounded accusations made by Mr. Marincea before the Special Committee concerning the falsification of certain maps relating to the Corna Valley basin. No hearing date has yet been scheduled for this claim.
- In November 2013, RMGC was informed of an investigation by the Ploiesti Public Prosecutor's Office (“PPPO”) into alleged tax evasion and money laundering on the part of the principals/key shareholder(s) of a group of companies including Kadok Interpret LLC (“Kadok Group”). The PPPO has extended its investigation of the Kadok Group to at least 100 other companies, including RMGC, that had entered into

commercial business relationships with the Kadok Group. RMGC is challenging the legality of a restriction order on \$0.3 million held in one of RMGC's Romanian bank accounts pending the outcome of the investigation. The restricted amount represents the value of the goods procured by RMGC from the Kadok Group during 2012, all of which were received and paid for in full by RMGC, including related sales tax. RMGC no longer has any business relationship with Kadok Group. RMGC is continuing to provide evidence to the PPPO of its legitimate business dealings with the Kadok Group, as well as cooperating fully with the PPPO.

## Outlook

- The Company's key objectives in the short term include to:
  - Engagement with the new Government;
  - Continue to highlight the key economic, environmental, social and cultural benefits brought to Romania by the Project in order to highlight the merits of the Project to all stakeholders;
  - Understand and progress to finalization and completion the measures required to obtain approval of the EP;
  - Continue appropriate stewardship of cash resources; and
  - Maximize shareholder value, while optimizing benefits of the Project to all stakeholders.

## About Gabriel

Gabriel is a Canadian TSX-listed resource company focused on permitting and developing its world-class Roşia Montană gold and silver project. The exploitation license for the Project, the largest undeveloped gold deposit in Europe, is held exclusively by Roşia Montană Gold Corporation, a Romanian company in which Gabriel currently owns an 80.69 percent equity interest, with the 19.31 percent balance held by Minvest Roşia Montană S.A., a Romanian state-owned mining enterprise. Gabriel and RMGC are committed to responsible mining and sustainable development in the communities in which they operate. The Project is anticipated to bring over US\$24 billion (at US\$1,200/oz gold) to Romania as potential direct and indirect contribution to GDP. The Project will generate thousands of employment opportunities. Gabriel intends to build a state-of-the-art mine using best available techniques and implementing the highest environmental standards whilst preserving local and national cultural heritage in Romania.

For more information please visit the Company's website at [www.gabrielresources.com](http://www.gabrielresources.com).

## Forward-looking Statements

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

These forward-looking statements may include statements with respect to the future financial or operating performance of the Company and its subsidiaries, the perceived merit of properties, exploration results and budgets, mineral reserves and mineral resources estimates, work programs, capital expenditures, operating costs, cash flow estimates, production estimates and similar statements relating to the economic viability of a project, timelines, strategic plans, including the Company's plans and expectations relating to the Project, the anticipated outcomes of the application processes for permits, endorsements and licenses, including but not limited to the ongoing review of the environmental impact assessment, required for the Project, or other statements that are not statements of fact.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

Forward-looking statements are based upon certain assumptions and other important factors regarding present and future business strategies and the environment in which the Company will operate in the future, which could prove to be significantly incorrect.

Forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and/or its subsidiaries to be materially different from those expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, without limitation, the political and economic risks of operating in Romania, including those related to controls, regulations, political or economic developments and government instability in Romania; uncertainty of estimates of capital costs, sustaining capital costs, operating costs, production and economic returns; permitting risks, including the risk that permits and governmental approvals necessary to develop and operate the Project will not be available on a timely basis or at all, risks of maintaining the validity and enforceability of necessary permits and risks of replacing expired/cancelled permits and approvals; uncertainties relating to the assumptions underlying the Company's mineral resource and mineral reserve estimates, such as metal pricing, metallurgy, mineability, marketability and operating and capital costs; risk related to the acquisition of all necessary surface rights for the development of the Project, including the risk that the Company may not acquire all



such rights, or acquire such rights at acceptable prices; risks related to the Company's ability to commence production and generate material revenues or obtain adequate financing for its planned exploration and development activities; risks of defective title to mineral property, including the risk of successful legal challenges to the validity of the Company's exploitation license; risks related to the Company's ability to finance the development of the Project through external financing, strategic alliances, or otherwise; litigation risks, including the uncertainties inherent in current and future legal challenges relating to the Project; risks related to the availability of infrastructure, water, energy and other inputs; uncertainty inherent in litigation including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and the possibility that decisions may be reversed on appeal; uncertainties relating to prices for energy inputs, labour, material costs, supplies and services (including, but not limited to, labour, cement, steel, capital equipment, reagents and fuel); risks related to changes in law and regulatory requirements, including environmental regulation; risks related to the subjectivity of estimating mineral resources and mineral reserves and the reliance on available data and assumptions and judgments used in interpretation of such data; risks related to currency fluctuations, particularly in the value of the United States dollar and/or the Canadian dollar relative to each other and to the Euro and the Romanian leu; risks related to the future market prices of gold and silver and other mineral and commodity price fluctuations, and volatility in metal prices; risks related to the need for reclamation activities on the Company's properties and uncertainty of cost estimates related thereto; risks associated with maintaining substantial levels of indebtedness, including potential financial constraints on operations; dependence on cooperation of state-owned joint venture partner in the development of the Project; risks related to the loss of key employees and the Company's ability to attract and retain qualified management and technical personnel; risks related to market events and volatility of global and local economic climate; taxation, including change in tax laws and interpretations of tax laws; mining and development risks, including risks related to infrastructure, accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in development, construction or production; risks related to opposition to the Project from non-governmental organizations or civil society; share capital dilution and share price volatility; and increased competition in the mining industry.

Forward-looking information contained herein is made as of the date of this press release. There can be no assurance that forward-looking information or statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information or statements. Accordingly, for the reasons set forth above, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

**ENDS**