



## PRESS RELEASE

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FOR IMMEDIATE RELEASE

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### GABRIEL FILES FOR INTERNATIONAL ARBITRATION AGAINST ROMANIA

Gabriel Resources Ltd. ("Gabriel" or the "Company") announces that today it has filed a request for arbitration before the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") against Romania ("Request for Arbitration"). This action relates to the Company's dispute with Romania over the development of the Roșia Montană gold and silver project ("Project"), of which Gabriel holds an indirect 80.69% interest, and violations by the Government of Romania of the protections afforded by the Treaties<sup>1</sup>.

The Project was, and still is, considered inside and outside Romania as one of the most important foreign direct investments in the country, with the potential to provide both a significant boost to the Romanian economy as a whole and to stimulate growth and development of the Apuseni region, which was a mining district for many centuries. The Company has always been firmly committed to the development of the Project. Gabriel remains certain that construction of the mine using state-of-the-art technology would demonstrate the extensive benefits of the Project including, importantly, for the environment and for preservation of Romania's cultural heritage.

However, through its actions and inactions, Romania has blocked and prevented implementation of the Project without due process and without compensation, effectively depriving Gabriel entirely of the value of its investments. Romania thus has subjected Gabriel and its investments to treatment in breach of Romania's bilateral investment treaty obligations, causing significant losses to Gabriel. In the Request for Arbitration, Gabriel is seeking the full relief owed to it under the provisions of the Treaties for the deprivation of its rights to develop the Project as a consequence of Romania's treaty violations.

Arbitration proceedings have been commenced following the issue to the President, the Prime Minister and the Romanian Government ("Romanian Authorities") of the written dispute notice given by Gabriel on January 20, 2015 ("Notice"). Such Notice invited the Romanian Authorities to engage formally with Gabriel to find an amicable resolution. Despite further letters of request for consultation sent by the Company in April and May 2015, the Romanian Authorities have failed to reply to any of the correspondence.

Gabriel continues to seek engagement at a senior level with the Romanian Authorities in order to resolve the issues at dispute. However, Gabriel is also fully committed to the protection of its rights and interests in Romania and, in the absence of any willingness by the Romanian Authorities to engage in dialogue, the Company has been left with no alternative but to seek legal recourse through the Request for Arbitration. Gabriel has engaged White & Case LLP to advise it in this matter.

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<sup>1</sup> To protect their interests, Gabriel Resources Ltd. and Gabriel Resources (Jersey) Ltd. have filed the Request for Arbitration pursuant to the provisions of international bilateral investment protection treaties which the Government of Romania has entered into with each of the Government of Canada and the Government of the United Kingdom of Great Britain and Northern Ireland for the Promotion and Reciprocal Protection of Investments (together the "Treaties"). The Treaties exist as an encouragement and reciprocal protection of investments agreed between sovereign states, and each state offers various protections to foreign investors from the other state to give both parties to an investment confidence in their rights, the investment process and the expected outcomes.

Gabriel held \$32.1 million of cash and cash equivalents as at June 30, 2015 and will publish its Q2 2015 financial results together with Management's Discussion and Analysis on or around August 3, 2015. The Company will continue to advise the market of any further material developments concerning the Project or the arbitration proceedings as and when appropriate.

Jonathan Henry, President and CEO of Gabriel, commented:

*"The Company still believes the interests of all stakeholders in the Project, particularly the Romanian State, would be served best by its permitting and development and Gabriel continues to be available to engage with the Romanian President and Government in order to achieve this objective. Whether this becomes a reality or not falls wholly on Romania's political decision makers to demonstrate a commitment to the Project and to the mining industry in general. We have attempted dialogue with the Romanian President and Government in order to discuss an amicable resolution to the dispute. In light of their apparent and disappointing unwillingness to engage at all, it has become the Company's sole recourse to commence international arbitration. The Company remains willing to work with the Romanian Authorities and other stakeholders to build a world class mine from which Romania will benefit through massive economic stimulus and jobs."*

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## NOTES TO EDITORS

### About Bilateral Investment Treaties

Natural resource investments can be high profile and capital intensive, especially for large complex projects or projects in sensitive areas. They are highly susceptible to political risk and other risks associated with the jurisdiction of the assets for development. Domestic politics and governments can prioritise immediate political expediency over benefits to the country, available through successful exploitation of those assets. This political approach can induce risks for investors such as expropriation, resource nationalism, contract renegotiation, new royalty regimes, revised taxation laws, increased regulation, opaque legal process – all of which can impair the viability of a project.

Bilateral Investment Treaties (BITs) exist as an encouragement and reciprocal protection of investments agreed between sovereign states. Each state offers various protections to foreign investors from the other state through a BIT which gives both parties to an investment confidence in their rights, the process and the outcomes. Without BITs countries would find it very difficult to attract foreign investment. Obligations are directly enforceable by investors against states through international arbitration in a neutral venue.

Among the protections offered to foreign investors under a BIT is "fair and equitable treatment". This is an autonomous standard that protects investors against a whole array of potential acts and omissions attributable to the host state, which expose the investment to significant risks, such as bad faith, discrimination, protectionist treatment, breach of legitimate expectations of the investor, failure to act in a consistent manner, or failure to afford proper level of administration of justice. Many of the issues present in the treatment of the Gabriel Group's investment in the Project by the Romanian Government and other Romanian authorities are typical of ways in which host states breach their obligations under the fair and equitable treatment standard. The treatment of the Gabriel Group's investment also has been inconsistent with other standards elaborated in BITs.

### About Gabriel

Gabriel is a Canadian TSX-listed resource company that has focused on permitting and developing the world-class Roşia Montană gold and silver project over the past 17 years. The exploitation license for the Project, the largest undeveloped gold deposit in Europe, is held 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. It is anticipated that the Project would bring over US\$24 billion (at US\$1,200/oz gold) to Romania as potential direct and indirect contribution to GDP and generate thousands of employment opportunities. Gabriel has sought 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 refer to the Company's intentions, hopes, beliefs, expectations or predictions for the future. In this release, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

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 attitudes and actions of the Romanian Government related to the Company's investment in Romania, including the response of the Romanian Authorities to the filing of the Request for Arbitration; the ability of the Company to realize value from its investments in Romania pursuant to the Treaties and international arbitration proceedings in the event that the Company and the Romanian Authorities do not reach an agreement regarding development, construction and operation of the Project; the advancement of any international arbitration proceedings in a customary manner; the outcome of any international arbitration proceedings before arbitration tribunals as provided in the Treaties, including the timing and value of any arbitral award or settlement; the Company's expectation with regards to the amount of costs, fees and other expenses and commitments payable in connection with the arbitration; and any inability or delay in recovering from Romania the amount of any award or settlement.

In addition, such 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; 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; 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; 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 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; 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, labor, material costs, supplies and services; risks related to changes in law and regulatory requirements, including environmental regulation; 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 opposition to the Project from non-governmental organizations or civil society; and other risks identified in the filings by the Company with the Canadian securities regulatory authorities, including Gabriel's annual information form for the year ended December 31, 2014, which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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