PRESS RELEASE

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Proposed Private Placement

Gabriel Resources Ltd. ("Gabriel" or the "Company") is pleased to announce that it has entered into subscription agreements with Enescu Investments, LLC, an entity managed by Tenor Capital Management Company, L.P. ("Tenor"), and Kopernik Global Investors, LLC, on behalf of certain of its managed funds, ("Kopernik", and together with Tenor, the "Subscribers") which contemplates a non-brokered private placement offering to raise up to $40.625 million (the "Private Placement") the terms of which are detailed below.

The Company is progressing with its arbitration case against Romania before the World Bank's International Centre for Settlement of Investment Disputes ("ICSID Arbitration"). The three person arbitral tribunal that will determine the dispute was formally constituted on June 21, 2016 following the appointment of the president of the tribunal, Teresa Cheng. The Company intends to use the proceeds of the Private Placement to finance the costs of the ongoing ICSID Arbitration and for general working capital requirements.

Completion of the Private Placement is subject to consent of securityholders, as applicable, and final approval of the Toronto Stock Exchange ("TSX"), and therefore there is no assurance that the Company will be successful in completing the Private Placement.

Securities Currently In Issue

In addition to 384,149,500 common shares of the Company in issue ("Common Shares"), the Company currently has the following existing securities in issue (the "Existing Securities"):

- $55,000,000 of convertible subordinated unsecured notes, with a coupon of 0.025%, a conversion price of $0.3105 and a maturity date of June 30, 2021;
- 46,130,000 Common Share purchase warrants which are exercisable at a price of $0.46 at any time prior to June 30, 2021; and
- 55,000 arbitration value rights ("AVRs"), each AVR entitling the holder to a pro rata share of 7.5% of any proceeds arising from any monies received by the Company and/or any of its affiliates pursuant to any settlement or arbitral awards irrevocably made in its favour in relation to the ICSID Arbitration, subject to a maximum aggregate entitlement of $175 million among all holders of such AVRs.

The aggregate number of Common Shares to be issued assuming full conversion or exercise (as applicable) of the Existing Securities is 223,230,000, representing approximately 58.1% of the Common Shares currently issued and outstanding on a non-diluted basis.

Private Placement

Pursuant to the Private Placement, the Company is proposing to issue up to 40,625 units (the “Units”) to the Subscribers, each Unit consisting of: (i) $1,000 principal amount of 0.025% convertible subordinated unsecured notes (the “New Notes”); (ii) 1,610 common share purchase warrants (the “New Warrants”); and (iii) one AVR (the “New AVRs”, and together with the New Notes and New Warrants, the “New Securities”). The Existing Securities and the New Securities are together referred to as the “Relevant Securities”.

The New Notes and the New Warrants will be issued on substantially the same terms as the Existing Securities. Each New AVR will entitle the holder thereof to its pro rata share of up to 5.54% of any proceeds arising from the ICSID Arbitration, subject to a maximum aggregate entitlement of all New AVRs issued pursuant to the Private Placement of up to $129.3 million.

The New Notes will mature on June 30, 2021 and will be convertible at any time prior to maturity, at the option of the holder, into Common Shares at a price of $0.3105 per Common Share, representing:

(i) a 15.0% premium to the volume weighted average price of the Common Shares on the TSX for the 30 consecutive trading days prior to June 14, 2016, being the date the Company filed Form 11A with the TSX for price protection for the securities to be issued pursuant to the Private Placement (the “Price Protection Application”); and

(ii) for purposes of compliance with the TSX Company Manual (the “Manual”), a discount of approximately 13.8% to the five-day volume weighted average price of the Common Shares on the TSX immediately preceding the Price Protection Application, being $0.36 (the “Market Price”).

At maturity, the Company will have the ability to repay the New Notes through the issuance of Common Shares.

Each New Warrant will entitle the holder to acquire one Common Share at an exercise price of $0.46, representing a premium of approximately 27.8% to the Market Price, at any time prior to June 30, 2021.

Impact of the Private Placement

Assuming conversion of all of the New Notes only, the number of Common Shares to be issued pursuant to the Private Placement is 130,812,500, representing approximately 34.1% of the Common Shares currently issued and outstanding (on a non-diluted basis) prior to giving effect to the Private Placement.

Assuming exercise of all of the New Warrants only, the number of Common Shares to be issued pursuant to the Private Placement is 65,406,250, representing approximately 17.0% of the Common Shares currently issued and outstanding (on a non-diluted basis) prior to giving effect to the Private Placement.

The aggregate number of Common Shares to be issued pursuant to the Private Placement (assuming conversion or exercise (as applicable) of all of the New Securities issued therewith) is 196,218,750, representing approximately 51.1% of the Common Shares currently issued and outstanding (on a non-diluted basis) prior to giving effect to the Private Placement.

No Subscriber under the Private Placement will become an insider immediately following completion of the Private Placement as the number of issued and outstanding voting securities, on a non-diluted basis, will not change as a result of the Private Placement (unless a Subscriber exercises or converts the New Securities and/or, in the case of Kopernik, the Existing Securities). In aggregate, approximately 59.4% (on a non-diluted basis) of all of the issued and outstanding Common Shares are held by insiders currently classified as such, none of whom are participating in the Private Placement. Assuming full dilution on conversion or exercise (as applicable) of (i) only the New Securities and (ii) the Relevant Securities, in aggregate, all insiders of the Company, as would exist following closing of the Private Placement, will hold approximately (i) 56.7% or (ii) 63.7% respectively of all of the issued and outstanding Common Shares.

Kopernik currently holds 15,547,565 Common Shares, representing approximately 4.0% of the total issued and outstanding Common Shares on a non-diluted basis, and certain Existing Securities pursuant to the prior transactions through which the Existing Securities were issued (the "Prior Transactions"). Tenor currently holds zero Common Shares of the Company and zero Existing Securities.

Following completion of the Private Placement:

- the total incremental number of Common Shares issuable to Kopernik:

  (i) on the assumption that Kopernik exercises or converts (as applicable) all of the New Securities is 39,243,750, which would increase the aggregate number of Common Shares held by Kopernik to 54,791,315, representing approximately 12.9% of the total issued and outstanding Common Shares on a partially diluted basis (i.e. if only Kopernik, out of the two Subscribers, exercises or converts all of its holdings of the New Securities); and

  (ii) on the assumption that Kopernik exercises or converts (as applicable) all of its holdings of the Relevant Securities is 143,262,750, which would increase the aggregate number of Common Shares held by Kopernik to 158,810,315, representing approximately 30.1% of the total issued and outstanding Common Shares on a partially diluted basis (i.e. if only Kopernik, out of all of the securityholders, exercises or converts all of its holdings of the Relevant Securities) and 19.8% of the issued and outstanding Common Shares on a fully diluted basis (i.e. if all securityholders exercise or convert all of the Relevant Securities).

- the total number of Common Shares issuable to Tenor (assuming Tenor exercises or converts (as applicable) all of its holdings of the New Securities) is 156,975,000 Common Shares, representing approximately 29.0% of the total issued and outstanding Common Shares on a partially diluted basis (i.e. if only Tenor, out of the two Subscribers, exercises or converts all of its holdings of the New Securities) and 19.5% of the issued and outstanding Common Shares on a fully diluted basis (i.e. if all securityholders exercise or convert all of the Relevant Securities); and

- collectively, the Subscribers will own (assuming only they exercise or convert (as applicable) all of their Relevant Securities) approximately 45.1% of the total issued and outstanding Common Shares of the Company, following such dilution, and the Subscribers will each be deemed insiders of the Company.

The New Securities, including the underlying Common Shares issuable pursuant to the New Notes and the New Warrants, are subject to a statutory 4-month hold period. U.S. investors are subject to applicable resale restrictions. Subject to the foregoing, the securities described herein have not been registered under the U.S. Securities Act of 1933 (the "Act"), as amended, and may not be offered or sold in the United States unless registered under the Act or unless an exemption from registration is available.

Subject to certain conditions, following completion of the Private Placement, Tenor will be granted the right to (i) appoint a nominee to the Board of the Company and (ii) participate in future equity security and debt issuances of the Company on a pro-rata basis in order to maintain its proportionate ownership interest in the Company; Kopernik maintains an existing pre-emptive right in regard to future equity issuances. Any future equity issuances of the Corporation to which these pre-emptive rights apply will be subject to the approval of the TSX.

TSX Requirements

The Manual requires approval from the holders of more than 50% of the Common Shares (other than those securities excluded as required by the TSX) in certain instances applicable to the Private Placement, including pursuant to:

- Section 604(a) of the Manual, in the event a transaction materially affects control of the listed issuer, the TSX shall require the approval from the holders of more than 50% of the Common Shares (other than those securities excluded as required by the TSX). Assuming the successful completion of the Private Placement, Tenor will hold more than 20% of the issued and outstanding Common Shares on a partially-diluted basis. The 20% threshold is deemed to materially affect control under the TSX Company Manual. As a result, security holder approval is being sought under Section 604(a).

- Section 607(g)(i) of the Manual, the TSX shall require the approval from the holders of more than 50% of the Common Shares (other than those securities excluded as required by the TSX) for private placements that involve the issuance or potential issuance of an aggregate number of listed securities that is greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction if the price per security is less than the market price. The aggregate number of Common Shares to be issued or issuable pursuant to the Private Placement represents approximately 51.1% of the Common Shares currently issued and outstanding on a non-diluted basis. As a result, security holder approval is being sought under Section 607(g)(i).
- Section 607(f)(v) of the Manual, the TSX aggregates successive private placements for the purposes of Section 607(g)(i) if they are within the three preceding months, have common placees and/or a common use of proceeds. Notwithstanding that shareholder consent has already been obtained for the Prior Transactions, if such aggregation was applied to the Private Placement and to the Prior Transactions (together the "Aggregated Transactions"), the aggregate number of Common Shares to be issued or issuable pursuant to the Aggregated Transactions represents approximately 109.2% of the Common Shares currently issued and outstanding on a non-diluted basis.

The Company is seeking written consents to the Private Placement from holders of over 50% of its Common Shares (after excluding from such calculation 4.0% of the Common Shares which are currently issued and outstanding, being all of the Common Shares held by Kopernik). Subject to, amongst other matters, the receipt of such written consents, the Company has received conditional approval from the TSX to proceed with the Private Placement without convening a general meeting of securityholders to formally approve the Private Placement, in accordance with section 604(d) of the Manual.

Closing of the Private Placement

Closing of the Private Placement is conditional upon the execution of definitive documentation with respect to the Private Placement and upon satisfaction of customary closing conditions and deliveries, including receipt of all required shareholder consents and the final approval of the TSX.

The Private Placement is expected to close on or before July 14 2016 or such other date as determined by the Company and the Subscribers, or as otherwise required under applicable securities laws and regulations.

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About Gabriel

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

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

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

Forward-looking Statements

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

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

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

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

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

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

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

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