Management's Discussion and Analysis

*This Management's Discussion and Analysis ("**MD&A**") provides a commentary to enable a reader to assess material changes in the financial condition and results of operations of Gabriel Resources Ltd. ("**Gabriel**" or the "**Company**") and its subsidiary companies (together the "**Group**") as at and for the three-month periods ended March 31, 2021 and 2020.*

*The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes thereto of the Company as at and for the three-month periods ended March 31, 2021 and 2020 ("**Financial Statements**"). The Financial Statements have been prepared in condensed format in accordance with International Financial Reporting Standards ("**IFRS**") as applicable to the preparation of interim financial statements, including International Accounting Standard IAS 34 ('Interim Financial Reporting'). The Financial Statements should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company as at and for the year ended December 31, 2020, which have been prepared in accordance with IFRS.*

*All amounts included in the MD&A are in Canadian dollars ("**$**"), unless otherwise specified. This report is dated as of May 27, 2021 and the Company's public filings can be reviewed on the SEDAR website (www.sedar.com).*

This MD&A contains forward-looking statements about the Company's objectives, strategies, financial condition, operations and businesses within the Group. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based upon the beliefs, expectations, reasonable investigation and opinions of Management as of the date of this MD&A. All forward-looking statements, including those not specifically identified herein are made subject to (i) the impact, if any, of the coronavirus pandemic as considered on pages 5, 18 and 19 and (ii) the cautionary language beginning on page 27. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

Overview

Gabriel is a Canadian resource company with its common shares ("**Common Shares**") listed on the TSX Venture Exchange ("**Exchange**"). Gabriel's activities over many years were previously focused principally on the exploration, permitting and development of the Roșia Montană gold and silver project in Romania (the "**Project**"). The Project, one of the largest undeveloped gold deposits in Europe, is situated in an area known as the Golden Quadrilateral in the South Apuseni Mountains of Transylvania, Romania, an historic and prolific mining district that has been mined intermittently for over 2,000 years.

The exploitation concession license for the Project ("**License**") is held by Roșia Montană Gold Corporation S.A. ("**RMGC**"), a Romanian company in which Gabriel owns an 80.69% equity interest, with the 19.31% balance held by Minvest Roșia Montană S.A. ("**Minvest RM**"), a Romanian State-owned mining company.

Upon obtaining the License in 1999, RMGC along with Gabriel and its subsidiary companies focused substantially all of their management and financial resources on identifying and defining the size of the four ore bodies, engineering to design the size and scope of the Project, building strong community relations, surface rights acquisitions, rescue archaeology and environmental assessment and permitting.

In reliance on numerous representations made and actions taken by the Romanian authorities and, in the reasonable expectation that the Company's projects would be evaluated in accordance with the law and reasonable technical standards and, ultimately, on its merits, over US$700 million was invested to maintain and develop the Project and to define two valuable mineral deposits at the Rodu-Frasin (epithermal gold and silver) site and Tarniţa (porphyry copper-gold) site, both within the Bucium area located in the vicinity of Roşia Montană ("**Bucium Projects**"), in accordance with all applicable laws, regulations, licenses, and permits.

Having encouraged that investment, and despite the Group'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, the Romanian State has frustrated and prevented the implementation of the Project and the Bucium Projects in an unlawful, discriminatory and non-transparent manner by refusing to make permitting and other administrative decisions in accordance with the established procedures required by law.

On July 21, 2015, the Company and its wholly-owned subsidiary, Gabriel Resources (Jersey) Ltd. (together "**Claimants**"), filed a request for arbitration ("**Arbitration Request**") before the World Bank's International Centre for Settlement of Investment Disputes ("**ICSID**") against the Romanian State (the "**Respondent**") pursuant to the provisions of international bilateral investment protection treaties which the Romanian Government 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**") ("**ICSID Arbitration**").

Since the Arbitration Request, the ICSID Arbitration has become the Company's core focus. Accordingly, any information set out in this MD&A relating to the Project, the License, and the Group's development activities in Romania is for background purposes only and should not be interpreted as being indicative of the Company's expectations as at the date of this document regarding the future development of the Project.

ICSID Arbitration

As a consequence of Romania's acts and inactions, the Project and the Bucium Projects have been blocked politically, depriving the Claimants of the use, benefit and entire value of their property rights associated with the Project and the Bucium Projects, which have effectively been taken without compensation in contravention of the applicable legal and administrative processes and requirements.

The ICSID Arbitration seeks compensation for all of the loss and damage resulting from the Romanian State's wrongful conduct and its breaches of the Treaties' protections, including expropriation, unfair and inequitable treatment, discrimination, and other unlawful treatment in respect of the Project, the Bucium Projects and related licenses.

Status of the ICSID Arbitration and Recent Developments

The ICSID Arbitration process is well advanced. To date, and in accordance with the procedural timelines established by the presiding tribunal for the ICSID Arbitration ("**Tribunal**"), the parties have delivered to ICSID a number of substantial written submissions and participated in two hearings on the merits of the claim, each as summarized below:

- On June 30, 2017, the Claimants filed their memorial on the merits of the claim ("**Memorial**") detailing, amongst other things, the factual and legal arguments supporting their claim against Romania and the quantum of the damages sustained;
- On February 22, 2018, the Respondent filed its counter-memorial ("**Counter-Memorial**") in response to the Memorial;
- On May 25, 2018, the Respondent filed a supplementary further preliminary objection with ICSID ("**Jurisdictional Challenge**") challenging the jurisdiction of the Tribunal to hear the claims presented by Gabriel Resources (Jersey) Limited;
- On November 2, 2018, the Claimants submitted their reply in support of the claims ("**Reply**") and responding to the Counter-Memorial and Jurisdictional Challenge;
- On February 28, 2019, the Claimants and the Respondent filed comments on an *amicus curiae* submission to the Tribunal made by certain non-governmental organizations (or 'non-disputing parties') who have opposed the Project for many years;
- On May 24, 2019, the Respondent filed its response to the Reply ("**Rejoinder**") and its reply on the Jurisdictional Challenge, the Respondent's final substantive submission;
- On June 28, 2019, the Claimants filed a surrejoinder on the Jurisdictional Challenge, responding to the reply thereon from the Respondent;
- An oral hearing on the merits of the claim was held in Washington D.C. between December 2 and December 13, 2019 ("**Hearing**") to address the evidentiary record in the case, issues on liability and jurisdiction and to hear testimony from certain of the parties' fact and expert witnesses;
- On March 10, 2020, the Tribunal issued a list of further questions arising from the evidence presented during the Hearing ("**Tribunal Questions**");
- On April 10, 2020, the Claimants and the Respondent filed their comments on a written submission to the Tribunal by the European Commission as a 'non-disputing party' in the ICSID Arbitration;
- On May 11, 2020, the Claimants provided their answers to the Tribunal Questions;
- On July 13, 2020, the Respondent provided its answers to the Tribunal Questions;
- A second oral hearing on the merits of the claim was held virtually from September 28 to October 4, 2020 ("**Second Hearing**") which focused on the technical and feasibility-related aspects of the Project and the Bucium Projects and the quantum of the damages claimed, including testimony from certain of the parties' fact and expert witnesses; and
- On February 18, 2021 and April 23, 2021 the Claimants and Respondent each filed further simultaneous written submissions in order to comment in conclusion on the evidentiary record ("**Post-Hearing Briefs**").

The Post-Hearing Briefs mark the final substantive submissions by the parties in the ICSID Arbitration unless the Tribunal poses further questions, as was the case following the Hearing. In the absence of any further questions from the Tribunal, or other procedural interventions, it is anticipated that the Tribunal will now focus on its deliberations ahead of a final decision ("**Award**"). There is no specified timeframe in the ICSID Rules in which an Award is to be made by the Tribunal. The Company, however, is informed that it is typical for tribunals in this type of arbitration to require twelve to eighteen months to finalize and issue an Award after Post-Hearing Briefs are submitted. Furthermore, that Award may be subject to a request for annulment (albeit such request can only be submitted on very limited grounds) and there can be no assurances that the ICSID Arbitration will advance in a customary or predictable manner or be completed or settled within any specific or reasonable period of time.

A summary of the procedural aspects of the ICSID Arbitration, together with copies of the procedural orders of the Tribunal and the principal submissions, including the Memorial, the Counter-Memorial, the Reply, the Rejoinder and redacted versions of the transcript of the Hearing and Second Hearing are available on ICSID's website. It is anticipated that redacted versions of the Post-Hearing Briefs will also be made available on ICSID's website in due course.

UNESCO World Heritage

On January 31, 2020, the Ministry of Culture submitted a letter to UNESCO conveying the Romanian Government's official request for the 'reactivation' of its nomination of the 'Roşia Montană Mining Landscape' as a UNESCO World Heritage site. Gabriel understands that such nomination file will be considered by UNESCO at the deferred 44th session of the World Heritage Committee, now scheduled to be held in a virtual online format from Fuzhou, China between July 16 and July 31, 2021.

The act of applying to UNESCO for such designation is wholly incompatible with development of the Project. The application itself is an undertaking by Romania to stop development of the subject area and preclude mining, as would a decision by the World Heritage Committee formally approving the application.

Gabriel remains hopeful that Romania will engage constructively and that it will withdraw its UNESCO application in order to preserve the possibility that Romania, and in particular the local communities in and around Rosia Montana, can enjoy the significant wide-ranging benefits from the sustainable development of the Project, as part of an amicable resolution of the dispute regarding Gabriel's investments in Romania.

The inclusion of the 'Roşia Montană Mining Landscape' on the UNESCO World Heritage List would have a material adverse impact on the Company's business insofar as it would undermine the possibility of an amicable resolution of the dispute with Romania that would allow for the development of the Project. In light of these developments and, for the avoidance of doubt, on February 21, 2020, Gabriel provided notice to Romania of a dispute under the Treaties with regard to Romania's application to UNESCO in relation to Roşia Montană and has reserved its right to commence a further arbitration if warranted accordingly (the "**Notice**"). To date, there has been no official response from the Romanian Government. The issuance of the Notice does not in any way interfere with Gabriel's pursuit of the ICSID Arbitration.

Other Recent Developments

Impact of Coronavirus

With respect to the outbreak of the novel coronavirus (COVID-19), Gabriel continues to consider carefully the impact, noting the widespread disruption to normal activities and the uncertainty over the duration of this disruption. The highest priority of Gabriel's board of directors (the "**Board**") and Management is the health, safety and welfare of the Group's employees and contractors. Gabriel recognizes that the situation is extremely fluid and is monitoring the relevant recommendations and restrictions on work practices and travel. At this time, these recommendations and restrictions do not significantly impact Gabriel's ability to continue the ICSID Arbitration process or conduct the limited operations in Romania, nor has there been a significant impact on the Group's results or operations through 2020 and into the first quarter of 2021.

As noted below in "Future Financing Requirement", the Group will continue to seek new investment and the Group is also looking to sell its remaining long lead-time equipment. The market and timing for each initiative may be adversely affected by the effects of COVID-19. As a result, Gabriel will react to circumstances as they arise and will make the necessary adjustments to the work processes required and, should any material disruption from COVID-19 affect the Group for an extended duration, Gabriel will review certain planned activities in Romania and take remedial actions, if it is determined to be necessary or prudent to do so.

RMGC - Government Audits and Investigations

*Romanian National Agency for Fiscal Administration ("**ANAF**") Investigations*

Since the filing of the ICSID Arbitration, RMGC has been subjected to several audits and investigations by ANAF, a Romanian Government agency operating under the Ministry of Public Finance, a Romanian Government department, which is also charged with organizing and overseeing Romania's defense of the ICSID Arbitration.

In 2017 RMGC was served with a decision by ANAF assessing a liability for value-added-tax in the amount of RON 27 million (approximately $8.6 million) (the "**VAT Assessment**") together with an additional demand in respect of related interest and penalties for RON 18.6 million (approximately $6.0 million). Following a December 2, 2020 hearing, the High Court of Cassation and Justice handed down judgment upholding a 2019 Court of Appeal annulment of the VAT Assessment. This decision is final and conclusive.

In parallel with the VAT Assessment, and for over five years as of the date of this MD&A, a separate directorate of ANAF has continued to pursue an ad hoc investigation covering a broad range of operational activities and transactions of RMGC, and a number of its suppliers, consultants and advisors, covering an extensive period spanning 1997 to 2016, then subsequently extended to September 2019 (the "**ANAF Investigation**"). RMGC is co-operating in good faith with ANAF, however as at the date of this MD&A Gabriel still awaits formal indication of the grounds for the ANAF Investigation and neither the Company nor RMGC has received any feedback on its status.

Prosecutor Office Investigation

As previously disclosed, in November 2013, RMGC was informed of an investigation by the Ploiesti Public Prosecutor's Office into the principals/key shareholder(s) of a group of companies including Kadok Interprest LLC ("**Kadok Group**"). In March 2020, RMGC was informed that the authorities had closed the file in relation to the commercial relationship between RMGC and the Kadok Group but the Alba Public Prosecutor's Office is continuing its investigation of the commercial relations between RMGC and a list of service providers.

Long Lead-Time Equipment

Long lead-time equipment ("**LLTE**") consisting of crushing and milling equipment was originally procured by the Group between 2007 and 2009 for the operational phase of the Project. The prospect of the LLTE being used in the future for the purpose for which it was purchased is considered remote.

Since 2015, the Group has sold a majority of the LLTE, most recently concluding the sale of the remaining ball mill in the fourth quarter of 2019 for aggregate net proceeds of US$2.3 million (approx. $3.0 million).

The Company continues, through its agents, to procure the sale of the remaining LLTE, comprising predominantly a SAG mill together with a gearless motor drive, ball mill motors and SAG mill/ball mill spares. During the quarter ended March 31, 2021, the carrying amount of the remaining LLTE was assessed for indicators of impairment and Management deemed it was not appropriate to record an impairment charge.

Liquidity

Cash and cash equivalents at March 31, 2021 were $2.5 million.

The Company's average monthly cash usage during Q1 2021 was $1.3 million (Q4 2020: $2.5 million), the decrease primarily reflecting the reduction in payments related to ICSID Arbitration costs compared to the prior quarter where significant costs had accrued for payment following the Second Hearing.

At the end of Q1 2021, accruals for costs in respect of the ICSID Arbitration amounted to $3.0 million (Q4 2020: $1.5 million), the significant increase primarily reflecting a focus on Post-Hearing Briefs in the period and the inception of a fee agreement in respect of the deferred payment of certain ICSID Arbitration costs until an Award is issued.

The Group had sufficient funds as at March 31, 2021 to settle all then current and existing long-term liabilities, after taking into account the deferred fee agreement noted above and that the Company has the option to repay all or a proportion of the principal amount of the convertible notes outstanding at maturity by issuing Common Shares. Management continues to review the Company's activities in order to identify areas to rationalize expenditures.

Capital Resources

Private Placement

On May 27, 2021, the Company announced a non-brokered private placement (the "**2021 Private Placement**") of up to 30,444,800 Common Shares at a price of $0.245 each for gross proceeds of up to US$6.0 million (approximately $7.5 million). Subject to the approval of the TSX Venture Exchange and the receipt of all other applicable approvals, the Company hopes to close the 2021 Private Placement on or about June 10, 2021.

Repayment of Convertible Notes

The Company has $90,862,000 convertible notes ("**Notes**") in issue, which are convertible, at the option of the holders ("**Noteholders**"), into Common Shares at a price of $0.3105 per share ("**Conversion Price**"). The outstanding principal amount of the Notes and accrued interest is repayable by the Company at maturity on June 30, 2021. As noted above, under terms of the Note indenture ("**Indenture**"), the Company has the option to repay all or a proportion of the principal amount of Notes outstanding at maturity by issuing Common Shares ("**Common Share Repayment Right**") to the Noteholders.

Gabriel will not be in a position to repay the Notes in cash at maturity and, accordingly, on May 26, 2021, the Company exercised the Common Share Repayment Right by issuing the requisite notice under the Indenture to the Noteholders and the trustee, Computershare Trust Company of Canada.

In accordance with the terms of the Indenture, the number of Common Shares to be issued to each Noteholder pursuant to the Common Share Repayment Right will be calculated at a price equal to 95% of the volume weighted average trading price of a Common Share over a 20 trading day period to June 23, 2021 ("**Note Repayment Price**"). Gabriel cannot predict or control whether the Note Repayment Price will be higher or lower than the Conversion Price of $0.3105. If the outstanding Notes were converted prior to or at maturity by the Noteholders at the Conversion Price, an aggregate of 292.6m Common Shares would be required to be issued by the Company. If the Note Repayment Price is lower than the Conversion Price, then substantially more Common Shares may be required to be issued to the Noteholders.

As further described in the section entitled "Risks and Uncertainties" below, the conversion of Notes either at the option of the Noteholders or pursuant to the Common Share Repayment Right will result in the issuance of a significant number of Common Shares causing significant dilution to the ownership of existing shareholders.

Future Financing Requirements

On closing of the 2021 Private Placement, the Company believes that it will have sufficient sources of funding to enable the Group to maintain its primary assets, including its License and associated rights and permits, and to fund general working capital requirements together with the material estimated costs associated with the Company advancing the ICSID Arbitration through to January 2022. Gabriel is currently planning to raise additional financing to maintain its primary assets while it awaits an Award from the Tribunal.

There can be no assurances that the ICSID Arbitration will advance in a customary or predictable manner or within any specific or reasonable period of time. The Group does not have sufficient cash to fund either the development of the Project or all the long-term activities required to see the ICSID Arbitration through to its conclusion. Accordingly, taking into account the 2021 Private Placement, the Group will require additional funding in the future for general working capital purposes, to pursue the ICSID Arbitration through to an Award, and, as appropriate, for any following costs of potential annulment proceedings and/or enforcement of any Award. Notwithstanding the Company's recent and historic funding, there is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all.

Outlook

Notwithstanding the ongoing ICSID Arbitration, the Company remains open to engagement with the Romanian authorities in order to achieve an amicable resolution of the dispute or a settlement enabling the Group to develop the Project and the Bucium Projects.

In the meantime, the Company's current plans for the ensuing year are as follows:

- the advancement of the final procedural stages of the ICSID Arbitration prior to the issuance of an Award;
- securing additional funding during 2021;
- carefully managing its cash resources (including the disposition of the remaining LLTE acquired for the Project); and
- the protection of its rights and interests in Romania (including, so far as reasonably practical and desirable, ensuring that existing licenses and permits remain in good standing).

Results of Operations

The results of operations are summarized in the following tables. The amounts are derived from the Financial Statements prepared under IFRS.

in thousands of Canadian dollars, except per share amounts	**2021 Q1**	**2020 Q4**	**2020 Q3**	**2020 Q2**
Income Statement				
Loss - attributable to owners of parent	8,600	7,381	11,742	8,820
Loss per share - basic and diluted	0.01	0.01	0.02	0.02
Statement of Financial Position				
Working capital	(90,566)	(82,134)	1,162	9,936
Total assets	7,281	11,007	12,844	19,362
Statement of Cash Flows				
Cash flows from financing activities	-	6,469	-	3,711

in thousands of Canadian dollars, except per share amounts	**2020 Q1**	**2019 Q4**	**2019 Q3**	**2019 Q2**
Income Statement				
Loss - attributable to owners of parent	6,756	18,263	11,128	7,408
Loss per share - basic and diluted	0.01	0.03	0.02	0.02
Statement of Financial Position				
Working capital	11,981	15,146	27,242	9,365
Total assets	21,629	31,183	42,791	21,755
Statement of Cash Flows				
Cash flows from financing activities	-	401	26,228	-

Review of Financial Results

	3 months ended March 31	
in thousands of Canadian dollars, except per share amounts	**2021**	2020
Operating loss for the period	**6,013**	5,840
Loss for the period		
- attributable to owners of parent(1)	**8,600**	6,756
Loss per share - basic and diluted	**0.01**	0.01

(1) The transfer by the Company of equity in RMGC to Minvest RM during Q1 2014 resulted in the presentation of a non-controlling interest, as set out in the Financial Statements.

Operating loss for the three-month period ended March 31, 2021 of \$6.0 million was \$0.2 million higher when compared to the corresponding 2020 period (\$5.8 million) primarily reflecting \$1.3 million higher costs related to the ongoing ICSID Arbitration, offset by \$0.2 million of lower costs related to payroll, each as explained in the Corporate, General and Administrative costs analysis below, and \$0.9 million lower share based payments, as explained in the share based compensation analysis below.

Loss for the three-month period ended March 31, 2021 was $8.6 million, approximately $2.6 million higher than the operating loss. This result compares to an overall loss of $6.8 million for the same period in the prior year, which was $1.0 million higher than the 2020 first quarter operating loss. Principal reasons for the $1.6 million increase in non-operating expenses between the corresponding periods include (i) a $1.4 million foreign exchange gain in 2020 not repeated in 2021; and (ii) $0.2 million higher finance costs in 2021.

Expenses

Corporate, General and Administrative

	3 months ended March 31	
in thousands of Canadian dollars	**2021**	2020
ICSID Arbitration related	**2,965**	1,673
Payroll	**1,038**	1,221
Finance	**267**	214
Property and exploration taxes	**194**	177
Community relations	**177**	191
Office rental and utilities	**149**	131
Long lead-time equipment storage costs	**116**	121
Legal	**88**	58
External communications	**86**	71
Travel and transportation	**83**	200
Information technology	**77**	113
Other	**296**	332
Corporate, general and administrative expense	**5,536**	4,502

All operating expenditures incurred by the Group are included in corporate, general and administrative expenses.

ICSID Arbitration related expenses are for legal and other advisory services provided to the Company in respect of the ICSID Arbitration - summary details of the substantial written submissions and hearings which required these services and were principal drivers of related costs in the first quarter of 2020 and 2021 are set out in “Status of the ICSID Arbitration and Recent Developments” above. For the three-month period ended March 31, 2021, such costs were approximately $3.0 million, reflecting preparation of the Post-Hearing Briefs. ICSID Arbitration related expenses in the corresponding quarter of 2020 of $1.7 million reflected reduced activity following the Hearing in respect of preparing supplemental rebuttal documents and a response to an amicus curiae submission to the Tribunal.

Payroll is the total of salaries and relevant taxes for all Group employees. Payroll costs in the three-month period ended March 31, 2021 include $0.4 million related to RMGC employees (2020: $0.5 million), and are $0.2 million lower than in the prior year primarily reflecting reduced employee numbers.

Travel and transportation costs are lower in the three-month period ended March 31, 2021 due to the reduced mobility of personnel resulting from the COVID-19 restrictions and precautions taken. Legal expenses include ongoing corporate legal advice within the Group, in particular with regard to matters such as the VAT Assessment and the ANAF investigations.

Share-Based Compensation

		3 months ended March 31		
		2021		2020
Share option compensation				
Number of share options granted		**856,176**		5,952,704
Average value ascribed to each option granted	**$**	**0.22**	$	0.46
Number of share options exercised		**-**		5,000
Average value ascribed to each option exercised	**$**	**-**	$	0.40
Number of share options expired/cancelled		**-**		1,976,160
Average value ascribed to each option expired/cancelled	**$**	**-**	$	0.56
DSU compensation				
Number of DSUs issued		**538,237**		115,944
Average value ascribed to each DSU issued	**$**	**0.22**	$	0.49
RSU compensation				
Number of RSUs redeemed		**400,820**		-
Average value ascribed to each RSU redeemed	**$**	**0.23**	$	-
Number of RSUs cancelled		**138,180**		-
Average value ascribed to each RSU cancelled	**$**	**0.23**	$	-

	3 months ended March 31	
in thousands of Canadian dollars	**2021**	2020
DSUs - expense	**323**	121
Share option - expense	**146**	1,204
Share based compensation	**469**	1,325

The estimated fair value of incentive share options ("**Options**") issued by the Company is calculated using the Black-Scholes method as at the date of grant and amortized over the period during which the Options vest.

With effect from July 1, 2016, non-executive directors receive at least fifty per cent of their directors' fees payable in deferred share units ("**DSUs**") or, at their election, Options in lieu of cash. Certain non-executive directors have elected to receive all of their directors' fees payable in DSUs or Options.

A total of 421,176 Options (all of which vest immediately) and 298,237 DSUs were granted to certain non-executive directors during the three-month period ended March 31, 2021 in lieu of cash fees for services provided during Q3 and Q4 2020. In addition, a total of 435,000 Options were issued during the three-month period ended March 31, 2021 to certain non-executive directors as part of their annual compensation due on election to the Board at the annual general meeting. The delay in issuing these instruments was due to a blackout being in place throughout the fourth quarter of 2020, when such instruments would ordinarily be priced and granted. The Company has accrued $0.1 million for the cost of future issuance of Options and DSUs for fees for services provided during the first quarter of 2021.

DSUs are revalued each period end based on the period end closing share price. The initial value of the DSUs on grant, and the effect on the valuation of DSUs of the period-on-period change in share price, is expensed. At March 31, 2021, the Company's share price was $0.28 (December 31, 2020: $0.23), resulting in a DSU expense of $0.3 million for the three-month period ended March 31, 2021.

Finance Income

	3 months ended March 31	
in thousands of Canadian dollars	**2021**	2020
Interest income	**9**	61

Interest income reflects the average holdings of cash and cash equivalents during the respective periods shown above. Interest income has reduced significantly since the start of the second quarter of 2020, in line with the significant reduction in available cash balances through the 2020 year and into the first quarter of 2021, together with reduced North American treasury yields in the period.

As at March 31, 2021, due to the reduced cash balance and short term cash requirements, none of the Company's cash and cash equivalents were invested in US government guaranteed instruments, with the majority of this balance held as cash deposits with major Canadian banks.

Finance Costs

	3 months ended March 31	
in thousands of Canadian dollars	**2021**	2020
Financing costs - convertible note accretion	**2,578**	2,410

Finance costs relate to the accretion of the debt components of the Notes issued in 2014 and 2016, which are measured at amortized cost using the effective interest rate method. As explained above, the Company currently has $90,862,000 of Notes in issue and the outstanding principal amount of the Notes and accrued interest is repayable by the Company at maturity on June 30, 2021.

Foreign Exchange

The Company has experienced an increase in foreign currency gains and losses as a result of increased exposure to the US dollar. All of the funds raised in the three private placements of equity and warrants since 2018 were received in US dollars and the Company retained these US dollars to fund its subsequent US dollar-denominated working capital expenses, principally costs related to the ICSID Arbitration.

Taxes

All tax assessments received prior to March 31, 2021 have been paid or provided for in the Financial Statements.

Investing Activities

The majority of Group expenditures over the years through December 31, 2015 were for identifying and defining the size of the four ore bodies, for engineering to design the size and scope of the Project, environmental assessment and permitting, social support to local communities, communications and public relations activities to support the permitting process, archeological and rehabilitation work to buildings, as well as surface rights and property acquisition and resettlement housing and infrastructure.

Since January 1, 2016, no significant expenditures apart from building maintenance have been incurred in these areas and any such expenditures are expensed in the income statement.

Purchase of Capital Assets

	3 months ended March 31	
in thousands of Canadian dollars	**2021**	2020
Total investment in capital assets	**-**	5
Depreciation and disposal - expensed	**8**	13

The purchase of capital assets remains low, in line with the Company's cost containment strategy.

Financing Activities

The Company has raised funds since 2014 through private placements of Notes, Common Shares and warrants (together "**Private Placements**") amounting to gross aggregate proceeds of $154.7 million. The Company has used and is continuing to use the proceeds of the Private Placements to finance the costs of the ongoing ICSID Arbitration and for general working capital purposes. Further information on the Private Placements is provided in the Financial Statements.

Cash Flow Statement

Liquidity and Capital Resources

The main sources of liquidity are the Company's cash and cash equivalents, and the equity and debt markets. At March 31, 2021, aggregate cash and cash equivalents were $2.5 million (December 31, 2020: $6.5 million).

Working Capital

At March 31, 2021, the Company had working capital, calculated as total current assets less assets held for sale less total current liabilities of negative $90.6 million (December 31, 2020: negative $82.1 million). After adjusting for the Notes, which are redeemable in shares and therefore do not affect the ability of the Company to meet its liabilities, and the deferred fee arrangement, the Company had working capital at March 31, 2021 of $0.2 million (December 31, 2020: $3.5 million). This period-on-period decrease is reflective of ongoing operating costs of the Company incurred pending further financing.

After adjusting for the Notes, at March 31, 2021, the Company had current liabilities of $5.9 million (December 31, 2020: $3.7 million). This period-on-period increase is primarily due to the significantly higher ICSID Arbitration cost accruals at March 31, 2021 for work performed in preparation of the Post-Hearing Briefs.

Resettlement Liabilities

RMGC had a program for purchasing homes in the Project area, which was suspended in February 2008 due to the suspension of the environmental review process in September 2007.

At March 31, 2021 the Company had accrued resettlement liabilities totaling $0.5 million (December 31, 2020: $0.6 million).

Contractual Obligations

A summary of the Company's contractual capital and operating lease commitments as of March 31, 2021 is included within the Financial Statements.

The Company and its subsidiaries have a number of arm's-length agreements with third parties who provide a wide range of goods and services. Typically, the service agreements are for a term of not more than one year and permit either party to terminate upon notice periods ranging from 15 to 90 days. At termination, the Company has to pay for services rendered, and costs incurred, to the date of termination.

Critical Accounting Estimates

The preparation of the Financial Statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of expenses and other income during the reporting period.

Significant estimates and assumptions include those related to going concern, the recoverability or impairment of certain assets, benefits of future income tax assets, estimated useful lives of capital assets, valuation of share based compensation and other benefits, assumptions and determinations as to whether costs are expensed or capitalized, and the valuation and measurement of the components of the Private Placements.

While Management believes that these estimates and assumptions are reasonable, actual results could vary significantly therefrom. The critical accounting estimates are not significantly different from those reported in the Financial Statements as at, and for the year ended, December 31, 2020.

Going Concern

On the basis of the Company's balance of cash and cash equivalents as at March 31, 2021, and assuming closing of the 2021 Private Placement, the Company believes that it will have sufficient sources of funding to enable the Group to maintain its primary assets, including its License and associated rights and permits, and to fund general working capital requirements together with the material estimated costs associated with the Company advancing the ICSID Arbitration through to January 2022. Gabriel is currently planning to raise additional financing to maintain its primary assets while it awaits an Award from the Tribunal.

As at March 31, 2021, the Group had no sources of operating cash flows and does not have sufficient cash to fund either the development of the Project or all the long-term activities required to see the ICSID Arbitration through to its conclusion. Accordingly, further to the 2021 Private Placement, the Group will require additional funding for general working capital purposes and to pursue the ICSID Arbitration as appropriate up to and following the Tribunal's Award, including any potential annulment proceeding and/or to enforce any Award. Notwithstanding the Company's recent and historic funding, there is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all.

Future Income Tax Assets

Income taxes are calculated using the asset and liability method of tax accounting. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and are measured using the substantively enacted tax rates and laws that are expected to be in effect when the differences reverse. Income tax assets are recognized to the extent that the recoverability of future income tax assets is considered probable.

The Company has subsidiaries in countries that have differing tax laws and tax rates, primarily Romania and the United Kingdom. The provision for income taxes is based on a number of estimates and assumptions made by Management, including its understanding of domestic and international tax rules. Advice is also sought from local professional tax advisors in the respective countries where the Group operates.

Tax authorities in Romania have regularly initiated various tax audits to assess the appropriateness of RMGC's tax filing positions. Regulators may interpret tax regulations differently from the Company and its subsidiaries, which may cause changes to the estimates made. As noted above, in 2017 RMGC received the VAT Assessment from ANAF which, with interest and penalties, amounted to approximately RON 45.6 million (approximately $14.6 million). Romania's High Court of Cassation and Justice dismissed ANAF's appeal against an earlier court decision in favor of RMGC, a decision which is final and conclusive. The Group no longer recognizes a contingent liability related to this VAT Assessment in the Financial Statements.

Valuation of the Private Placements

The units issued by the Company in Private Placements in 2014 and 2016 consisted of Notes, warrants and arbitration value rights. The Company utilized the Black-Scholes model to value the warrant component of the units (each of which entitle the holder to acquire one Common Share at an exercise price of $0.46) and a discounted cash flow model to value the debt component of the Notes. The equity component of the Notes was recognized initially at the difference between the fair value of each Private Placement as a whole and the fair value of the debt and warrant components. Any directly attributable transaction costs were allocated to the liability and equity components in proportion to their initial carrying amounts. A nil value was initially ascribed to the arbitration value rights and, given the current stage of the ICSID Arbitration process, a nil valuation remains applicable as at March 31, 2021. The Private Placements in 2014 and 2016 contain two embedded derivatives, both of which were initially valued at nil with no subsequent adjustment in value.

The units issued by the Company in the 2018, 2019 and 2020 Private Placements consisted of Common Shares and warrants each of which entitles the holder to acquire one Common Share at an exercise price of $0.49, $0.645 and $0.39 respectively, at any time in the five years following issuance (in the case of the 2018 and 2019 Private Placements) and at any time in the three years following issuance (in the case of the 2020 Private Placement). The Company utilized the Black-Scholes model to value the warrant component of the units and allocated the remainder of the value to the equity component. Any directly attributable transaction costs were allocated to the equity and warrant components in proportion to their initial carrying amounts.

Useful Lives of Capital Assets

The Company's policy is to amortize capital assets over their useful lives once the assets are brought into production. Management assesses useful lives of assets to ensure that they reflect the intended use of those assets.

Valuation of Share-Based Compensation

The Company utilizes Options, DSUs and restricted share units ("RSUs") as means of compensation. Equity settled RSUs and Options are valued using the Black-Scholes model, and are amortized over the expected vesting periods. Management reviews the assumptions used in the Black-Scholes valuation on an annual basis to ensure appropriateness.

DSUs are initially issued at the five-day weighted average market price of the Common Shares at the date of grant, and the value thereof is subsequently recalculated to fair value based on the quoted market value of the Common Shares at the end of each reporting period.

Financial Instruments and Management of Financial Risk

The recorded amounts for cash, cash equivalents, accounts receivable, accounts payable, accrued liabilities and other liabilities approximate fair values based on the nature of those instruments.

The Company's objective is to safeguard its cash and cash equivalents in order to be able to fund ongoing expenditures. The Company manages its capital structure and makes adjustments to it based on the level of funds on hand and anticipated future expenditures. The long-term costs, including advisors' fees of pursuing the ICSID Arbitration and general corporate working capital, have been material and are estimated to continue to be significant.

To safeguard cash the Company invests its surplus capital in liquid instruments at reputable financial institutions with acceptable credit standings.

The Group's risk exposures and the impact on the Group's financial instruments are summarized below:

Credit Risk

The Group's credit risk is primarily attributable to cash and cash equivalents that are held in investment accounts with Canadian banks and invested in Canadian and United States sovereign debt. The Group has adopted an investment strategy to minimize its credit risk by investing in sovereign debt (primarily issued by Canada and the United States, subject to availability) with the balance of cash being invested on short-term overnight deposit with major Canadian banks.

The Group is exposed to the credit risk of domestic Romanian banks that hold and disburse cash on behalf of its Romanian subsidiaries. The Group manages its Romanian bank credit risk by centralizing custody, control and management of its surplus cash resources outside of Romania at the corporate office and only transferring money to its Romanian subsidiary based on near-term cash requirements, thereby mitigating exposure to domestic Romanian banks.

The Group holds cash balances in the United Kingdom to fund corporate office activities and is therefore exposed to the credit risks of these major UK banks.

The Group's credit risk is also attributable to value-added taxes receivable. Value-added taxes receivable are primarily receivables from the Romanian Government, which are more recent and not subject to challenge pursuant to the VAT Assessment. As at March 31, 2021, overdue VAT receivable amounts claimed by RMGC total approximately $0.2 million.

Liquidity Risk

The Company has the ability to repay all or a proportion of the principal amount of the Notes at maturity by issuing Common Shares from treasury (as more fully described above and in the Financial Statements); these Notes represent a significant portion of the Group liabilities. As of the date of this MD&A, the Group had no sources of operating cash flows and does not have sufficient cash to fund either the development of the Project or all the long-term activities required to see the ICSID Arbitration through to its conclusion, including any annulment process and enforcement. Taking account of the Group's existing treasury balances, and subject to raising additional funding as described above, the Group expects to have sufficient funds to settle all other current and existing long-term contractual liabilities as they fall due.

Market Risk

(a) Interest rate risk

The Group has cash balances and significant fixed-coupon debt in the form of Notes. The Group maintains a short-term investment horizon, typically less than three months, for its cash and cash equivalents, and therefore minimizes the risk of interest rate volatility at investment maturity.

With a short-term investment horizon and the intent to hold all investments until maturity, the Group is only marginally exposed to capital erosion should interest rates rise and cause fixed-yield investments to devalue.

The Group's primary objective with respect to cash and cash equivalents is to mitigate credit risk. The Group has elected to forego yield in favor of capital preservation.

The interest rate attributable to the Notes is a fixed interest rate for the period of the instrument and is therefore not subject to market fluctuations.

(b) Foreign currency risk

The Group's presentation currency is the Canadian dollar and its activities expose it to fluctuations in foreign exchange rates. The Group has monetary assets and liabilities which are denominated in Romanian Lei, US dollars, UK pounds and Euros and is, therefore, subject to exchange variations against both the functional currency of the entity and presentation currency of the Group.

The Group maintains cash and cash equivalents in various currencies and is therefore susceptible to market volatility as foreign cash balances are revalued to the functional currency of the entity and thereafter to the presentation currency of the Group. Therefore, the Group may report foreign exchange gains or losses during periods of significant economic and market volatility. At March 31, 2021, the Group held 41%, 23%, 19% and 17% of its cash and cash equivalents in Canadian dollars, US dollars, Romanian Lei and UK pounds, respectively.

The Company has not entered into any derivative hedging activities.

Sensitivity

As of March 31, 2021, the carrying amount of the financial instruments equals fair market value. Based on Management's knowledge and experience of the financial markets, in respect of the Company's balance of cash and cash equivalents as at March 31, 2021, the Company believes the following market movements are "reasonably possible" over a twelve-month period and would have the stated effects on net income:

- A plus or minus 1% change in earned interest rates; would affect net interest income by less than $0.1 million.
- A plus or minus 1% change in foreign exchange rates; would affect net income by less than $0.1 million.

Risks and Uncertainties

An investment in the Common Shares is subject to a number of risks and uncertainties. This section describes existing and future material risks to the business of the Group. The risks described below are not exhaustive. Additional risks and uncertainties not currently known to the Company, or those that it currently deems to be immaterial, may become material and adversely affect the Group's business. The realization of any of these risks may materially and adversely affect the Group's business, financial condition, results of operations and/or the market price of Gabriel's securities.

The Outbreak of the Coronavirus (COVID-19)

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt the Group's operations, including, but not limited to, the advancement of the ICSID Arbitration, and the effects of the coronavirus or other epidemics may materially and adversely affect its business and financial conditions.

The extent to which the coronavirus impacts the Group's business and operations, and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak.

In particular, the continued spread of the coronavirus and travel and other restrictions established to curb the spread of the coronavirus, could materially and adversely impact the Group's business including, without limitation, the progress of the ICSID Arbitration (for example the availability of the Tribunal, legal counsel, industry experts and ICSID personnel), the Project work program, employee health, limitations on travel, and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the its business, financial condition and results of operations. There can be no assurance that the Group's personnel will not be impacted by these pandemic diseases and ultimately the Group may see its workforce productivity reduced or incur increased medical costs or insurance premiums as a result of these health risks.

ICSID Arbitration

The resources necessary to pursue the ICSID Arbitration are substantial and the costs, fees and other expenses and commitments payable in connection with the ICSID Arbitration may differ materially from Management's expectations. In view of the case-specific nature of arbitration, and the inherent uncertainty in the actions of the Respondent and in the process, timing and outcome of the ICSID Arbitration, there can be no assurances that the ICSID Arbitration will advance in a customary or predictable manner or be completed or settled within any specific or reasonable period of time.

There is no assurance that the Claimants will be successful in establishing Romania's liability in the ICSID Arbitration or, if successful, that the Claimants will receive or collect an award of compensation from the Respondent in the amount requested, of significantly reduced value, or at all. Failure to prevail in the ICSID Arbitration, or to obtain adequate compensation for the loss in value of the Group's investment, would materially adversely affect the Group.

The pursuit by the Company of the ICSID Arbitration may lead to the commencement of further abusive fiscal and other investigations and assessments against RMGC or its staff or employees by the Romanian State.

UNESCO World Heritage List

As described above, on January 31, 2020, the Romanian Government indicated that it had taken steps to resume the procedure to list the 'Roşia Montană Mining Landscape' as a UNESCO World Heritage site.

The act of applying to UNESCO for such designation is wholly incompatible with the development of the Project. The application itself is an undertaking by Romania to stop development of the subject area and preclude mining, as would a decision by the World Heritage Committee formally approving the application. The inclusion of the 'Roşia Montană Mining Landscape' on the UNESCO World Heritage List would have a material adverse impact on the Company's business insofar as it would undermine the possibility of an amicable resolution of the dispute with Romania that would allow for the development of the Project.

Sources of Additional Funding

Further funding will be required by the Company to pursue the ICSID Arbitration to its conclusion, including the enforcement of any award, and for general working capital requirements.

Historically, the Company has been financed through the issuance of its Common Shares, Notes and other equity-based securities. Although the Company has been successful in the past in obtaining financing, it has limited access to financial resources as a direct result of the dispute concerning the Project and the core focus of the Company upon the ICSID Arbitration. Notwithstanding the Company's historic funding, there is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all. In addition, the current outbreak of COVID-19 has had a negative impact on global economies and financial markets. The continued spread of COVID-19 and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions, which may adversely impact the Company's ability to obtain financing.

While, as disclosed above, the Company is continuing a process to sell its remaining LLTE which would, if completed, provide the Company with a reduced cost base and additional working capital, there are no assurances regarding the success of such a sale process or that any proceeds may be realized from the sale of the remaining equipment. The timing of the receipt of any such sales proceeds is also uncertain.

Refinancing of Existing Securities

The Company may need or desire to refinance all or a portion of the Notes or warrants issued and outstanding pursuant to the Private Placements. There can be no assurance that the Company will be able to refinance any of its indebtedness or incur additional indebtedness.

Repayment of Convertible Notes

The conversion of the Company's outstanding Notes could result in the issuance of a significant number of Common Shares causing significant dilution to the ownership of existing shareholders.

The outstanding principal amount of the Notes and accrued interest is repayable by the Company at maturity on June 30, 2021 and Gabriel will not be in a position to repay the Notes in cash. Accordingly, Gabriel has issued the maturity notice required under the Indenture in order to settle the Notes pursuant to the Common Share Repayment Right.

As the number of Common Shares to be issued to each Noteholder pursuant to the Common Share Repayment Right will be calculated at the Note Repayment Price, Gabriel cannot predict and cannot control whether such Note Repayment Price will be higher or lower than the Conversion Price of $0.3105. If the outstanding Notes were converted prior to or at maturity by the Noteholders at the Conversion Price an aggregate of 292.6m Common Shares would be required to be issued by the Company. If the Note Repayment Price is lower than the Conversion Price, then substantially more Common Shares may be required to be issued to the Noteholders and could potentially cause substantial dilution to the shareholders at that time.

Potential Dilution to Existing Shareholders

In addition to the conversion of the Notes, the exercise of the Company's outstanding warrants could result in the issuance of a significant number of Common Shares causing significant dilution to the ownership of existing shareholders.

As described above, the Company will require additional financing in order to pursue the ICSID Arbitration to its conclusion and for general working capital requirements. In order to raise such financing, the Company may sell additional equity or equity-related securities including, but not limited to, Common Shares, share purchase warrants or some form of convertible security. The additional issuances of equity securities, if made, will result in dilution to existing shareholders, which could be substantial.

Unless and until the Company successfully permits the Project or collects an arbitral award, if any, or acquires and/or develops other operating properties which provide positive cash flow, the Company's ability to meet its obligations as they fall due will be limited to the Company's cash on hand and/or its ability to issue additional equity or debt securities in the future. Such transactions could potentially cause substantial dilution to the shareholders at that time.

Political and Economic Uncertainty in Romania

Gabriel's material operations, property rights and other interests are located in Romania. As such, the Company's activities are subject to a number of country-specific risks and risks relating to the European Union (such as laws and policies which impact Romania) over which it has no control. These risks may include social, political, economic, legal and fiscal instability and changes of Romanian or European Union laws and regulations affecting mining, foreign ownership, taxation, working conditions, rates of exchange, exchange control, exploration licensing, and export licensing and export duties.

In the event of a dispute arising in respect of the Company's activities in Romania (other than the ICSID Arbitration and the Notice regarding UNESCO World Heritage), the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or elsewhere. Any adverse or arbitrary decision of a court, arbitrator or other governmental or regulatory body may have a material adverse impact on the Company's business, assets, prospects, financial condition and results of operations and/or the market price of its securities.

Mineral Tenure Rights

RMGC is the titleholder of the License, which had an initial duration of 20 years and was due to expire on June 21, 2019. RMGC has the right to extend the term of the License for successive subsequent five-year periods as may be needed to ensure rational exploitation of the mineral resources and reserves identified and approved by the Romanian National Agency for Mineral Resources ("**NAMR**"). An addendum providing for the extension of the term of the License to June 20, 2024, and including a revised royalty rate to 6% on mineral production value, was concluded on June 18, 2019.

Although RMGC retains 'nominal ownership' of the License, the acts and omissions of the Romanian State have prevented RMGC from realizing any benefits of such ownership and thus have deprived the License entirely of its value.

Pursuant to an exploration concession license issued by the Romanian State in May 1999 relating to the Bucium perimeter located in the vicinity of Roşia Montană, and following the completion of extensive exploration at Bucium which identified two feasible deposits, RMGC acquired a direct and exclusive legal right to obtain exploitation licenses for the Rodu-Frasin and Tarniţa deposits. However, in violation of RMGC's legal rights and of Romania's legal obligations, Romania has failed for the last 13 years to act on RMGC's applications for exploitation licenses for Rodu-Frasin and Tarniţa.

Any adverse or arbitrary decision of NAMR may have a material adverse impact on the Company's business, assets, prospects, financial condition and results of operations and/or the market price of its securities.

Legal Proceedings

As previously disclosed, Gabriel has been party (directly and through RMGC) to a number of legal challenges in Romania. In the course of its business, Gabriel may also from time to time become involved in the defense and initiation of legal claims, arbitration and other legal proceedings.

Due to the inherent uncertainties of the judicial process, the nature and results of any such legal proceedings cannot be predicted with any certainty. In addition, such claims, arbitration and other legal proceedings can be lengthy and involve the incurrence of substantial costs and resources by the Company. The initiation, pursuit and/or outcome of any particular claim, arbitration or legal proceeding could have a material adverse effect on the Company's financial position and results of operations, and on the Company's business, assets and prospects.

Dependence on Management and Key Personnel

The Group is dependent on a relatively small number of key directors, officers and employees. Loss of any one of those persons could have an adverse effect on it. Retaining qualified and experienced personnel is critical to the Company's success. However, there can be no assurance that the Group will be successful in so doing.

Furthermore, the loss of key employees, in particular those who possess important historical knowledge related to the Project which could be relevant to the ICSID Arbitration, could have a material adverse effect on the outcome of the ICSID Arbitration and future operations of the Group.

Minvest RM Mine Closure Plan and Environmental Liabilities

In May 2006, Minvest RM's predecessor permanently ceased all of its mining operations at Roșia Montană. As a result, a mine closure plan was developed, which, Gabriel understands, was approved by the Romanian Ministry of Economy and NAMR. The mine closure plan was developed to integrate into RMGC's development plans for Roșia Montană in order to avoid any conflict between the Romanian State's closure activities and RMGC's development activities. A state-owned company under the coordination of the Ministry of Economy, S.C. CONVERSMIN S.A. ("CONVERSMIN"), has responsibility for the mine closure plan.

There can be no assurance that the activities contemplated by such mine closure plan will be implemented in a timely fashion, and no such action has been undertaken to date within the Roșia Montană license area. Until the mine closure plan has been fully implemented, there can be no assurance that such activities will not attract liability to RMGC, as the titleholder of the License, under the current or future laws, rules and regulations applicable to mining activities in Romania. Likewise, there can be no assurance that the legally binding assumption by the Romanian State-owned operator of all liabilities associated with its past mining operations or any indemnification of RMGC from such liabilities will be fulfilled by, or be enforceable against, such entity.

Mining exploration activities conducted by RMGC, as titleholder of the License, are also subject to potential environmental risks and liabilities. It is the Company's belief that RMGC has met its obligations under the License and applicable Romanian laws to perform environmental rehabilitation within the areas of the tenement affected by its exploration activities. To the extent that RMGC becomes subject to material unforeseen and uninsured environmental liabilities, the payment of such costs would reduce funds otherwise available to the Company and could have a material adverse effect on the Company.

Continued Listing of the Common Shares

The continued listing of the Common Shares on the Exchange is conditional upon its ability to meet the applicable continued listing requirements of the Exchange. In the event that Gabriel is not able to maintain a listing of its Common Shares on the Exchange or any substitute exchange, it may be extremely difficult or impossible for shareholders to sell their Common Shares. If the Company is delisted from the Exchange but obtains a substitute listing for the Common Shares, the Common Shares may have less liquidity and more price volatility than experienced on the Exchange. Shareholders may not be able to sell their Common Shares on any such substitute exchange in the quantities, at the times, or at the prices that could potentially be available on a more liquid trading market.

As a result of these factors, if the Common Shares are delisted from the Exchange, the price of the Common Shares may decline and the Company's ability to obtain financing in the future could be materially impaired.

Compliance with Anti-Corruption Laws

Gabriel is subject to various anti-corruption laws and regulations including, but not limited to, the Canadian Corruption of Foreign Public Officials Act 1999 and the UK Bribery Act 2010. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. Gabriel's primary operations are located in Romania, a country which, according to Transparency International, is perceived as having fairly high levels of corruption relative to the rest of Europe (Romania ranks 69th out of 180 countries in terms of corruption, according to a 2020 index published in January 2021 by Transparency International). Gabriel cannot predict the nature, scope or effect of future anti-corruption regulatory requirements to which Gabriel's operations might be subject or the manner in which existing laws might be administered or interpreted.

Failure to comply with the applicable legislation and other similar foreign laws could expose Gabriel and/or its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect Gabriel's business, financial condition and results of operations. Likewise, any investigation of any potential violations of the applicable anti-corruption legislation by UK, Canadian or foreign authorities could also have an adverse impact on Gabriel's ability to develop the Project or its business, financial condition and results of operations.

As a consequence of these legal and regulatory requirements, Gabriel has instituted policies and procedures with regard to business ethics, which have been designed to ensure that Gabriel and its employees comply with applicable anti-corruption laws and regulations. However, there can be no assurance or guarantee that such efforts have been and will be completely effective in ensuring Gabriel's compliance, and the compliance of its employees, consultants, contractors and other agents, with all applicable anti-corruption laws and regulations.

Insurance and Uninsurable Risks

Gabriel maintains insurance to protect itself against certain risks related to its operations in type and amounts that it believes are reasonable depending upon the circumstances surrounding each identified risk and the advice of its retained insurance advisor. There are also risks against which the Company cannot insure or against which it may elect not to insure for various reasons. The potential costs associated with any liabilities not covered by insurance, or in excess of insurance coverage, or compliance with applicable laws and regulations may cause substantial delays to its operations and require significant capital outlays, adversely affecting the future business, assets, prospects, financial condition and results of operations of the Company.

Global Economic and Financial Market Conditions

Global economic and financial conditions may impact the ability of the Company to obtain loans, financing and other credit facilities in the future and, if obtained, on terms favorable to the Company. As a consequence, global financial conditions could adversely impact the Company's financial status and share price.

Currency Fluctuations

The Company's reporting currency is the Canadian dollar, which is exposed to fluctuations against other currencies. The Company's primary operations are located in Romania and many of its expenditures and obligations are denominated in Romanian Lei ("**RON**"). In addition, the Company has and/or will have expenditures and obligations denominated in other currencies including, but not limited to, Canadian dollars, US dollars, Euros and United Kingdom pounds sterling ("**GBP**"). The Company maintains active cash accounts in Canadian dollars, US dollars, GBP and RON and has either monetary assets and/or liabilities in currencies including US dollars, Canadian dollars, Euros, GBP and RON. As such, the Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. The Company does not currently use any derivative products to actively manage or mitigate any foreign exchange exposure.

Market Price Volatility

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for the Common Shares will be subject to market trends generally and there may be significant fluctuations in the price of the Common Shares.

No History of Earnings or Dividends

The Company has no history of earnings and as such the Company has not paid dividends on its Common Shares since incorporation. The Company does not intend to declare or pay cash dividends at present.

Accounting Policies and Internal Controls

Since January 1, 2011, the Company has prepared its financial reports in accordance with IFRS. In preparation of financial reports, Management of Gabriel may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting policies are described in more detail in the Company's audited Financial Statements.

In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported, the Company has implemented internal control systems for financial reporting. Although the Company believes its financial reporting and Financial Statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance.

Enforcement of Civil Liabilities

As substantially all of the assets of Gabriel and its subsidiaries are located outside of Canada, and certain of its directors and officers are resident outside of Canada, it may be difficult or impossible to enforce judgements granted by a court in Canada against the assets of Gabriel or its subsidiaries or its directors and officers residing outside of Canada.

Conflicts of Interest

Some of the directors and officers of the Company are, or may be, on the boards of other natural resource companies, or other providers of finance, from time-to-time resulting in conflicts of interests. Therefore, there is the potential for a conflict of interest between the Company and some of its directors and officers. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

CEO/CFO Certification

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have reviewed the interim financial statements and interim MD&A (the "Interim Filings") for the three-month period ended March 31, 2021.

The CEO and CFO certify that, as at March 31, 2021, based on their knowledge, having exercised reasonable diligence, the Interim Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the Interim Filings.

The CEO and CFO certify that, as at March 31, 2021, based on their knowledge, having exercised reasonable diligence, the interim financial statements for the period, together with the other financial information included in the Interim Filings, fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of March 31, 2021 and for the three month period to that date.

Outstanding Share Data

The Company's fully diluted share capital as at May 25, 2021 was:

	Outstanding
Common shares	623,507,830
Common stock options	31,964,713
Deferred share units - Common Shares	3,979,468
Warrants	304,687,386
Convertible notes (maturing June 30, 2021)	292,631,239
Fully diluted share capital	**1,256,770,636**

The impact on the fully diluted share capital of conversion of the Notes has been calculated based upon the Conversion Price of $0.3105. The Company has the Common Share Repayment Right to repay the principal in whole or in part at the maturity date in Common Shares based on the Note Repayment Price, being 95% of the volume weighted average share price over a 20 trading day period to June 23, 2021. If the Note Repayment Price is lower than the Conversion Price, then substantially more Common Shares may be required to be issued to the Noteholders.

Forward-Looking Statements

This MD&A 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 MD&A, 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 uncertainties associated with material factors or assumptions used to develop forward-looking statements include, without limitation: the progress of the ICSID Arbitration, actions by the Romanian Government or affiliates thereof, the impact of current or future litigation against the Group, conditions or events impacting the Company's ability to fund its operations (including but not limited to the completion of additional funding noted above) or service its debt, the ability to progress 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 above and 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, outlook, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "is of the view" "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 outbreak of the coronavirus (COVID-19) may affect the Company's operations and/or the anticipated timeline for the ICSID Arbitration;
- the duration, costs, process and outcome of the ICSID Arbitration;
- the advancement of Romania's nomination of the "Roşia Montană Mining Landscape" as a UNESCO World Heritage site;
- changes in the Group's liquidity and capital resources;
- access to funding to support the Group's continued ICSID Arbitration and/or operating activities in the future;
- equity dilution resulting from the conversion or repayment of the Notes, or exercise of warrants, in part or in whole in Common Shares;
- the ability of the Company to maintain a continued listing on the Exchange or any regulated public market for trading securities;
- the impact on business strategy and its implementation in Romania of: any allegations of historic acts of corruption, uncertain legal enforcement both for and against the 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 and fiscal regimes;
- global economic and financial market conditions;
- volatility of currency exchange rates; and
- the availability and continued participation in operational or other matters pertaining to the Group of certain key employees and consultants.

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 MD&A 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.

Gabriel Resources Ltd.

Condensed Interim Consolidated Financial Statements
(Unaudited)
For the period ended March 31, 2021

Condensed Consolidated Statement of Financial Position

As at March 31, 2021 and December 31, 2020
(Unaudited and expressed in thousands of Canadian dollars)

	Notes	**March 31 2021**	December 31 2020
Assets			
Current assets			
Cash and cash equivalents	7	**2,528**	6,482
Trade and other receivables	8	**213**	276
Prepaid expenses and supplies	9	**839**	447
Total current assets (excluding assets classified as held for sale)		**3,580**	7,205
Assets held for sale	6	**2,768**	2,848
Total current assets		**6,348**	10,053
Non-current assets			
Restricted cash	7	**213**	230
Property, plant and equipment		**112**	117
Loan receivable	14	**608**	607
Total non-current assets		**933**	954
TOTAL ASSETS		**7,281**	11,007
Liabilities			
Current liabilities			
Trade and other payables	10	**4,269**	2,350
Resettlement liabilities	11	**546**	558
Convertible unsecured notes	18	**88,217**	85,640
Other current liabilities	12	**1,114**	791
Total current liabilities		**94,146**	89,339
TOTAL LIABILITIES		**94,146**	89,339
Deficit			
Share capital	16	**916,000**	916,000
Other reserves		**158,737**	158,591
Currency translation adjustment		**1,602**	1,666
Accumulated deficit		**(1,167,161)**	(1,158,561)
Deficit attributable to owners of the parent		**(90,822)**	(82,304)
Non-controlling interest	13	**3,957**	3,972
TOTAL DEFICIT		**(86,865)**	(78,332)
TOTAL DEFICIT AND LIABILITIES		**7,281**	11,007

Going concern – Note 1

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Loss

For the three month period ended March 31

(*Unaudited and expressed in thousands of Canadian dollars, except per share data)*

		3 months ended March 31	
	Notes	**2021**	2020
Expenses			
Corporate, general and administrative	5	**5,536**	4,502
Share-based compensation		**469**	1,325
Depreciation		**8**	13
Operating loss	17	**6,013**	5,840
Other (income) / expense			
Interest income		**(9)**	(61)
Gain on disposal of assets		**-**	(19)
Finance costs: convertible notes accretion	15	**2,578**	2,410
Foreign exchange loss / (gain)		**18**	(1,414)
Loss for the period attributable to owners of the parent		**8,600**	6,756
Basic and diluted loss per share		**$0.01**	$0.01

Condensed Consolidated Statement of Comprehensive Loss

For the three month period ended March 31

(*Unaudited and expressed in thousands of Canadian dollars)*

	3 months ended March 31	
	2021	2020
Loss for the period	**8,600**	6,756
Other comprehensive loss / (income		
- may recycle to the Income Statement in future periods		
Currency translation adjustment	**79**	(141)
Comprehensive loss for the period	**8,679**	6,615
Comprehensive loss for the period attributable to:		
- Owners of the parent	**8,664**	6,642
- Non-controlling interest	**15**	(27)
Comprehensive loss for the period	**8,679**	6,615

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Shareholders' Deficit

For the three month period ended March 31

(Unaudited and expressed in thousands of Canadian dollars)

	Note	3 months ended March 31 **2021**	2020
Common shares			
At January 1	16	**916,000**	900,583
Shares issued on the exercise of share options	16	**-**	2
Transfer from contributed surplus: exercise of share options	16	**-**	2
At March 31		**916,000**	900,587
Other reserves			
At January 1		**158,591**	157,461
Share-based compensation		**146**	1,205
Exercise of share options	16	**-**	(2)
At March 31		**158,737**	158,664
Currency translation adjustment			
At January 1		**1,666**	1,623
Currency translation adjustment		**(64)**	114
At March 31		**1,602**	1,737
Accumulated deficit			
At January 1		**(1,158,561)**	(1,123,862)
Loss for the period	17	**(8,600)**	(6,756)
At March 31		**(1,167,161)**	(1,130,618)
Non-controlling interest			
At January 1		**3,972**	3,961
Currency translation adjustment		**(15)**	27
At March 31		**3,957**	3,988
Total shareholders' deficit at March 31		**(86,865)**	(65,642)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the three month period ended March 31

(Unaudited and expressed in thousands of Canadian dollars)

	Notes	3 months ended March 31 2021	2020
Cash flows used in operating activities			
Loss for the period		**(8,600)**	(6,756)
Adjusted for the following non-cash items:			
Depreciation		**8**	13
Share-based compensation		**469**	1,325
Gain on disposal of assets		**-**	(19)
Finance costs: convertible notes accretion	15	**2,578**	2,410
Unrealized foreign exchange loss / (gain)		**43**	(1,307)
		(5,502)	(4,334)
Changes in operating working capital:			
Unrealized foreign exchange gain		**(20)**	(68)
Increase / (Decrease) in accounts payable		**1,922**	(6,689)
Increase in accounts receivable and prepaid expenses and supplies		**(331)**	(302)
		(3,931)	(11,393)
Cash flows used in investing activities			
Purchase of property, plant and equipment		**-**	(5)
Cash flows provided by financing activities			
Proceeds from the exercise of share options		**-**	2
Decrease in cash and cash equivalents		**(3,931)**	(11,396)
Effect of foreign exchange on cash and cash equivalents		**(23)**	1,375
Cash and cash equivalents - beginning of period		**6,482**	25,730
Cash and cash equivalents - end of period		**2,528**	15,709

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Nature of operations and going concern

Gabriel Resources Ltd. ("**Gabriel**" or the "**Company**") is a Canadian resource company whose common shares ("**Common Shares**") are listed on the TSX Venture Exchange ("**Exchange**").

Gabriel's activities over many years were previously focused on permitting and developing the Roșia Montană gold and silver project (the "**Project**") in Romania. The exploitation license for the Project ("**License**") is held by Roșia Montană Gold Corporation S.A. ("**RMGC**"), a Romanian company in which Gabriel owns an 80.69% equity interest, with the 19.31% balance held by Minvest Roșia Montană S.A. ("**Minvest RM**"), a Romanian state-owned mining company.

Over US$700 million has been invested to maintain and develop the Project and also in defining two valuable mineral deposits at the Rodu-Frasin (epithermal gold and silver) site and the Tarniţa (porphyry copper-gold) site, both within the Bucium area located in the vicinity of Roșia Montană ("**Bucium Projects**"), in accordance with all applicable laws, regulations, licenses, and permits.

The Romanian State has, however, frustrated and prevented the implementation of those developments in an unlawful manner. Accordingly, these condensed interim consolidated financial statements consolidated financial statements ("**Condensed Financial Statements**") reflect the principal focus of Gabriel and its subsidiary companies (together the "**Group**") on the pursuit of international bilateral investment treaty claims against Romania, as described further below, which seek compensation resulting from the Romanian State's expropriation, unfair and inequitable treatment, discrimination, and other unlawful treatment ultimately depriving the Claimants (defined below) of the use, benefit and entire value of their property rights associated with the Project and the Bucium Projects..

ICSID Arbitration

On July 21, 2015, pursuant to the provisions of international bilateral investment protection treaties which the Romanian State entered into with each of Canada and the United Kingdom of Great Britain and Northern Ireland for the Promotion and Reciprocal Protection of Investments (together the "**Treaties**"), Gabriel and its subsidiary company, Gabriel Resources (Jersey) Limited ("**Claimants**"), filed a request for arbitration ("**Arbitration Request**") before the World Bank's International Centre for Settlement of Investment Disputes ("**ICSID**") against the Romanian State ("**ICSID Arbitration**"). The ICSID Arbitration seeks compensation for all of the loss and damage resulting from the Romanian State's wrongful conduct and its breaches of the Treaties' protections.

The ICSID Arbitration process is well advanced. To date, and in accordance with the procedural timelines established by the presiding tribunal for the ICSID Arbitration ("**Tribunal**"), the parties have delivered to ICSID a number of substantial written submissions and participated in two hearings on the merits of the claim. Key milestones in the ICSID Arbitration proceedings to date include:

- On June 30, 2017, the Claimants filed their memorial on the merits and quantum of the ICSID Arbitration claims ("**Memorial**").
- On February 22, 2018, the Romanian State ("**Respondent**") filed a counter memorial ("**Counter Memorial**") in response to the Memorial.
- On May 25, 2018, the Respondent supplemented the submission of its Counter-Memorial with a further preliminary objection to the jurisdiction of the Tribunal to hear the claims presented by Gabriel Resources (Jersey) Limited ("**Jurisdictional Challenge**").
- On November 2, 2018, the Claimants filed a reply in support of the claims ("**Reply**") responding to the Respondent's Counter-Memorial and Jurisdictional Challenge.
- On February 28, 2019, the Claimants and the Respondent filed their comments on a submission to the Tribunal by certain non-governmental organizations (or non-disputing parties) who opposed the Project for many years.
- On May 24, 2019, the Respondent filed its response to the Reply ("**Rejoinder**") and its reply on the Jurisdictional Challenge, the Respondent's final substantive submission.

1 Nature of operations and going concern (continued)

- On June 28, 2019, the Claimants filed a surrejoinder on the Jurisdictional Challenge.
- An oral hearing on the merits of the claim was held in Washington D.C. between December 2 and December 13, 2019 ("**Hearing**") to address the evidentiary record in the case, issues on liability and jurisdiction and to hear testimony from certain of the parties' fact and expert witnesses.
- On March 10, 2020, the Tribunal issued a list of further questions arising from the evidence presented during the Hearing ("**Tribunal Questions**");
- On April 10, 2020, the Claimants and the Respondent filed their comments on a written submission to the Tribunal by the European Commission as a non-disputing party in the ICSID Arbitration.
- On May 11, 2020, the Claimants provided their answers to the Tribunal Questions;
- On July 13, 2020, the Respondent provided its answers to the Tribunal Questions; and
- A second oral hearing was held virtually from September 28 to October 4, 2020 ("**Second Hearing**") which focused on technical and feasibility-related aspects of the Project and Bucium Projects and the quantum of the damages claimed, including testimony from certain of the parties' fact and expert witnesses; and
- On February 18, 2021 and April 23, 2021 the Claimants and Respondent each filed further simultaneous written submissions in order to comment in conclusion on the evidentiary record ("**Post-Hearing Briefs**").

The Post-Hearing Briefs mark the final substantive submissions by the parties in the ICSID Arbitration unless the Tribunal poses further questions, as was the case following the Hearing. In the absence of any further questions from the Tribunal or other procedural interventions, It is anticipated that the Tribunal will now focus on its deliberations ahead of a final decision ("**Award**").There is no specified timeframe in the ICSID Rules in which an Award is to be made by the Tribunal. The Company is informed, however, that it is typical for tribunals in this type of arbitration to require twelve to eighteen months to finalize and issue an Award after Post-Hearing Briefs are submitted. Furthermore, that Award may be subject to a request for annulment (albeit such request can only be on very limited grounds).

There can be no assurances that the ICSID Arbitration will advance in a customary or predictable manner or be completed or settled within any specific or reasonable period of time. The resources necessary in pursuing the ICSID Arbitration are substantial and the costs, fees and other expenses and commitments payable in connection with the ICSID Arbitration may differ materially from Management's expectations. Further funding will be required by the Company to pursue the ICSID Arbitration to its conclusion, including any potential annulment proceeding and/or litigation to enforce any award.

Impact of the Coronavirus

With respect to the outbreak of the novel coronavirus (COVID - 19), Gabriel continues to consider carefully the impact, noting the widespread disruption to normal activities and the uncertainty over the duration of this disruption. The highest priority of Gabriel's board of directors (the "**Board**") and the Management is the health, safety and welfare of the Group's employees and contractors. Gabriel recognizes that the situation is extremely fluid and is monitoring the relevant recommendations and restrictions on work practices and travel. At this time, these recommendations and restrictions do not significantly impact Gabriel's ability to continue the ICSID Arbitration process or conduct the limited operations in Romania, nor has there been a significant impact on the Group's results or operations in 2020 or into the first quarter of 2021.

As previously disclosed, the Group will require further new investment and is also looking to sell its long lead-time equipment. The market and timing for each initiative may be adversely affected by the developing impact of COVID-19. As a result, Gabriel will react to circumstances as they arise and make any necessary adjustments to the work processes required, including to maintain the ICSID Arbitration calendar, and, should any material disruption from COVID-19 affect the Group for an extended duration, Gabriel will review certain planned activities in Romania and take remedial actions, if it is determined to be necessary or prudent to do so.

1 Nature of operations and going concern (continued)

Going concern

The Condensed Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future.

On May 27, 2021, the Company announced a non-brokered private placement (the "**2021 Private Placement**") of up to 30,444,800 Common Shares at a price of $0.245 each for gross proceeds of up to US$6.0 million (approximately $7.5 million). Subject to the approval of the TSX Venture Exchange and the receipt of all other applicable approvals, the Company hopes to close the 2021 Private Placement on or about June 10, 2021.

On the basis of the Company's balance of cash and cash equivalents as at March 31, 2021, and assuming closing of the 2021 Private Placement, the Company believes it will have sufficient funding necessary to maintain the Group's primary assets and to fund general working capital requirements together with the material estimated costs associated with advancing the ICSID Arbitration through to January 2022. Gabriel is currently planning to raise additional funding to maintain its primary assets, including its License and associated rights and permits while it awaits the Award of the Tribunal. The Group does not have sufficient cash to fund either the development of the Project or all the long-term activities required to see the ICSID Arbitration through to its conclusion. Accordingly, notwithstanding the 2021 Private Placement, the Group will require additional funding in the future for general working capital purposes, to pursue the ICSID Arbitration and, as appropriate, for any following costs of potential annulment proceedings and/or enforcement of any Award. Notwithstanding the Company's recent and historic funding, there is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern.

The Condensed Financial Statements do not reflect the adjustments to the carrying values of assets or liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations or as a result of any adverse conclusion to the ICSID Arbitration. Such adjustments could be material.

The Company's registered address is Suite 200 – 204 Lambert Street, Whitehorse, Yukon, Canada Y1A 1Z4. The Company receives significant management services from its wholly owned subsidiary, RM Gold (Services) Ltd. ("**RMGS**"). The principal place of business for RMGS is Central Court, 25 Southampton Buildings, London, WC2A 1AL, United Kingdom. The Company is the ultimate parent of the Group and does not have any controlling shareholders.

2. Basis of preparation

The Condensed Financial Statements for the three-month period ended March 31, 2021 have been prepared in accordance with IFRS as applicable to the preparation of interim financial statements, including International Accounting Standard 34 - Interim Financial Reporting. The Condensed Financial Statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2020 (the "**2020 Financial Statements**"), which have been prepared in accordance with IFRS. The Condensed Financial Statements have been prepared according to the historical cost convention and were approved by the Board on May 27, 2021.

3. Critical accounting estimates, risks and uncertainties

The preparation of the Condensed Financial Statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities, if any, at the date of the financial statements and the reported amount of expenses and other income for the period, including the classification and measurement of assets as held for sale. These estimates and assumptions are based on Management's knowledge of the relevant facts and awareness of circumstances, having regard to prior experience and information available at the balance sheet date. The significant estimates and assumptions are not materially different from those disclosed in the 2020 Financial Statements.

4. Accounting policies

The material accounting policies followed in the Condensed Financial Statements are the same as those applied in the 2020 Financial Statements.

5. Corporate, General and Administrative expenses

	3 months ended March 31	
in thousands of Canadian dollars	**2021**	2020
ICSID Arbitration related	**2,965**	1,673
Payroll	**1,038**	1,221
Finance	**267**	214
Property and exploration taxes	**194**	177
Community relations	**177**	191
Office rental and utilities	**149**	131
Long lead-time equipment storage costs	**116**	121
Legal	**88**	58
External communications	**86**	71
Travel and transportation	**83**	200
Information technology	**77**	113
Other	**296**	332
Corporate, general and administrative expense	**5,536**	4,502

ICSID Arbitration related costs are legal and other advisory services provided to the Company in respect of the ICSID Arbitration. Payroll is the total of salaries, and relevant taxes for all Group employees.

6. Assets held for sale

Balance - December 31, 2019	3,210
Impairment charge	(421)
Currency translation adjustment	59
Balance - December 31, 2020	**2,848**
Currency translation adjustment	**(80)**
Balance - March 31, 2021	**2,768**

The prospect of the long lead-time equipment being used in the future for the purpose for which it was purchased is considered remote. In late 2015, the Company engaged two specialist agents to broker the sale of the long lead-time equipment, and the equipment was transferred to assets held for sale on December 31, 2015. Piecemeal sales of the long lead-time equipment have completed since that time and the agents' engagement is ongoing. The remaining long lead-time equipment comprises a SAG mill, together with a gearless motor drive and ball mill motors. These items are currently stored in warehouses in the port of Antwerp, Belgium. During the three-month period ended March 31, 2021, the value of the long lead-time equipment was assessed for indicators of impairment and no indicators of impairment were noted.

(Amounts in thousands of Canadian dollars, unless otherwise stated)

7. Cash and cash equivalents and restricted cash

As at	**March 31 2021**	December 31 2020
Cash at bank and on hand	**2,528**	4,571
Short-term bank deposits	**-**	1,911
Cash and cash equivalents	**2,528**	6,482
Restricted cash	**213**	230
	2,741	6,712

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates. Cash is readily accessible and is deposited at reputable financial institutions with acceptable credit standings.

The Group manages its domestic Romanian bank credit risk by centralizing custody, control and management of its surplus cash resources from its corporate office and only transferring money to its Romanian subsidiary based on near term cash requirements, thereby mitigating exposure to domestic Romanian banks. At March 31, 2021, the Group held $0.4 million in unrestricted cash and cash equivalents in Romanian banks (December 2020: $0.4 million).

Short-term bank deposits represent investments in government treasury bills with maturities of less than 90 days.

Restricted cash represents cash collateralization of legally required environmental guarantees for future clean-up costs of $0.1 million and supplier deposits of $0.1 million.

8. Other receivables

Other receivables of $0.2 million at March 31, 2021 (December 31, 2020: $0.3 million) is comprised of group VAT receivable at the period end. The carrying amounts of accounts receivable are denominated in the following currencies:

	March 31 2021	December 31 2020
UK pound sterling	**28**	25
Canadian dollar	**4**	10
Romanian leu	**181**	241
	213	276

(Amounts in thousands of Canadian dollars, unless otherwise stated)

9. Prepayments

	March 31 2021	December 31 2020
Corporate insurance	**443**	84
Mining tax	**202**	276
Property tax	**99**	2
Other	**95**	85
	839	447

Prepayments of $0.8 million (December 31, 2020: $0.4 million) are made up of various costs as described above. The increase in prepayments between balance sheet dates reflects the differences in the timing of receipt of invoices in the respective categories.

10. Trade and other payables

As at	**March 31 2021**	December 31 2020
Trade payables	**603**	192
Payroll liabilities	**235**	203
Accruals and other payables	**3,431**	1,955
	4,269	2,350

Trade and other payables are accounted for at amortized cost and are categorized as other financial liabilities. The increase in accruals and other payables between balance sheet dates reflects the difference in ICSID Arbitration costs accrued in respect of work performed in the three-month period to March 31, 2021 on Post-Hearing Briefs, and a deferred fee agreement in respect of certain ICSID Arbitration costs until an Award is issued.

11. Resettlement liabilities

RMGC previously had a program for purchasing homes in the Project area. Under the resettlement program residents were offered two choices; either to take the sale proceeds and move to a new location of their choosing, or exchange their properties for a new property to be built by RMGC at a new resettlement site. For those residents who chose the new resettlement site alternative, the Company recorded a resettlement liability for the anticipated construction costs of the resettlement houses. The total resettlement liability balance at March 31, 2021 was $0.5 million (December 31, 2020:$0.6 million)

12. Other current liabilities

The Company has a deferred share unit ("**DSU**") plan under which qualifying participants receive certain compensation in the form of DSUs. With effect from July 1, 2016, certain Company non-executive directors have received fifty or more of their director fees payable in DSUs. DSUs are initially valued at the five-day weighted average market price of the Common Shares at the date of grant, with the value adjusted to fair value based on the closing share price at the end of each subsequent reporting period.

As at March 31, 2021, the Company's share price increased from $0.23 to $0.28 in comparison to December 31, 2020 and, accordingly, a fair value increase of $0.2 million has been recorded in the DSU liability. This fair value increase of existing DSUs is augmented by the fair value of the DSUs issued during the period ($0.1 million).

13. Non-controlling interest

The Company has historically advanced loans totaling US$39.5 million to Minvest RM, the non-controlling shareholder of RMGC, to facilitate mandatory statutory share capital increases in RMGC in accordance with Romanian company law rules on capitalization. These loans, which remain outstanding at March 31, 2021, are non-interest bearing and according to their terms are to be repaid as and when RMGC distributes dividends to its shareholders. The loans are accounted for as part of the Group's net investment in RMGC and, accordingly, have been set-off against non-controlling interests in the Consolidated Statement of Financial Position. The loans and non-controlling interest components will be reflected individually at such time as repayment of the loans is made possible.

In December 2013, the Group was required to recapitalize RMGC in order to comply with minimum company law requirements. The subscription to RMGC share capital by the Company was effected through a conversion of existing intercompany debt. On January 17, 2014, the Group agreed to transfer to Minvest RM, for nil consideration, a proportion of the shares subscribed to in December 2013, with a face value of $20.4 million, in order to preserve the respective shareholdings in RMGC. This transfer gave rise to the disclosed non-controlling interest and subsequent accounting.

14. Related party transactions

The Group had related party transactions, with associated persons or corporations, which were undertaken in the normal course of operations as follows:

(a) Related party transactions with Minvest RM, the non-controlling shareholder of RMGC, are disclosed in Note 13

(b) In June 2018, the Company entered into a facility agreement with SC Total Business Land SRL ("**TBL**"), an entity controlled by current and former employees of RMGC, pursuant to which it agreed to lend $0.9 million to TBL. The loan is repayable in 2028, accrues interest at a rate of 1% per annum and is secured by a mortgage over certain assets of the borrower and personal guarantees in favor of the Company by the principals of TBL. By February 2019, TBL had drawn down the entire $0.9 million facility. Partial payments of principal on the loan were received in 2019, and during the year ended December 31, 2020. In September 2020 $0.1 million of the loan was forgiven, and certain related personal guarantees released, as part of the severance agreement with certain RMGC employees. The balance of the loan at March 31, 2021 was $0.6 million (December 31, 2020: $0.6 million).

15. Private placements – issuance of convertible notes, warrants and equity

In recent years the Company has concluded a number of private placements, as summarized below, in order to fund the costs of the ICSID Arbitration and the continuance of operations in Romania.

2014 and 2016 Private Placements

In 2014 and 2016, the Company completed private placements in which a total of 95,625 units were issued at a price of $1,000 per unit to raise aggregate gross proceeds of $95.625 million (the "**2014 and 2016 Private Placements**").

The units issued in the 2014 and 2016 Private Placements consisted, in aggregate, of:

- $95,625,000 of convertible subordinated unsecured notes, with an annual coupon of 0.025%, a conversion price of $0.3105 ("**Conversion Price**") and a maturity date of June 30, 2021 ("**Notes**");
- 111,536,250 Common Share purchase warrants which are exercisable at a price of $0.46 at any time prior to June 30, 2021; and
- 95,625 arbitration value rights ("AVRs"), comprising, in aggregate, of an entitlement to a pro rata share of 13.04% of any proceeds received in relation to the ICSID Arbitration, subject to a maximum aggregate entitlement of $304.3 million among all holders of such AVRs.

(Amounts in thousands of Canadian dollars, unless otherwise stated)

15. Private placements (continued)

In June 2020, a total of $4,763,000 of the Notes were converted into 15,339,773 Common Shares of the Company and 7,668,430 of the Common Share purchase warrants were exercised at $0.46 with the Company receiving proceeds of $3,527,478.

Subsequent to initial measurement, the debt component of the 2014 and 2016 Private Placements is measured at amortized cost using the effective interest rate method. The valuation of the equity component is not adjusted subsequent to the initial recognition except on conversion or expiry.

There are two derivatives that are embedded within the Notes to the 2014 and 2016 Private Placements: a 'make-whole premium' to protect holders of the Notes ("**Noteholders**") in a change of control event as stated in the Note indenture ("**Indenture**"); and a right providing the Company with the ability to repay the principal in whole or in part in Common Shares ("**Common Share Repayment Right**") calculated at a price equal to 95% of the volume weighted average trading price of the Common Shares over a 20 trading day period to June 23, 2021 ("**Note Repayment Price**") . As at March 31, 2021, these two embedded derivatives were determined to have insignificant values and were accordingly not accounted for, but will be reassessed by Management at each reporting date.

The aggregate composition of the 2014 and 2016 Private Placements is set out in the following table:

	Gross allocation	Financing fees	Net allocation
Liability component of convertible debentures	52,205	461	51,744
Equity component of convertible debentures	45,213	642	44,571
Warrants	32,573	417	32,156
Charge on issue of in-the-money equity instruments	(34,366)	-	(34,366)
Proceeds of private placement	95,625	1,520	94,105

In accordance with IFRS 7, changes in the value of the 2014 and 2016 Private Placements are as follows:

Balance - December 31, 2019	80,069
Interest paid	(23)
Accretion of debt component	9,784
Conversion	(4,191)
Balance - December 31, 2020	**85,639**
Accretion of debt component	**2,578**
Balance - March 31, 2021	**88,217**

Gabriel will not be in a position to repay the Notes in cash and, accordingly, on May 26, 2021, the Company exercised the Common Share Repayment Right by issuing the requisite notice under the Indenture to the Noteholders and the trustee, Computershare Trust Company of Canada.

In accordance with the terms of the Indenture, the number of Common Shares to be issued to each Noteholder pursuant to the Common Share Repayment Right will be calculated at the Note Repayment Price. Gabriel cannot predict or control whether the Note Repayment Price will be higher or lower than the Conversion Price of $0.3105. If the outstanding Notes were converted prior to or at maturity by the Noteholders at the Conversion Price, an aggregate of 292.6m Common Shares would be required to be issued by the Company. If the Note Repayment Price is lower than the Conversion Price, then substantially more Common Shares may be required to be issued to the Noteholders.

(Amounts in thousands of Canadian dollars, unless otherwise stated)

15. Private placements (continued)

2018 Private Placement

On January 15, 2019, the Company announced it had completed final closing of a non-brokered private placement of up to 106,425,846 units at a price of $0.2475 per unit to raise gross proceeds of approximately $26.3 million (the "**2018 Private Placement**").

Each unit of the 2018 Private Placement consisted of:

- One Common Share; and
- One Common Share purchase warrant, which entitled the holder to acquire one Common Share at an exercise price of $0.49 at any time prior to the date that is five years following the date of issue.

2019 Private Placement

On September 13, 2019, the Company announced it had completed final closing of a non-brokered private placement of up to 81,730,233 units at a price of $0.3225 per unit to raise gross proceeds of approximately $26.3 million (the "**2019 Private Placement**").

Each unit of the 2019 Private Placement consisted of:

- One Common Share; and
- One Common Share purchase warrant, which entitled the holder to acquire one Common Share at an exercise price of $0.645 at any time prior to the date that is five years following the date of issue.

2020 Private Placement

On December 23, 2020, the Company announced it had completed final closing of a non-brokered private placement of up to 25,326,972 units at a price of $0.26 per unit to raise gross proceeds of approximately $6.6 million (the "**2020 Private Placement**").

Each unit of the 2020 Private Placement consisted of:

- One Common Share; and
- One half of a Common Share purchase warrant, which entitled the holder to acquire one half of one Common Share (one Common Share per whole warrant) at an exercise price of $0.39 at any time prior to the date that is three years following the date of issue.

16. Share capital

Authorized:

Unlimited number of Common Shares without par value
Unlimited number of preferred shares, issuable in series, without par value (none outstanding).Issued:

	Number of shares (000's)	Amount
Balance - December 31, 2019	**574,246**	**900,583**
Shares issued in private placement	25,327	4,660
Shares issued on the conversion of convertible notes	15,340	6,580
Shares issued on the exercise of warrants	7,669	3,851
Shares issued on the exercise of share options	525	326
Balance - December 31, 2020	**623,107**	**916,000**
Shares issued on the exercise of RSUs	401	-
Balance - March 31, 2021	**623,508**	**916,000**

(Amounts in thousands of Canadian dollars, unless otherwise stated)

16. Share capital (Continued)

Common Share purchase warrants

A summary of Common Share purchase warrants issued and outstanding as at March 31, 2021, along with their exercise prices, is as follows:

Expiry date	Number of warrants	Exercise price (dollars)
June 30, 2021	103,867,820	0.460
December 21, 2023	80,702,475	0.490
January 15, 2024	25,723,372	0.490
August 23, 2024	76,504,263	0.645
September 13, 2024	5,225,970	0.645
December 18, 2023	11,792,086	0.390
December 23, 2023	871,400	0.390

Share Options

The exercise price of incentive stock options ("**Share Options**") is determined as the higher of the five-day weighted average closing price of the Common Shares prior to the grant date of the Share Option and the closing price of the Common Shares on the day before the grant date of the Share Option. Share Options granted vest in accordance with milestones or vesting periods set by the Board at the grant date and are exercisable over up to ten years from the date of issuance.

The maximum number of Common Shares issuable under the Option Plan is equal to 10% of the issued and outstanding Common Shares at any point in time.

As at March 31, 2021, Share Options held by directors, officers, employees and consultants were as follows:

	Outstanding			Exercisable		
Range of exercise prices (dollars)	Number of options (thousands)	Weighted average exercise price (dollars)	Weighted average remaining contractual life (years)	Number of options (thousands)	Weighted average exercise price (dollars)	Weighted average remaining contractual life (years)
0.22 - 0.30	1,598	0.25	8.2	1,380	0.25	7.9
0.31 - 0.40	13,744	0.36	6.6	12,648	0.36	6.7
0.41 - 0.50	11,054	0.45	7.7	11,054	0.45	7.7
0.51 - 0.60	88	0.57	8.5	88	0.57	8.5
0.61 - 0.70	481	0.65	5.4	481	0.65	5.4
0.71 - 0.80	5,000	0.79	2.8	5,000	0.79	2.8
	31,965	0.46	6.4	30,651	0.46	6.5

The estimated fair value of Share Options is amortized using graded vesting over the period in which the Share Options vest. For those Share Options which vest on a single date, either on issuance or on achievement of milestones (the 'measurement date'), the fair value of these Share Options is amortized using graded vesting over the anticipated vesting period.

Certain Share Option grants have performance vesting conditions. The fair value of these Share Options that vest upon achievement of milestones will be recognized and expensed over the estimated vesting period of these Share Options. Adjustments resulting from the recalculation of the estimated vesting periods are recorded in the Condensed Consolidated Statement of Comprehensive Loss.

(Amounts in thousands of Canadian dollars, unless otherwise stated)

16. Share capital (Continued)

Movements in the number and exercise price of Director, officer, employee and consultant Share Options were as follows:

	Number of options ('000)	Weighted average exercise price (dollars)
Balance - December 31, 2019	27,509	0.47
Options granted	6,207	0.46
Options expired	(2,082)	0.56
Options exercised	(525)	0.35
Balance - December 31, 2020	**31,109**	**0.46**
Options granted	**856**	**0.22**
Balance - March 31, 2021	**31,965**	**0.46**

During the three-month period ended March 31, 2021, 0.9 million Share Options were granted at a weighted average exercise price across all grants of $0.22, of which 0.4 million vested immediately and the remaining 0.5 million vest on the first anniversary of grant.

In the corresponding three-month period ended March 31, 2020, 6.0 million Share Options were granted at a weighted average exercise price across all grants of $0.46, of which 3.1 million vested immediately and the remaining 2.9 million vested on the first anniversary of the grant. A total of 2.0 million Share Options lapsed unexercised in the period.

The valuation of the Share Options granted was calculated using a Black-Scholes valuation model with the following assumptions:

	March 31 2021	December 31 2020
Weighted average risk-free interest rate	**0.46%**	1.49%
Volatility of share price	**82%**	90%
Weighted average life of options (years)	**5.1**	5.2
Pre-vesting forfeiture rate	**10%**	10%
Weighted average fair value of awards ($)	**0.14**	0.33

At March 31, 2021, the fair value of Share Options to be expensed is $0.1 million (December 2020: $0.1 million).

17. Loss per share

	3 months ended March 31 **2021**	2020
Loss for the period attributable to owners of the parent	**8,600**	6,756
Weighted-average number of common shares (000's)	**623,338**	574,249
Basic and diluted loss per share	**$0.01**	$0.01

While the Company is in a loss making position, the effect of potential share issuances under Share Options, DSUs, RSUs and warrants would be anti-dilutive. Diluted loss per share is therefore deemed to be the same as basic loss per share.

(Amounts in thousands of Canadian dollars, unless otherwise stated)

18. Commitments

The following is a summary of Canadian dollar equivalent of the contractual commitments of the Group, including payments due for each of the next five years and thereafter:

	Total	2021	2022	2023	2024	2025	Thereafter
Operating lease commitments							
Rosia Montana exploitation license	645	258	258	129	-	-	-
Surface concession rights	981	32	32	32	32	32	821
Property lease agreements	105	105	-	-	-	-	-
Total commitments	1,731	395	290	161	32	32	821

(Amounts in thousands of Canadian dollars, unless otherwise stated)

19. Segmental information

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Company's Chief Executive Officer.

The Group has two segments: the first being the Romanian operating company, the principal activity of which was formerly the exploration, evaluation and development of precious metal mining projects in the country (designated as "Romania"). The rest of the entities within the Group form part of a secondary segment (designated as "Corporate").

The segmental report is as follows:

	Romania		**Corporate**		**Total**	
For the three-month period ended March 31,	**2021**	2020	**2021**	2020	**2021**	2020
Reportable items in the Condensed Consolidated Income Statement and Comprehensive Loss						
Interest received	**-**	-	**(9)**	(61)	**(9)**	(61)
Finance costs-convertible notes accretion	**-**	-	**2,578**	2,410	**2,578**	2,410
Depreciation	**6**	9	**2**	4	**8**	13
Reportable segment loss	**1,439**	1,580	**7,161**	5,176	**8,600**	6,756
As at March 31,	**2021**	2020	**2021**	2020	**2021**	2020
Reportable segments in the Condensed Consolidated Statement of Financial Position						
Reportable segment current assets	**3,773**	5,176	**2,575**	14,952	**6,348**	20,128
Reportable segment non-current assets	**317**	663	**616**	838	**933**	1,501
Reportable segment liabilities	**(1,077)**	(799)	**(93,069)**	(86,472)	**(94,146)**	(87,271)

The Group's assets classified as held for sale are predominantly located in port facilities within the European Union.