



G A B R I E L
Roşia Montană
IN PARTNERSHIP

PRESS RELEASE

FOR IMMEDIATE RELEASE

July 2, 2021

Repayment of Convertible Notes and Update on Securities in Issue

Gabriel Resources Ltd. (TSXV trading symbol GBU - “**Gabriel**” or the “**Company**”) is pleased to announce the repayment of the outstanding \$90,862,000 convertible unsecured notes (“**Notes**”), including accrued interest, following maturity on June 30, 2021, and to provide an update on securities currently in issue.

Convertible Note Repayment

As previously announced, the Company has exercised its option (“**Common Share Repayment Right**”) to repay all of the principal amount of Notes outstanding by issuing common shares (“**Common Shares**”) of the Company to holders of the Notes (“**Noteholders**”). In aggregate, approximately 313.6m Common Shares have been issued pursuant to the Common Share Repayment Right, calculated on the basis of the ‘Current Market Price’ of \$0.28975, being the 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**”).

The Notes were convertible at the option of the Noteholders into Common Shares at a price of \$0.3105 per share (“**Conversion Price**”). As the Note Repayment Price is lower than the Conversion Price, approximately 21m more Common Shares have been issued than would have been the case upon conversion by Noteholders at the Conversion Price.

The repayment of the Notes through exercise of the Common Share Repayment Right is subject to the final approval of the TSX Venture Exchange (“**Exchange**”). The Common Shares have been issued as repayment of the Notes in reliance on applicable prospectus and registration exemptions and will (subject to compliance with applicable securities laws) be freely tradeable on the Exchange and not subject to any statutory hold period following issuance.

Expiry of Warrants

Further to private placements of the Company completed in 2014 and 2016, 111,536,250 Common Share purchase warrants (“**Warrants**”) were issued, each such Warrant entitling the holder to acquire one Common Share at an exercise price of \$0.46, at any time prior to June 30, 2021.

As previously disclosed, in June 2020 7,668,430 Warrants were exercised. No Warrants have been exercised prior to or since that date and all 103,867,820 remaining Warrants have therefore expired.

Securities in Issue

As a result of the issue of Common Shares in repayment of the Notes, and expiry of the Warrants, the Company has the following securities in issue:

- 967,540,188 Common Shares;
- 11,792,086 Common Share purchase warrants which are exercisable at a price of \$0.39 at any time prior to December 18, 2023;

- 80,702,475 Common Share purchase warrants which are exercisable at a price of \$0.49 at any time prior to December 21, 2023;
- 871,400 Common Share purchase warrants which are exercisable at a price of \$0.39 at any time prior to December 23, 2023;
- 25,723,372 Common Share purchase warrants which are exercisable at a price of \$0.49 at any time prior to January 15, 2024;
- 76,504,263 Common Share purchase warrants which are exercisable at a price of \$0.645 at any time prior to August 23, 2024;
- 5,225,970 Common Share purchase warrants which are exercisable at a price of \$0.645 at any time prior to September 13, 2024; and
- 95,625 arbitration value rights (“**AVRs**”), comprising:
 - 55,000 AVRs entitling the holders to a pro rata share of 7.5% of any proceeds arising from any monies received by the Company and/or any of its affiliates pursuant to any settlement or arbitral awards irrevocably made in its favour in relation to the ICSID Arbitration (“**ICSID Award**”), subject to a maximum aggregate entitlement of \$175 million among all holders of such AVRs; and
 - 40,625 AVRs entitling the holders to a pro rata share of 5.54% of any proceeds arising from any ICSID Award, subject to a maximum aggregate entitlement of \$129.3 million among all holders of such AVRs.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws and accordingly may not be offered or sold within the United States or to “U.S. persons”, as such term is defined in Regulation S promulgated under the U.S. Securities Act (“**U.S. Persons**”), except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the Company’s securities to, or for the account of benefit of, persons in the United States or U.S. Persons.

Insiders of the Company

Based on the exercise of the Common Share Repayment Right, recent issues of Common Shares in fundraising by Gabriel, publicly-disclosed information and/or information furnished by shareholders, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company, other than as set out below:

Name and Address	Number of Shares	% of Outstanding Shares⁽¹⁾
Electrum⁽²⁾ 535 Madison Avenue, 12 th Floor, New York, NY 10022	127,917,939	13.2%
Tenor Capital Management, LLC⁽³⁾ 810 7th Avenue, Suite 1905 New York, NY 10019	163,346,869	16.9%
Kopernik Global Investors, LLC Two Harbour Place, 302 Knights Run Avenue, Suite 1225 Tampa, Florida 33602	165,194,833	17.1%
The Baupost Group, LLC⁽⁴⁾ 10 St. James Avenue, Suite 1700, Boston, MA 02116	104,306,371	10.8%
Paulson & Co. Inc.⁽⁵⁾ 1133 Avenue of the Americas, Floor 33 New York, NY, 10036	97,646,625	10.1%

Notes:

- (1) Percentage is based on 967,540,188 Common Shares issued and outstanding.
- (2) The number of Common Shares indicated includes (i) 123,917,939 Common Shares owned by Electrum Global Holdings L.P. (“**EGH**”) and (ii) 4,000,000 Common Shares owned by GRAT Holdings LLC. EGH is the owner of, and has control over, Leopard Holdings LLC, which, in turn, has direct and/or indirect control over TEG Global GP Ltd., the sole general partner of EGH, and The Electrum Group LLC (“**TEG Services**”), the investment adviser to EGH. TEG Services possesses voting and investment discretion with respect to the securities held by EGH.
- (3) The number of Common Shares indicated includes (i) 155,668,366 Common Shares owned by Enescu Investments Inc. (“**Enescu**”) and (ii) 7,678,503 Common Shares owned by Tenor Opportunity Associates LLC (“**TOA**”). Tenor Capital Management, LLC, has direct and/or indirect control over, or voting and investment discretion with respect to, the securities held by Enescu and TOA.
- (4) The Baupost Group, L.L.C. (“**Baupost**”) is an investment adviser registered with the United States Securities and Exchange Commission. The Common Shares referenced above reflect Common Shares purchased on behalf of various investment limited partnerships managed by Baupost.
- (5) Paulson & Co Inc. (“**Paulson**”) became an insider on the repayment of the Notes. The press release dated May 27, 2021 announcing the private placement described therein and related material change report noted that 19,768,194 Common Shares were subscribed for by insiders and incorrectly included in such figure shares subscribed for by Paulson, which was not an insider at that time.

For information on this press release, please contact:

Dragos Tanase
President & CEO
Phone: +40 730 399 019
dt@gabrielresources.com

Richard Brown
Chief Financial Officer
Mobile: +44 7748 760276
richard.brown@gabrielresources.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Further Information

About Gabriel

Gabriel is a Canadian resource company listed on the TSX Venture Exchange. The Company's principal focus has been the exploration and development of the Roşia Montană gold and silver project in Romania. The Roşia Montană Project, one of the largest undeveloped gold deposits in Europe, is situated in the South Apuseni Mountains of Transylvania, Romania, an historic and prolific mining district that since pre-Roman times has been mined intermittently for over 2,000 years. The exploitation license for the Roşia Montană Project is held by Roşia Montană Gold Corporation S.A., a Romanian company in which Gabriel owns an 80.69% equity interest, with the 19.31% balance held by Minvest Roşia Montană S.A., a Romanian state-owned mining company.

Upon obtaining the License in June 1999, the Group focused substantially all of their management and financial resources on the exploration, feasibility and subsequent development of the Roşia Montană Project. Despite the Company's fulfilment of its legal obligations and its development of the Roşia Montană Project as a high-quality, sustainable and environmentally-responsible mining project, using best available techniques, Romania has blocked and prevented implementation of the Roşia Montană Project without due process and without compensation. Accordingly, the Company's current core focus is the ICSID Arbitration. For more information please visit the Company's website at www.gabrielresources.com.

Forward-looking Statements

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

In this press release, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: the ICSID Arbitration, actions by the Romanian Government, conditions or events impacting the Company's ability to fund its operations (including but not limited to the completion of further funding noted above) or service its debt,

exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "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, required disclosure, 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 liquidity and capital resources of Gabriel, and/or the group of companies of which it is directly or indirectly parent;
- 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 exercise of new or existing securities in part or in whole to Common Shares;
- the ability of the Company to maintain a continued listing on the TSX Venture 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 fiscal investigations; 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 regimes and interpretation of existing and future fiscal and other legislation;
- 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 press release 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 which can be viewed online at www.sedar.com.

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