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 years ended December 31, 2021 and 2020.*

*The MD&A should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company as at and for the years ended December 31, 2021 and 2020 (“**Financial Statements**”). The Financial Statements have been prepared using accounting policies in accordance with International Financial Reporting Standards (“**IFRS**”).*

*All amounts included in the MD&A are in Canadian dollars (“**$**”), unless otherwise specified. This report is dated as of April 5, 2022 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 6,7,12,20,22 and 29 and (ii) the cautionary language beginning on page 28. 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 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 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.

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.

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.

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**") ("I**CSID Arbitration**").

Since the Arbitration Request, the ICSID Arbitration has become the Company's core focus. 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.

If Gabriel is successful in proving both liability and damages in such compensation claims, the Company will take appropriate steps to enforce and recover such award and to defend any annulment proceedings brought by Romania. The enforcement and recovery of an award may present material challenges and take a number of years.

ICSID Arbitration

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").

- On October 29, 2021 and December 6, 2021 the Claimant and Respondent respectively filed further written submissions in relation to: (i) Romania's reactivation of its nomination of the Roşia Montană Mining Landscape as a UNESCO World Heritage site and the site's inscription by UNESCO on July 27, 2021, as described further below; and (ii) the decision of Romania's Buzău Tribunal dated December 10, 2020 rejecting a legal challenge to the second archaeological discharge certificate issued for the Cârnic massif.

In late December 2021, the President of the Tribunal stated that the Tribunal was currently deliberating and would render an arbitral award ("**Award**") in 2022.

In January 2022, the Tribunal further confirmed to the Parties that the Tribunal had been thoroughly reviewing the case file and deliberating over the past months, and would continue to do so and, in due course, would revert to the Parties about the possibility and timing of any further questions for the Parties to respond to and/or any additional oral hearing.

Notwithstanding the Tribunal's statement that it would render an Award in 2022, there is no specified timeframe in the ICSID Rules applicable to this case in which an Award is to be made by the Tribunal. Furthermore, an additional procedural step may be required by the Tribunal prior to the issuance of an Award and any Award may be subject to a request for annulment (albeit such annulment application can only be made on very limited grounds under the ICSID Rules). 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, redacted versions of the transcript of the Hearing and Second Hearing and redacted versions of the Post-Hearing Briefs are available on ICSID's website.

UNESCO World Heritage

On July 27, 2021 the Roşia Montană Mining Cultural Landscape, an area covering the footprint of the Project, was inscribed by the United Nations Educational, Scientific and Cultural Organization ("**UNESCO**") on its World Heritage List ("**Inscription**") and added to its List of World Heritage in Danger.

The Inscription is fundamentally incompatible with the rights the Gabriel group acquired to develop the Project and the continued existence of an exploitation mining license for the Project area. These acts, promoted by the Romanian government, ignore the existing and valid decisions of Romania's Ministry of Culture, including archaeological discharge certificates removing the vast majority of the Project area's status as a protected archaeological site and clearing the area for mining activities.

The Inscription materially undermines the possibility of an amicable resolution of the dispute with Romania that would allow for the development of the Project.

Romania's application to UNESCO in relation to Roşia Montană and the subsequent Inscription are fundamentally at odds with Romania's obligations under its investment treaties in relation to Gabriel's investments and these acts, together with other measures taken by Romania, further evidence Romania's political repudiation of the Project and its joint venture with Gabriel.

Liquidity

Cash and cash equivalents at December 31, 2021 were $3.3 million.

The Company's average monthly cash usage during Q4 2021 was $0.5 million (Q3 2021: $0.8 million), the decrease primarily reflecting the limited ongoing operational activity quarter on quarter, the deferral of payments related to ICSID Arbitration costs and cash receipts from the sale of long lead-time equipment noted below.

At the end of Q4 2021, accruals for costs in respect of the ICSID Arbitration amounted to $3.7 million (Q3 2021: $3.6 million), the increase primarily reflecting the continuation of a fee agreement in respect of the deferred payment of certain ICSID Arbitration costs until an Award is issued (see "Contingent Liabilities" below) and the limited costs of submissions in the quarter.

The Group had sufficient funds as at December 31, 2021 to settle all then current liabilities, after taking into account the deferred fee agreement noted above.

Management continues to review the Company's activities in order to identify areas to rationalize expenditures and is pursuing a cost-cutting exercise, in particular in relation to infrastructure and management compensation that are expected to provide short-term savings and long-term alignment.

Capital Resources

Private Placement

In June 2021, the Company completed a non-brokered private placement (the "**2021 Private Placement**") of 30,444,800 common shares of the Company ("**Common Shares**") at a price of $0.245 each for gross proceeds of US$6.0 million (approximately $7.5 million). The Company used the proceeds from the 2021 Private Placement to finance the ongoing costs of the ICSID Arbitration and for general working capital requirements.

Sale of Long Lead-Time Equipment

On November 1, 2021, RMGC concluded an agreement with a buyer for an instalment-based purchase of the remaining long lead-time equipment ("**LLTE**"), comprising predominantly a SAG mill together with a gearless motor drive, and ball mill motors, for aggregate gross proceeds of US$1.75 million (approx. $2.2 million). A non-refundable deposit of US$375,000 (approx. $475,000) and two instalments amounting to US$250,000 (approx. $321,000) were received prior to December 31, 2021. Further instalments have been paid in Q1 2022 and remain due in the period to September 2022. Once final payment is made ownership and title to the assets will pass to the purchaser. Taking into account the costs of sale, including storage and insurance of the LLTE for the instalment period, Gabriel expects to add to treasury net cash receipts of approximately US$1.6 million (approx. $2.0 million) in aggregate from the sale. Accordingly, the carrying amount of the remaining LLTE has been written down to its fair value less costs of sale, resulting in an impairment charge of $0.7 million. The LLTE will remain on the balance sheet of the Company until title passes.

Sale of Land

On February 2, 2022, RMGC concluded a conditional pre-sale agreement for the sale of 93 plots of land covering a total area of 68,229 sqm and a small number of buildings owned by RMGC as part of the housing construction undertaken in the Recea resettlement neighborhood of Alba Iulia ("**Recea Land**"). Following the impairment of all Project related assets held as "mineral properties" in the consolidated statement of financial position as at December 2015, the Recea Land is held at nil book value.

The agreed sale price is 1,000,000 EUR (approx. $1.45 million), to be received by RMGC in RON and a deposit of 200,000 EUR was received by RMGC on February 7, 2022. Following the fulfilment of certain conditions of sale, a definitive sale and purchase agreement was signed by the parties on February 25, 2022. The balance of 800,000 EUR will be paid in three instalments, 550,000 EUR was received by RMGC in March 2022 and a further instalment of 250,000 EUR is to be received on or before April 24, 2022.

Future Financing Requirements

The Company believes that, taking into account the fee agreement in respect of the deferral of payment of certain ICSID Arbitration costs and the proceeds receivable from the sale of (i) the remaining LLTE and (ii) the Recea Land, it has sufficient cash to enable the Group to fund general working capital requirements together with the material estimated costs associated with the Company advancing the ICSID Arbitration through to June 2022.

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, and, as described above, further procedural steps may be required to be completed prior to the issuance of an Award. Accordingly, Gabriel will need to raise additional financing in Q2 2022 in order to preserve its remaining assets, including its License and associated rights and permits post June 2022. At that time Gabriel may still await an Award from the Tribunal and, thereafter, the Group will also require further funding for general working capital purposes, and to pursue the long-term activities required to see the ICSID Arbitration through to its conclusion, which may include, as appropriate, costs of any potential annulment proceedings and/or costs of 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.

Other Recent Developments

Impact of Coronavirus

With respect to the ongoing coronavirus (COVID-19) pandemic, Gabriel continues to consider carefully its impact, noting the continuing 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 2021 and 2022 to date.

As noted above in "Future Financing Requirement", the Group will require further new investment. The market and timing 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.

Russia-Ukraine Conflict

Given, amongst other things, the geographical proximity of Romania to Ukraine, Gabriel is closely monitoring the situation in Ukraine with concern for all those who are impacted by the unfolding conflict and humanitarian crisis.

At this time, Gabriel has not experienced any material disruption to its operations, including its limited activities in Romania, as a consequence of the Russia-Ukraine conflict and the Group will continue to operate its business in accordance with the circumstances that arise. However, there is no guarantee that the current geo-political situation and the resulting economic developments will not adversely affect the Group's operations and financial condition in the future – this will depend on future developments that are highly uncertain.

Gabriel will continue to monitor the situation, including any developments that could potentially impact on the Group's business and results of operations and make every effort to minimize any negative impact on those operations.

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.

For over six years as of the date of this MD&A, a directorate of ANAF has continued to pursue an ad hoc investigation covering a broad range of operational activities and transactions of RMGC, and several 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 and RMGC still awaits formal indication of the grounds for the ANAF Investigation and neither 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. RMGC awaits formal indication of the status of the investigation.

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;
- implementation of cost-cutting measures and carefully managing its cash resources; 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).

Annual Summary

The annual summary is set out in the following table. The amounts are derived from the Financial Statements prepared under IFRS.

in thousands of Canadian dollars, except per share amounts		**2021**		**2020**		2019
Operating loss	**$**	**14,539**	**$**	**25,591**	$	36,221
Other expenses		**5,360**		**9,091**		8,310
Loss - attributable to owners of the parent		**19,899**		**34,682**		44,531
Loss per share (basic and diluted)		**0.02**		**0.06**		0.09
Total assets		**6,792**		**10,894**		31,183
Total liabilities		**6,691**		**89,339**		91,417
Net cash-in-flows from financing activities	**$**	**7,210**	**$**	**10,180**	$	32,953

Results of Operations

Operating loss in 2021 was $14.5 million, $11.1 million lower than in 2020 ($25.6 million) with the decrease arising from the following main factors:

- As described in the "Expenses" section below:
  - 2021 corporate, general and administrative costs of $13.4 million were $9.5 million lower than 2020, including $8.0 million lower costs related to the ongoing ICSID Arbitration, $0.8 million lower payroll costs, and a further $0.6m reduction in overall corporate, general and administrative costs.
  - stock-based compensation was $0.4 million in 2021 compared to $1.5 million in 2020
- Certain expenditure arose only in the year ended December 31, 2020 including $0.7 million of severance costs incurred at RMGC and $0.1 million in respect of the partial forgiveness of a related party loan (as more fully described in the Financial Statements).
- As noted above, the carrying amount of the remaining LLTE has been written down to reflect its sale value, resulting in an impairment charge of $0.7 million (2020: $0.4million).

Other expenses decreased year-on-year, in aggregate by $3.7 million, including:

- Finance costs in 2021 of $5.2 million (2020: $9.8 million), which reflect the accretion of the debt component of the convertible subordinated unsecured notes ("**Notes**") issued in 2014 and 2016. The decrease year-on-year is due to the maturity and repayment of the notes on June 30, 2021.
- Interest on reducing short-term deposit cash balances through 2021 resulted in lower finance income (less than $0.1 million) when compared to 2020 ($0.1 million).
- Exchange losses of $0.1 million recognized in 2021 (2020: gain of $0.6 million) reflecting the depreciation of the US dollar against the Canadian dollar in the year when applied to conversion of US dollar cash balances to the presentation currency, the Canadian dollar.

Total Assets

Total assets decreased by $4.1 million in 2021, primarily reflecting (i) the utilization of $10.5 million of cash to fund the Group's 2021 activities, offset by net cash inflows after issue costs of $7.2 million from financing activities described below; (ii) a $0.2m reduction in other receivables; and (iii) the $0.7m LLTE impairment.

Total Liabilities

In 2020 total liabilities were $89.3 million comprised predominantly of the debt components of the Notes ($85.6 million). As the Notes matured and were repaid on June 30, 2021, these have been removed from the balance sheet as at December 31, 2021. Other liabilities increased by $3.0 million in 2021 largely due to the accrual of certain ICSID Arbitration costs under a deferred fee agreement.

Net Cash In-Flows from Financing Activities

Cash flows from financing activities in 2021 primarily reflect the net cash inflow after issue costs of $7.2 million from the 2021 Private Placement. Cash flows from financing activities in 2020 primarily reflect the net cash inflow after issue costs of $6.5 million from a private placement, $3.5 million from the exercise of warrants and $0.2 million from exercise of incentive stock options ("**Options**").

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 Q4**	**2021 Q3**	**2021 Q2**	**2021 Q1**
Income Statement				
Loss - attributable to owners of parent	2,252	2,987	6,060	8,600
Loss per share - basic and diluted	-	-	0.01	0.01
Statement of Financial Position				
Working capital	(2,736)	(558)	1,695	(2,349)
Total assets	6,792	8,230	11,534	7,281
Statement of Cash Flows				
Net cash-in-flows from financing activities	-	-	7,210	-

in thousands of Canadian dollars, except per share amounts	**2020 Q4**	**2020 Q3**	**2020 Q2**	**2020 Q1**
Income Statement				
Loss - attributable to owners of parent	7,257	11,742	8,820	6,756
Loss per share - basic and diluted	0.01	0.02	0.02	0.01
Statement of Financial Position				
Working capital	3,506	1,162	9,936	11,981
Total assets	11,007	12,844	19,362	21,629
Statement of Cash Flows				
Net cash-in-flows from financing activities	6,469	-	3,710	-

Review of Financial Results

	3 months ended December 31		**12 months ended December 31**	
in thousands of Canadian dollars, except per share amounts	**2021**	2020	**2021**	2020
Operating loss for the period	**2,209**	4,661	**14,539**	25,591
Loss for the period				
- attributable to owners of parent[(1)]	**2,252**	7,364	**19,899**	34,682
Loss per share - basic and diluted	**-**	0.01	**0.02**	0.06

(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 and overall loss for the 12 months ended December 31 in 2021 and 2020 are described in the Annual Summary section above.

Operating loss for the three-month period ended December 31, 2021 of $2.2 million was $2.5 million lower when compared to the corresponding 2020 period ($4.7 million) primarily reflecting $2.2 million lower Corporate, General and Administrative costs, analyzed below, a $0.2 million lower reversal in stock-based compensation and a $0.4 million impairment charge recognized in the corresponding 2020 period.

Loss for the three-month period ended December 31, 2021 was $2.3 million, approximately equal to the operating loss in that period. This result compares to an overall loss of $7.4 million for the 2020 fourth quarter, which was $2.7 million higher than the operating loss for that period. Principal reasons for the $2.7 million difference in non-operating expenses between the corresponding three-month periods include (i) a $2.5 million finance cost in 2020 not repeated in 2021 due to the maturity and repayment of the Notes in June 2021 and (ii) a $0.1 million foreign exchange loss in the fourth quarter of 2021 compared to a $0.2 million loss in 2020.

Expenses

Corporate, General and Administrative

in thousands of Canadian dollars	**3 months ended December 31** **2021**	2020	**12 months ended December 31** **2021**	2020
ICSID Arbitration related	**115**	1,932	**4,120**	12,158
Payroll	**946**	924	**3,872**	4,715
Finance, audit, accounting and compliance	**305**	350	**1,183**	1,101
Project obligations and community relations	**215**	247	**905**	890
Property taxes	**166**	180	**702**	715
Long lead-time equipment storage costs	**(14)**	121	**330**	486
Office rental and utilities	**54**	113	**445**	476
Travel and transportation	**89**	95	**335**	504
Information technology	**79**	94	**322**	379
Legal	**37**	44	**286**	365
External communications	**23**	18	**82**	82
Other	**278**	433	**779**	1,025
Corporate, general and administrative expense	**2,293**	4,551	**13,361**	22,896

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 the oral merits hearings which required these services and were principal drivers of related costs in 2020 and 2021 are set out in "ICSID Arbitration" above. For the three-month period ended December 31, 2021, such costs were approximately $0.1 million, reflecting limited activity in the period. ICSID Arbitration related expenses in the corresponding quarter of 2020 of $1.9 million primarily reflected certain costs related to the Second Hearing and initial preparation of the Post-Hearing Briefs.

Payroll is the total of salaries and relevant taxes for all Group employees. Payroll costs in the three-month period ended December 31, 2021 include $0.4 million related to RMGC employees (2020: $0.5 million), and are at a similar level as the prior year, whilst full year payroll costs primarily reflect reduced employee numbers following a program of retrenchment in September 2020 and the stability of employee numbers in the period since then.

Finance costs include audit, tax and other accounting fees for the Company and its subsidiaries in each year, together with costs of regulatory compliance such as registrar and Exchange fees.

Project obligations and community relations spend reflects the ongoing costs of maintaining compliance with the License and other obligations in Romania, including real estate maintenance on RMGC owned land and buildings, preservation of historical buildings, document management and other administrative matters. Included in these costs are expenses incurred with related parties (see note 16 of the Financial Statements for detail) and the Board has asked the independent directors to commence a review of the scope of future services to be provided by SC Total Business Land SRL ("TBL"), a Romanian entity controlled by current and former employees of RMGC.

LLTE costs for the three-month period and full year ended December 31, 2021 decreased overall as a result of reduced maintenance and other holding costs, and the inclusion of such costs within the impairment charge following the execution of the LLTE sale agreement.

Travel and transportation costs arise primarily in relation to the Romanian operations and are lower in the three-month period and full year ended December 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 in Romania with regard to matters such as the ANAF investigations.

Finance Income

	3 months ended December 31		12 months ended December 31	
in thousands of Canadian dollars	**2021**	2020	**2021**	2020
Interest income	**4**	2	**10**	71

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 continuing through 2021, together with reduced North American treasury yields in the period.

As at December 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 (December 31, 2020: 29%), with the majority of cash balances held with major Canadian banks.

Finance Costs

	3 months ended December 31		12 months ended December 31	
in thousands of Canadian dollars	**2021**	2020	**2021**	2020
Financing costs - convertible note accretion	**-**	2,503	**5,234**	9,784

Finance costs relate to the accretion of the debt components of the Notes issued in 2014 and 2016, which were measured at amortized cost using the effective interest rate method. As explained above, the Company redeemed all remaining outstanding $90,862,000 of Notes at maturity on June 30, 2021.

Share-Based Compensation

	3 months ended December 31		12 months ended December 31	
in thousands of Canadian dollars	**2021**	2020	**2021**	2020
DSUs - (reversal) / expense	**(141)**	(584)	**51**	(685)
Share option - expense	**52**	282	**358**	2,153
Share based compensation	**(89)**	(302)	**409**	1,468

The estimated fair value of 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.

	3 months ended December 31		12 months ended December 31	
	2021	2020	**2021**	2020
Share option compensation				
Number of share options granted	**241,953**	-	**1,888,503**	6,206,536
Average value ascribed to each option granted	**$ 0.24**	$ -	**$ 0.25**	$ 0.46
Number of share options exercised	**-**	-	**-**	525,339
Average value ascribed to each option exercised	**$ -**	$ -	**$ -**	$ 0.35
Number of share options expired/cancelled	**-**	-	**-**	2,081,827
Average value ascribed to each option expired/cancelled	**$ -**	$ -	**$ -**	$ 0.56
DSU compensation				
Number of DSUs issued	**135,219**	-	**878,443**	318,702
Average value ascribed to each DSU issued	**$ 0.23**	$ -	**$ 0.24**	$ 0.47
Number of DSUs cancelled	**-**	-	**-**	115,165
Average value ascribed to each DSU cancelled	**$ -**	$ -	**-**	$ 0.41
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**	$ -

A total of 241,953 Options (all of which vest immediately) and 135,219 DSUs were granted to certain non-executive directors during the three-month period ended December 31, 2021 in lieu of cash fees for services provided during Q3 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 December 31, 2021, the Company's share price was $0.195 (September 30, 2021 $0.235), resulting in a reversal of DSU expense of $0.1 million for the three-month period ended December 31, 2021.

Foreign Exchange

The Company has experienced a foreign currency loss of $0.1 million in 2021 (2020: gain $0.6 million) primarily as a result of exposure to the US dollar. All of the funds raised in private placements 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 December 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 December 31		**12 months ended December 31**	
in thousands of Canadian dollars	**2021**	2020	**2021**	2020
Total investment in capital assets	**-**	4	**-**	10
Depreciation and disposal - expensed	**7**	8	**31**	39

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 $162.1 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 December 31, 2021, aggregate cash and cash equivalents were $3.3 million (December 31, 2020: $6.5 million). As noted above, further liquidity has been sourced since the 2021 year end through the sale of the Recea Land and through the installments received and yet to be received on the sale of the LLTE. Notwithstanding, the Company is currently planning to raise further funding in Q2 2022.

Working Capital

At December 31, 2021, the Company had working capital, calculated as total current assets (excluding assets held for sale) less total current liabilities of negative $2.7 million (December 31, 2020: $3.5 million, excluding the Notes repaid through Common Shares in June 2021). The $6.2 million deterioration in working capital is primarily due to the ongoing ICSID Arbitration and operating costs of the Company offset by the proceeds of the 2021 Private Placement.

At December 31, 2021, the Company had current liabilities of $6.7 million (December 31, 2020, excluding the Notes: $3.7 million). This period-on-period increase is predominantly due to the advance payments on the LLTE disposal and the higher ICSID Arbitration cost accruals at December 31, 2021 reflecting work performed in the year which is yet to be paid, in accordance with the deferred fee arrangement.

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

Contractual Obligations

The Company and its subsidiaries have a number of arm's-length agreements with third parties who provide a 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.

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

Contingent Liabilities

The Company has a number of contingent liabilities which may accrue on the issuance of an Award, namely:

(i) in respect of an agreement to defer certain professional fees incurred and to be incurred in connection with the execution of the ICSID Arbitration. Such fees up to a limit of US$3 million are to be deferred in full. Any fees incurred under the deferred fee agreement in excess of US$3 million are required to be settled by the Company 50% as they are incurred, with the balance being added to the deferred amount.

    All deferred fees are payable within six months of issuance of an Award and are subject to a multiplier if such Award is made in favour of the Claimants above certain monetary thresholds. The Company accrues fees as incurred within its current liabilities but not the potential additional fees payable under the deferred fee arrangement if the multiplier is applicable, since such fees cannot be determined prior to issuance of an Award.
    In accordance with the deferred fee agreement, the liability of the Company which would occur under certain Award scenarios wound fall in the range of one to five times the fees actually incurred and deferred.

(ii) in respect of 95,625 arbitration value rights ("**AVR**s"), comprising:

a. 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 Award irrevocably made in its favour, subject to a maximum aggregate entitlement of $175 million among all holders of such AVRs; and

b. 40,625 AVRs entitling the holders to a pro rata share of 5.54% of any proceeds arising from any Award, subject to a maximum aggregate entitlement of $129.3 million among all holders of such AVRs.

(iii) in respect of the key employee engagement plan ("**KEEP**"), an arbitration-focused retention and incentive program established by the Company in 2016. Its aim is to ensure the long-term participation and incentivization of the Group's personnel, including its executive management, employees, non-executive directors and other contributors in pursuing the ICSID Arbitration through to a successful conclusion. The KEEP is a trust established by the Claimants, as settlors, pursuant to a trust agreement dated July 2016, as amended. Subject to its terms and conditions, the KEEP provides that in the event that an Award is made in favor of, or a settlement is accepted by, Gabriel in connection with the ICSID Arbitration proceedings, the Claimants will pay, or procure the payment, to the KEEP trust. Such payment will be made following receipt of the proceeds awarded to the Claimants (inclusive of any non-monetary consideration) and subject to the payment of any taxes, payable or required to be withheld by the Claimants or by law, in an amount of cash equal to: (i) 7.5% of the first US$500 million of the proceeds; and (ii) 2.5% of any amount of proceeds in excess of US$500 million. The independent directors have commenced a review of the KEEP.

(iv) in June 2017, Gabriel entered into a settlement and release agreement to resolve a contractual dispute with a third-party agent regarding a contested obligation to pay certain commission to such agent (the "Settlement Agreement"). Pursuant to the terms of the Settlement Agreement, the Company is obligated to pay to the agent a fee based upon the receipt of funds paid by the Respondent to the Company in relation to the ICSID Arbitration claim, if any, up to a maximum amount of US$1.74m, within 90 days of receipt of such funds.

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.

Going Concern

On the basis of the Company's balance of cash and cash equivalents as at December 31, 2021, and taking into account (i) the proceeds receivable from an agreement for the sale of the remaining LLTE; (ii) the proceeds receivable from the sale of the Recea Land; and (iii) a fee agreement in respect of the deferral of payment of certain ICSID Arbitration costs,, the Company believes that it has sufficient funding necessary to fund general working capital requirements together with the material estimated costs associated with the Company advancing the ICSID Arbitration through to June 2022. As at December 31, 2021, the Group had no sources of operating cash flows. 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, and further procedural steps may be required to be completed prior to the issuance of an Award. Accordingly, Gabriel will need to raise additional financing in Q2 2022 in order to maintain its remaining assets, including its License and associated rights and permits, post June 2022.

At that time Gabriel may still await an Award from the Tribunal and, thereafter, the Group will also require such further funding for general working capital purposes and to pursue the long-term activities required to see the ICSID Arbitration through to its conclusion, which may include, as appropriate, costs of any potential annulment proceedings and/or costs of 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.

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

Valuation of the Private Placements

The units issued by the Company in the Private Placements in 2014 and 2016 consisted of Notes, warrants and arbitration value rights. As noted above, on June 30, 2021 the outstanding warrants issued in connection with the 2014 and 2016 Private Placements expired and the Notes have been redeemed. A nil value was initially ascribed to the AVRs and, given the current stage of the ICSID Arbitration process, a nil valuation remains applicable as at December 31, 2021.

The units issued by the Company in the 2018, 2019 and 2020 Private Placements consisted of Common Shares and warrants each of which entitled 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.

The shares issued by the Company in the 2021 Private Placement were issued at market price and consequently there was no requirement to use a valuation model, the whole of the funds received being directly attributable to the share capital of the Company.

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, where appropriate and available to the Group, 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 generated 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 major UK banks.

Liquidity Risk

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 proceedings and/or the process of enforcement of any Award. 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 current and existing long-term contractual liabilities as they fall due.

Market Risk

(a) Interest rate risk

The Group has cash balances which are subject to interest rate changes. 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.

(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 (**"RON"**), US dollars ("**USD**"), UK pounds ("**GBP**") and Euros ("**EUR**") 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 December 31, 2021, the Group held approximately 57% and 17% of its cash and cash equivalents in Canadian dollars and US dollars, respectively.

The Company has not entered into any derivative hedging activities.

Sensitivity

As of December 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 December 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.

International Developments and Geopolitical Risk

Global economic factors, geopolitical actions, political and market conditions and unexpected events, including the ongoing coronavirus (COVID-19) pandemic and conflicts such as the Russia-Ukraine war, may create uncertainty and risk with respect to the prospects of the Group's business.

The extent to which the Russia-Ukraine conflict will directly or indirectly impact the Group's business, results of operations and financial condition will depend on future developments that are highly uncertain. There is no guarantee that the current geo-political situation and the resulting economic developments will not adversely affect the Group's operations and financial condition in the future.

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, 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, the progress and/or conclusion of which may have a material and adverse effect on the its business, financial condition and results of operations.

UNESCO World Heritage List

As described above, on July 27, 2021 the "Roşia Montană Mining Cultural Landscape", an area covering the footprint of the Project, was inscribed by UNESCO on its World Heritage List and added to its List of World Heritage in Danger.

The inclusion of the 'Roşia Montană Mining Landscape' on the UNESCO World Heritage List materially undermines 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 has agreed to sell the Recea Land and its remaining LLTE, which would provide the Company with a reduced cost base and additional working capital, there are no assurances regarding the completion of such divestments or that all proceeds may be realized from the sales. 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 arbitration value rights 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 existing securities.

Potential Dilution to Existing Shareholders

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 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 UNESCO Inscription), 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 over 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 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 66th out of 180 countries in terms of corruption, according to a 2021 index published in January 2022 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 RON. Similarly, many of its expenditures and obligations in respect of the ICSID Arbitration are denominated in US dollars. In addition, the Company has and/or will have expenditures and obligations denominated in other currencies including, but not limited to, Canadian dollars, EUR and GBP. The Group 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, EUR, 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 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 (see CEO/CFO Certification below).

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 established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Financial Statements do not contain any untrue statement of 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 is made, as of the date of and for the periods presented by the Financial Statements; and (ii) the Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**"), the corresponding certificate for venture issuers does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers of the Company do not make any representations relating to the establishment and maintenance of:

I. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

II. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with the issuer's GAAP.

The Company's CEO and CFO are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the corresponding certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Outstanding Share Data

The Company's fully diluted share capital as at April 1, 2022 was:

	Outstanding
Common shares	967,540,188
Incentive stock options	33,294,830
Deferred share units - Common Shares	4,486,845
Warrants	200,819,566
Fully diluted share capital	**1,206,141,429**

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 ICSID Arbitration 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 sourcing of additional funding noted above), 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;
- Romania's actions following inscription 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 exercise of warrants, 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.

Consolidated Financial Statements

For the year ended December 31, 2021

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Gabriel Resources Ltd. ("**Gabriel**" or the "**Company**") have been prepared by the Company's management ("**Management**") in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and, where relevant, the choice of accounting principles. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Company's Board of Directors has met with the Company's independent auditor to review the scope and results of the annual audit and to review the consolidated financial statements and related financial reporting matters prior to submitting the consolidated financial statements to the Board of Directors for approval.

The Company's independent auditor, PricewaterhouseCoopers LLP, has conducted an audit in accordance with Canadian generally accepted auditing standards, and its report follows.

(Signed) ***"Dragos Tanase"***

Dragos Tanase
President and Chief Executive Officer

(Signed) ***"Richard Brown"***

Richard Brown
Chief Financial Officer

April 5, 2022

Independent auditor's report

To the Shareholders of Gabriel Resources Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Gabriel Resources Ltd. and its subsidiaries (together, the Company) as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board.

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2021 and 2020;
- the consolidated statements of loss for the years then ended;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity / (deficit) for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215

Material uncertainty related to going concern

We draw attention to note 1 in the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Jamie Clark.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
April 5, 2022

Consolidated Statement of Financial Position

As at December 31
(Expressed in thousands of Canadian dollars)

	Notes	2021	2020 (Revised - note 3)
Assets			
Current assets			
Cash and cash equivalents	9	**3,291**	6,482
Trade and other receivables	10	**135**	276
Prepaid expenses and supplies	11	**529**	447
Total current assets (excluding assets classified as held for sale)		**3,955**	7,205
Assets held for sale	8	**1,994**	2,735
Total current assets		**5,949**	9,940
Non-current assets			
Restricted cash	9	**203**	230
Property, plant and equipment	12	**77**	117
Loan receivable	16	**563**	607
Total non-current assets		**843**	954
TOTAL ASSETS		**6,792**	10,894
Liabilities			
Current liabilities			
Trade and other payables	13	**5,302**	2,350
Other current liabilities	15	**842**	791
Resettlement liabilities	14	**547**	558
Convertible unsecured notes	17	**-**	85,640
Total current liabilities		**6,691**	89,339
TOTAL LIABILITIES		**6,691**	89,339
Equity / (Deficit)			
Share capital	18	**1,014,492**	916,256
Other reserves		**158,540**	158,335
Currency translation adjustment		**1,315**	1,312
Accumulated deficit		**(1,178,134)**	(1,158,235)
Deficit attributable to owners of the parent		**(3,787)**	(82,332)
Non-controlling interest	19	**3,888**	3,887
TOTAL EQUITY / (DEFICIT)		**101**	(78,445)
TOTAL EQUITY AND LIABILITIES		**6,792**	10,894

Going concern – Note 1
Contingent liabilities – Note 22
Post balance sheet events – Note 24

Approved by the Board of Directors

(Signed) ***"Anna El-Erian"*** **(Signed)** ***"Jeffrey Couch"***

Anna El-Erian
Director

Jeffrey Couch
Director

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

Consolidated Statement of Loss

For the year ended December 31

(*Expressed in thousands of Canadian dollars, except per share data)*

	Notes	2021	2020 (Revised - note 3)
Expenses			
Corporate, general and administrative	7,16	**13,361**	22,896
Impairment of LLTE	8	**738**	404
Share-based compensation	15,18	**409**	1,468
Depreciation		**31**	39
Severance costs		**-**	655
Related party loan forgiveness	16	**-**	129
Operating loss		**14,539**	25,591
Other (income) / expense			
Finance costs - convertible note accretion	17	**5,234**	9,784
Interest received		**(10)**	(71)
Gain on disposal of assets		**-**	(19)
Foreign exchange loss / (gain)		**136**	(603)
Loss for the year		**19,899**	34,682
Loss per share (basic and diluted)	22	**$ 0.02**	$ 0.06

Consolidated Statement of Comprehensive Loss

For the year ended December 31

(*Expressed in thousands of Canadian dollars)*

	Note	2021	2020 (Revised - note 3)
Loss for the year		**19,899**	34,682
Other comprehensive income			
- may recycle to the Income Statement in future years			
Currency translation adjustment		**(4)**	81
Comprehensive loss for the year		**19,895**	34,763
Owners of the parent		**19,896**	34,747
Non-controlling interest	19	**(1)**	16
Comprehensive loss for the year		**19,895**	34,763

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

Consolidated Statement of Changes in Shareholders' Equity / (Deficit)

For the year ended December 31

(Expressed in thousands of Canadian dollars)

	Notes	**2021**	2020 (Revised - note 3)
Common shares			
At January 1		**916,256**	900,839
Shares issued in private placement - net of issue costs	18	**7,372**	4,660
Shares issued on redemption of convertible notes - net of issue costs	18	**90,712**	-
Shares issued on the redemption of RSUs	18	**152**	-
Shares issued on the exercise of share options	18	**-**	184
Transfer from contributed surplus: exercise of share options	18	**-**	142
Shares issued on exercise of warrants	18	**-**	3,528
Transfer from contributed surplus - exercise of warrants	18	**-**	323
Shares issued on conversion of convertible notes	18	**-**	4,191
Transfer from contributed surplus - conversion of convertible notes	18	**-**	2,389
At December 31		**1,014,492**	916,256
Other reserves			
At January 1		**158,335**	157,205
Share-based compensation		**357**	2,153
Redemption of RSUs	18	**(152)**	-
Exercise of share options	18	**-**	(142)
Equity component of warrants issued	18	**-**	(323)
Equity component of convertible notes, net of issue costs	18	**-**	(2,389)
Warrants, net of issue costs		**-**	1,831
At December 31		**158,540**	158,335
Currency translation adjustment			
At January 1		**1,312**	1,374
Currency translation adjustment		**3**	(62)
At December 31		**1,315**	1,312
Accumulated deficit			
At January 1		**(1,158,235)**	(1,123,553)
Loss for the year		**(19,899)**	(34,682)
At December 31		**(1,178,134)**	(1,158,235)
Non-controlling interest			
At January 1		**3,887**	3,902
Currency translation adjustment		**1**	(15)
At December 31		**3,888**	3,887
Total shareholders' equity / (deficit) at December 31		**101**	(78,445)

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

Consolidated Statement of Cash Flows

For the year ended December 31
(Expressed in thousands of Canadian dollars)

	Notes	2021	2020 (Revised - note 3)
Cash flows used in operating activities			
Loss for the period		**(19,899)**	(34,682)
Items not affecting cash			
Finance costs - convertible note accretion	17	**5,234**	9,784
Impairment of LLTE	8	**738**	404
Share-based compensation	15,18	**409**	1,468
Depreciation		**31**	39
Gain on disposal of fixed assets	8	**-**	(19)
Interest on loan receivable		**(10)**	(7)
Related party loan forgiveness	16	**-**	129
Unrealized foreign exchange gain		**(129)**	(565)
		(13,626)	(23,449)
Changes in operating working capital:			
Increase / (Decrease) in trade and other payables		**2,259**	(6,925)
Decrease in trade and other receivables		**115**	92
Decrease in other current liabilities		**-**	(68)
Increase in prepaid expenses and supplies		**(96)**	(49)
		(11,348)	(30,399)
Cash flows provided by investing activities			
Increase in advances received for LLTE disposal		**795**	-
Repayment of loan receivable	16	**54**	83
Movement in restricted cash	12	**6**	296
Increase in Property Plant and Equipment	8	**-**	(10)
		855	369
Cash flows provided by / (used in) financing activities			
Proceeds from June 2021 private placement	18	**7,458**	-
June 2021 private placement costs		**(87)**	-
Interest paid on convertible unsecured notes	17	**(11)**	(23)
Costs incurred on repayment of convertible unsecured notes	17	**(150)**	-
Proceeds from December 2020 private placement	18	**-**	6,584
December 2020 private placement costs		**-**	(93)
Proceeds from exercise of warrants	18	**-**	3,528
Proceeds from the exercise of share options	18	**-**	184
		7,210	10,180
Decrease in cash and cash equivalents		**(3,283)**	(19,850)
Effect of foreign exchange on cash and cash equivalents		**92**	602
Cash and cash equivalents - beginning of year		**6,482**	25,730
Cash and cash equivalents - end of year		**3,291**	6,482

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

1. Nature of operations and going concern

Nature of operations

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

Gabriel's activities over many years were 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, 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.

Accordingly, these consolidated financial statements for the year ended December 31, 2021 ("**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. If Gabriel is successful in proving both liability and damages in such compensation claims, the Company will take appropriate steps to enforce and recover such award and to defend any annulment proceedings brought by Romania. The enforcement and recovery of an award may present material challenges and take a number of years.

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 of the claim and the quantum of the damages sustained ("**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 filed a supplementary further preliminary objection with ICSID challenging 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**") and responding to the Respondent's Counter-Memorial and Jurisdictional Challenge.

1 Nature of operations and going concern (continued)

- On February 28, 2019, the Claimants and the Respondent filed comments on a submission to the Tribunal 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 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.
- 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**").
- On October 29, 2021 and December 6, 2021 the Claimant and Respondent respectively filed further written submissions in relation to: (i) Romania's reactivation of its nomination of the Roşia Montană Mining Landscape as a UNESCO World Heritage site and the site's inscription by UNESCO on July 27, 2021, as described further below; and (ii) the decision of Romania's Buzău Tribunal dated December 10, 2020 rejecting a legal challenge to the second archaeological discharge certificate issued for the Cârnic massif.

In late December 2021, the President of the Tribunal stated that the Tribunal was currently deliberating and would render an arbitral award ("**Award**") in 2022.

In January 2022, the Tribunal confirmed to the Parties that the Tribunal had been thoroughly reviewing the case file and deliberating over the past months, and would continue to do so and, in due course, would revert to the Parties about the possibility and timing of any further questions for the Parties to respond to and/or any additional oral hearing.

Notwithstanding the Tribunal's statement that it would render an Award in 2022, there is no specified timeframe in the ICSID Rules applicable to this case in which an Award is to be made by the Tribunal. Furthermore, an additional procedural step may be required by the Tribunal prior to the issuance of an Award and any Award may be subject to a request for annulment (albeit such annulment application can only be made on very limited grounds under the ICSID Rules).

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.

1 Nature of operations and going concern (continued)

Impact of the Coronavirus

With respect to the coronavirus (COVID - 19) pandemic, Gabriel continues to consider carefully its impact, noting the continuing 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 through 2021 and 2022 to date.

As previously disclosed, the Group will require further new investment, the market and timing of which may be adversely affected by the effects of COVID-19. As a result, Gabriel will react to circumstances as they arise and make any 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.

Going concern

The 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 the basis of the Company's balance of cash and cash equivalents as at December 31, 2021, and taking into account (i) the proceeds receivable from an agreement for the sale of the remaining long lead time equipment ("**LLTE**") entered into on November 1, 2021 (see Note 8); (ii) the proceeds receivable from the sale of land owned by RMGC in the Recea neighborhood of Alba Iulia (see note 24); and (iii) a fee agreement in respect of the deferral of payment of certain ICSID Arbitration costs (see note 22), the Company believes that it has sufficient funding necessary to fund general working capital requirements together with the material estimated costs associated with advancing the ICSID Arbitration through to June 2022. 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, and, as described above, further procedural steps may be required to be completed prior to the issuance of an Award. Accordingly, Gabriel will need to raise additional funding in Q2 2022 in order to preserve its remaining assets, including its License and associated rights and permits, post June 2022.

At that time Gabriel may still await an Award from the Tribunal and, thereafter, the Group will require such further funding for general working capital purposes and to pursue the long-term activities required to see the ICSID Arbitration through to its conclusion, which may include, as appropriate, costs of any potential annulment proceedings and/or costs of 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 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.

Registered office

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 Company is the ultimate parent of the Group and does not have any controlling shareholders.

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

2. Statement of compliance

The Group has prepared its Financial Statements in accordance with IFRS as issued by the International Accounting Standards Board.

The Financial Statements were approved by the Board of Directors on April 5, 2022.

3. Basis of preparation

The Financial Statements are prepared according to the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

The accounting policies applied in the presentation of the Financial Statements have been consistently applied to all the years presented, unless otherwise stated.

Revision of prior period balances

A. Revision of presentation of share capital and other reserves

The Company has revised the prior year financial statements as RSUs redeemed in 2019 should have resulted in an increase to share capital with a corresponding decrease in other reserves. As a result, $0.3 million has been reclassified to share capital from other reserves as at January 1, 2020 and December 31, 2020. The revisions have resulted in the following changes to the financial statements as at January1, 2020 and December 31, 2020:

January 1, 2020	Previously reported	Adjustment	Adjusted amount
Share capital	900,583	256	900,839
Other reserves	157,461	(256)	157,205

December 31, 2020	Previously reported	Adjustment	Adjusted amount
Share capital	916,000	256	916,256
Other reserves	158,591	(256)	158,335

B. Revision of presentation of currency translation adjustment and accumulated losses

The Company has revised presentation of the prior year financial statements for treatment of non-cash currency translation adjustment relating to assets and liabilities held in foreign currencies. The revisions have resulted in the following changes to the financial statements for the year ended December 31, 2020:

January 1, 2020	Previously reported	Adjustment	Adjusted amount
Currency translation adjustment	1,623	(249)	1,374
Accumulated deficit	(1,123,862)	309	(1,123,553)
Non-controlling interest	3,961	(59)	3,902

December 31, 2020	Previously reported	Adjustment	Adjusted amount
Assets held for sale	2,848	(113)	2,735
Impairment of assets held for sale	421	(17)	404
Comprehensive loss for the year	34,646	117	34,763
Currency translation adjustment	1,666	(354)	1,312
Accumulated deficit	(1,158,561)	326	(1,158,235)
Non-controlling interest	3,972	(85)	3,887

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

3. Basis of preparation (continued)

C. Revision of presentation of statement of cash flows

The Company has revised presentation of the prior year financial statements for the reclassification of certain non-cash items, working capital movements and restricted cash movements included within operating activities to investing activities, and adjustments relating to foreign exchange on cash and cash equivalents. The revisions have resulted in the following changes to the financial statements for the year ended December 31, 2020:

	Previously reported	Adjustment	Adjusted amount
Cashflows used in operating activities	(29,940)	(459)	(30,399)
Cashflows used in investing activities	(10)	379	369
Foreign exchange on cash and cash equivalents	522	80	602

4. Basis of consolidation

The Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The Financial Statements include the accounts of the Company and the following subsidiaries, which are or were part of the Group during the year ended December 31, 2021:

Entity name	*Group ownership*	*Place of incorporation*	*Functional currency*
Gabriel Resources (Barbados) Ltd.	100%	Barbados	Canadian dollar
Gabriel Resources (Netherlands) B.V.	100%	Netherlands	Canadian dollar
Gabriel Resources (Jersey) Ltd.	100%	Jersey	Canadian dollar
RM Gold (Services) Ltd.	100%	UK	UK pound sterling
Roșia Montană Gold Corporation S.A.	80.69%	Romania	Romanian leu

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Loans made by the Company to enable entities with non-controlling interests to acquire their shareholding in RMGC are deemed to be part of the net investment in the subsidiary and are accordingly set off against non-controlling interest balances upon consolidation. See also Note 19.

5. Critical accounting estimates, risks and uncertainties

The preparation of consolidated 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 consolidated financial statements and the reported amount of expenses and other income for the year, 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.

6. Significant accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise readily available cash at banks and cash on hand.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The depreciation rates for each asset class are as follows:

Asset Class	*Depreciation method*
Vehicles	5 years, straight line basis
Office equipment	2 - 5 years, straight line basis
Leasehold improvements	Over term of lease, straight line basis
Buildings	50 years, straight line basis
Property plant and equipment in construction	Not depreciated until brought into use

Where parts (components) of an item of property, plant and equipment have different useful lives or for which different depreciation rates would be appropriate, they are accounted for as separate items of property, plant and equipment.

Impairment of non-financial assets

Non-financial assets to be held and used by the Group are reviewed for indicators of impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Non-financial assets, including long lead-time equipment, that are not yet available for use, are assessed for indicators of impairment at the end of each reporting period. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal ("**FVLCD**") and its value in use ("**VIU**"), which is the present value of the future cash flows expected to be derived from an asset.

Impairment losses for non-financial assets or cash generating units are reversed if evidence exists of an indicator of that reversal, and there has been a consequent change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal of previously recognized impairment losses is limited to the original carrying value of the asset less any amortization which would have accrued since the last impairment loss was recognized.

Provisions

Provisions for environmental restoration, restructuring costs and legal claims would be recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

The Company believes that RMGC has satisfied its obligations under the License and applicable Romanian laws to perform environmental rehabilitation within the areas of the tenement affected by its exploration activities. Accordingly, at December 31, 2021, the Group has not incurred and is not deemed to have committed to any provisions under its accounting policies for environmental restoration related to the development of its mineral properties in Romania.

6. Significant accounting policies (continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("**the functional currency**"). The functional currency of the Company is the Canadian dollar. The functional currency of each of the Company's subsidiaries is listed in Note 4. The Financial Statements are presented in Canadian dollars, which is the Group's presentation currency

(b) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities, expenses and other income arising from foreign currency transactions are translated at the exchange rate in effect at the date of the transaction. Exchange gains or losses arising from the translation are included in the determination of losses in the current year.

(c) Group companies

The results and financial position of all entities in the Group that have a functional currency different from the Group's presentation currency are translated into the Group's presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- equity transactions are translated at the historical exchange rate;
- income and expenses for each income statement are translated at the exchange rate in effect on date of the transaction (or at average exchange rates for the reporting period); and
- all resulting exchange differences are recognized in other comprehensive (income) / loss and accumulated as a separate component of equity as a currency translation adjustment.

Financial instruments

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Subsequent measurement of debt instruments depends on the classification of financial assets determined at initial recognition. Classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company classifies and provides for financial assets as follows:

Financial assets at fair value through profit or loss include principally the Company's cash and cash equivalents. A financial asset is classified in this category if it does not meet the criteria for amortized cost or fair value through other comprehensive income, or is a derivative instrument not designated for hedging. Gains and losses arising from changes in fair value are presented in the statements of loss in the period in which they arise.

Financial assets at amortized cost are financial assets with the objective to hold assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This includes the Company's other receivables.

At each balance sheet date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

6. Significant accounting policies (continued)

Financial liabilities at amortized cost are measured at amortized cost using the effective interest method, unless they are required to be measured at fair value through profit or loss, or the Company has opted to measure them at fair value through profit or loss. Convertible debentures are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

The Company derecognizes:

Financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership. Gains and losses on derecognition are generally recognized in the statements of loss.

Financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss.

Loss per share

Loss per share is calculated based on the weighted average number of Common Shares issued and outstanding. The Company has an incentive stock option plan (the "**Option Plan**") which authorizes the Board of Directors to grant incentive stock options to purchase Common Shares ("**Share Options**") to directors, officers, employees and consultants. Diluted per share amounts are calculated using the treasury stock method whereby proceeds deemed to be received on the exercise of Share Options and warrants in the per share calculation are assumed to be used to acquire Common Shares. Share Options not in-the-money at the time of calculation are deemed non-dilutive. Whilst the Group is in a loss position, the effect of potential issuances of shares under Share Options and warrants would be anti-dilutive, and this has not been considered in the loss per share calculation.

Share based payments

The Company provides equity and cash settled share-based compensation plans for the remuneration of its directors, officers, employees and consultants. The fair value of the instruments granted is measured using a Black-Scholes model, taking into account the terms and conditions upon which the instruments are granted. The fair value of the awards is adjusted by the estimate of the number of awards that are expected to vest as a result of non-market conditions and is expensed over the vesting period using the graded vesting method of amortization. At the end of each reporting period, the Company reviews its estimates of the number of instruments granted that are expected to vest based on the non-market vesting conditions including the impact of the revision to original estimates, if any, with corresponding adjustments to equity.

Share-based compensation relating to Share Options is charged to the Consolidated Statement of Loss and Consolidated Statement of Comprehensive Loss, with corresponding adjustments to equity in the Consolidated Statement of Financial Position over the vesting periods.

The Company has a Deferred Share Unit ("**DSU**") Plan under which qualifying participants may receive certain compensation in the form of DSUs in lieu of cash. On retirement or departure from the Company participants may, at their discretion, redeem their DSUs for Common Shares, cash, or a combination of Common Shares and cash. If the holder elects to settle the DSU in Common Shares, then the Company, at its sole discretion, can elect to pay the amount in Common Shares either purchased in the open market or issued from treasury. If the holder elects to settle the DSU in cash then the Company, at its sole discretion, can elect to pay the amount in Common Shares.

The Company also has a Restricted Share Unit ("**RSU**") Plan under which qualifying participants may receive a portion of their compensation in the form of RSUs. Upon vesting, participants may, at their discretion, redeem their RSUs for Common Shares, cash, or a combination of Common Shares and cash.

6. Significant accounting policies (continued)

Share-based compensation relating to DSUs and RSUs is calculated based on the quoted market value of the Common Shares and charged to the Consolidated Statement of Loss and Consolidated Statement of Comprehensive Loss. The compensation cost and liability is adjusted each reporting period for changes in the underlying share price.

Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date, plus any adjustment to taxes payable in respect of previous years.

Deferred income taxes are recognized in respect of temporary differences arising between the financial reporting and tax basis of assets and liabilities, and are measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred income tax assets are recognized only to the extent that it is probable the assets will be realized in the foreseeable future.

Deferred tax assets and liabilities, when recognized, are presented as non-current in the Consolidated Statement of Financial Position.

Accounting standards and amendments

The following IFRS or IFRIC interpretations are effective for the first time for the financial year ended December 31, 2021:

- IFRS 9 / IAS 39 / IFRS 7 interest rate benchmark reform. The IASB has amended IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures to address as a priority issues affecting financial reporting in the period before the reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate (Phase 1 amendments). These Phase 1 amendments provided temporary exceptions to specific hedge accounting requirements because of the uncertainty arising from the reform.
  After issuing the Phase 1 amendments, the Board commenced Phase 2 of its project, and in August 2020 issued further amendments to IFRS Standards, concluding its work in response to the reform. The Phase 2 amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues).

- IFRS 16; Leases. COVID-19 rent concession amendment. Amended to provide lessees with an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification.

The adoption of these standards has not had a material impact on the results or disclosures of the Group.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2022, and have not been applied in preparing these consolidated financial statements:

- IFRS 16; Leases. COVID-19 rent concession amendment – extension. Amended to extend the date of the practical expedient from June 30, 2021 to June 30, 2022 (original amendment provided lessees with an optional practical expedient from assessing whether a rent concession related to COVID-19 is a lease modification).

6. Significant accounting policies (continued)

- IFRS 3; Business combinations. Reference to Conceptual Framework Amended to (i) replace references to the 2001 Conceptual Framework for Financial Reporting to the 2018 Conceptual Framework for Financial Reporting in order to determine what constitutes an asset or liability in a business combination, (ii) add a new exception for certain liabilities and contingent liabilities to refer to IAS 37 or IFRIC 21 rather than the 2018 Conceptual Framework, and (iii) clarify that an acquirer should not recognize contingent assets at the acquisition date.

- IAS 37; Provisions, contingent liabilities and contingent assets. Onerous contracts - Cost of fulfilling a contract. Amended to clarify (i) the meaning of "costs to fulfil a contract", and (ii) that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

- IAS 16; Property plant and equipment. Proceeds before intended use. Amended to (i) prohibit an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly), (ii) clarify that an entity is "testing whether the asset is functioning properly" when it assesses the technical and physical performance of the asset and (iii) require certain related disclosures.

None of these is expected to have a significant effect on the consolidated financial statements of the Group.

7. Corporate General and Administrative expenses

in thousands of Canadian dollars	**December 31 2021**	December 31 2020
ICSID Arbitration related	**4,120**	12,158
Payroll	**3,872**	4,715
Finance, audit, accounting and compliance	**1,183**	1,101
Project obligations and community relations*	**905**	890
Property taxes	**702**	715
Long lead-time equipment storage costs	**330**	486
Office rental and utilities	**445**	476
Travel and transportation*	**335**	504
Information technology	**322**	379
Legal	**286**	365
External communications	**82**	82
Other	**779**	1,025
Corporate, general and administrative expense	**13,361**	22,896

*Included in these balances are expenses incurred with related parties (see note 16 for detail)

ICSID Arbitration related costs reflect fees for 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, together with cash-based directors' fees (the balance of directors' fee being accounted for as share-based compensation).

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

8. Assets held for sale

Balance - December 31, 2019	3,210
Impairment charge	(404)
Currency translation adjustment	(71)
Balance - December 31, 2020	**2,735**
Impairment charge	**(738)**
Currency translation adjustment	**(3)**
Balance - December 31, 2021	**1,994**

The prospect of the long lead-time equipment being used in the future for the purpose for which it was purchased is considered remote. The remaining LLTE comprises a SAG mill, together with a gearless motor drive and ball mill motors; of these, only the SAG mill and gearless motor drive have any carrying value in the Financial Statements. These items are currently stored in warehouses in the port of Antwerp, Belgium.

On November 1, 2021 RMGC concluded an agreement with a buyer for an instalment-based purchase of the remaining LLTE for aggregate gross proceeds of US$1.75 million (approx. $2.2 million). A non-refundable deposit of US$375,000 (approx. $475,000) and two installments amounting to US$250,000 (approx. $321,000) were received prior to December 31, 2021. Further installments have been paid in Q1 2022 and remain due in the period to September 2022. Once final payment is made ownership and title to the assets will pass to the purchaser. Taking into account the costs of sale, including storage and insurance of the LLTE for the instalment period, Gabriel expects to add to treasury net cash receipts of approximately US$1.6 million (approx. $2.0 million) in aggregate from the sale. Accordingly, the carrying amount of the remaining LLTE has been written down to its fair value less costs of sale, resulting in an impairment charge of $0.7 million recognized in the statement of loss.

The installments received have been recognised as advance payments in LLTE disposal until such time as the final payment is made and title transfers to the purchaser.

9. Cash and cash equivalents and restricted cash

	December 31 2021	December 31 2020
Cash at bank and on hand	**3,291**	4,571
Short-term bank deposits	**-**	1,911
Cash and cash equivalents	**3,291**	6,482
Restricted cash	**203**	230
	3,494	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 generated outside of Romania and only transferring money from its corporate office to its Romanian subsidiary based on near term cash requirements, thereby mitigating exposure to domestic Romanian banks. At December 31, 2021, the Group held $0.3 million in unrestricted cash and cash equivalents in Romanian banks (2020: $0.4 million).

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

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

9. Cash and cash equivalents and restricted cash (continued)

Cash balances are held in the following currencies:

	December 31 2021	December 31 2020
Canadian dollar	**1,873**	1,658
United States dollar	**566**	3,753
UK pound sterling	**556**	713
Romanian leu	**296**	358
Romanian leu (restricted cash)	**203**	230
	3,494	6,712

10. Other receivables

Other receivables of $0.1 million at December 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:

	December 31 2021	December 31 2020
UK pound sterling	**5**	25
Canadian dollar	**-**	10
Romanian leu	**130**	241
	135	276

11. Prepayments

	December 31 2021	December 31 2020
Corporate insurance	**104**	84
Mining tax	**250**	276
Costs of disposal	**82**	-
Other	**93**	87
	529	447

12. Property, plant and equipment

Property plant and equipment consists of office equipment, vehicles and right of use assets with a carrying value of $0.1 million (2020: $0.1 million).

13. Trade and other payables

	December 31 2021	December 31 2020
Trade payables	**181**	192
Payroll liabilities	**236**	203
Advance payments in LLTE disposal	**796**	-
Accruals and other payables	**4,089**	1,955
	5,302	2,350

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

13. Trade and other payables (continued)

Trade and other payables are accounted for at amortized cost and are categorized as other financial liabilities. Accruals and other payables principally reflect the levels of work performed in the ICSID Arbitration leading up to the balance sheet dates and the related accrued costs, including a fee agreement in respect of the deferral of payment of certain ICSID Arbitration costs incurred in 2021 until an Award is issued.

The advance payments in LLTE disposal reflects the non-refundable deposit and installments received in respect of the sale of the LLTE up to December 31, 2021 which will be recognized and offset against the carrying value of the LLTE once title to the assets passes to the purchaser in 2022.

Trade and other payables represent liabilities incurred in the following currencies:

	December 31 2021	December 31 2020
UK pound sterling	**93**	103
Canadian dollar	**167**	286
United States dollar	**4,557**	1,460
Euro	**15**	65
Romanian leu	**470**	436
	5,302	2,350

14. 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 December 31, 2021 was \$0.5 million (December 31, 2020: \$0.6 million).

15. Other current liabilities

Balance - December 31, 2019	**3,238**	**0.47**	**1,522**
Granted	319	0.47	150
Redeemed	(115)	0.41	(47)
Change in fair value	-	-	(834)
Balance - December 31, 2020	**3,442**	**0.23**	**791**
Granted	**878**	**0.24**	**213**
Change in fair value	**-**	**-**	**(162)**
Balance - December 31, 2021	**4,320**	**0.20**	**842**

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 up to 100 per cent. 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 based on fair value on the closing share price at the end of each subsequent reporting period.

15. Other current liabilities (continued)

As at December 31, 2021, the Company's share price had decreased from $0.230 to $0.195 in comparison to December 31, 2020 and, accordingly, a fair value decrease of $0.2 million has been recorded in the DSU liability. This fair value decrease of existing DSUs is offset by the fair value of the DSUs issued during the period ($0.1 million).

16. 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) There have been no related party transactions with Minvest RM, the non-controlling shareholder of RMGC since 2014, as disclosed in Note 18.

(b) In July 2015, the Company entered into a services agreement with SC Total Business Land SRL ("**TBL**"), a Romanian entity controlled by current and former employees of RMGC, including the current CEO of Gabriel. TBL was set up after Gabriel entered into the ICSID Arbitration with a business purpose to provide specialized services to the Romanian market – for example archaeology, land planning and surveying, permitting, environmental assessment, and digital services. The incorporation of TBL enabled the Gabriel group to significantly reduce its cost base whilst maintaining compliance with its License obligations. The services agreement with TBL is terminable by each party with 30 days' notice and is for the provision of certain manpower to RMGC, primarily to conduct real estate maintenance on RMGC owned land and buildings, preservation of historical buildings, underground works, document management and other administration work. For the year ended December 31, 2021 such charges amounted to approximately $0.4 million (2020: $0.5 million).

(c) In December 2015 RMGC entered into an agreement with TBL to let office space in Alba Iulia for a fixed rate. In March 2020 RMGC entered into a further agreement with TBL to sub-let office space in Bucharest and to recharge applicable rent and utilities costs. This agreement is terminable by each party with 30 days' notice. For the year ended December 31, 2021 such recharges by RMGC amounted to $0.1 million (2020: less than $0.1 million).

(d) In June 2018, the Company entered into a facility agreement with TBL 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. 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. Partial payments of principal on the loan were received in 2019, 2020 and 2021. The balance of the loan at December 31, 2021 was $0.6 million (December 31, 2020: $0.6 million)

(e) In August 2018 TBL entered into a lease agreement with RMGC for a number of vehicles owned by TBL to be used by RMGC in its operations. The agreement was amended in October 2020 to decrease the number of vehicles in line with the severance of certain RMGC employees. The agreement also provides the recharge of tax, insurance and maintenance related costs incurred by TBL to RMGC. The term of the lease is 12 months. For the year ended December 2021 the charges amounted to $0.1 million (December 2020: $0.1 million).

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

16. Related party transactions (continued)

In the following table "Key Management" represents all non-executive directors and executive officers of the Company. The compensation paid or payable to Key Management is as follows:

	December 31 2021	December 31 2020
Salaries and other short-term employee benefits[1]	**1,578**	1,757
Directors' fees	**134**	173
DSUs and RSUs[2]	**213**	193
Share options[2]	**302**	157
Total	**2,227**	2,280

[1] *Salaries and other benefits reflect compensation due and payable for the time period those personnel held a position of director or officer during each year. Consequently, changes in such personnel may affect the comparator.*

[2] *DSUs and Share Options represent compensation paid to non-executive directors and are stated as the fair value as at the date of grant of the instrument.*

17. 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, the continuance of operations in Romania and general working capital costs.

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.

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.

On June 30, 2021 the remaining Notes matured and the Company exercised its option ("**Common Share Repayment Right**") to repay all of the outstanding $90,862,000 principal amount of the Notes through the issue of Common Shares. In aggregate, 313,587,558 Common Shares were issued pursuant to the Common Share Repayment Right.

Also on June 30, 2021, the remaining 103,867,820 Common Share purchase warrants issued in the 2014 and 2016 Private Placements expired unexercised.

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

17. Private placements (continued)

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**
Interest paid	**(11)**
Accretion of debt component	**5,234**
Repayment of convertible notes	**(90,862)**
Balance - December 31, 2021	**-**

2018 Private Placement

On January 15, 2019, the Company announced it had completed final closing of a non-brokered private placement of 106,425,846 units at a price of $0.2475 per unit to raise gross proceeds of US$20 million (approximately $26.3 million) (the "**2018 Private Placement**").

The 2018 Private Placement was completed in two tranches closed on December 24, 2018, for a total of 80,702,475 units, and on January 15, 2019, by issuing a further 25,723,372 units. Each unit of the 2018 Private Placement consists of:

- One Common Share; and
- One Common Share purchase warrant, which entitles 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 81,730,233 units at a price of $0.3225 per unit to raise gross proceeds of US$20 million (approximately $26.3 million) (the "**2019 Private Placement**").

The 2019 Private Placement was completed in two tranches closed on August 23, 2019, for a total of 76,504,263 units, and on September 13, 2019, by issuing the remaining 5,225,970 units. Each unit of the 2019 Private Placement consists of:

- One Common Share; and
- One Common Share purchase warrant, which entitles 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 25,326,972 units at a price of $0.26 per unit to raise gross proceeds of US$5 million (approximately $6.6 million) (the "**2020 Private Placement**").

The 2020 Private Placement was completed in two tranches closed on December 18, 2020, for a total of 23,584,172 units, and on December 23, 2020, by issuing a further 1,742,800 units.

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

17. Private placements (continued)

Each unit of the 2020 Private Placement consists of:

- One Common Share; and
- One half of a Common Share purchase warrant, which entitles 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.

2021 Private Placement

On June 10, 2021, the Company announced it had completed closing of a non-brokered private placement of 30,444,800 Common Shares at a price of $0.245 per Common Share to raise gross proceeds of approximately $7.5 million (the "**2021 Private Placement**").

18. 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[1] (revised - note 3)
Balance - December 31, 2019	**574,246**	**900,839**
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**	**916,256**
Shares issued on the exercise of RSUs	401	152
Shares issued in private placement	30,445	7,372
Shares issued on the repayment of convertible notes	313,588	90,712
Balance - December 31, 2021	**967,541**	**1,014,492**

[1] - Amounts in this column refer to amounts ***net*** of issue costs

Common Share purchase warrants

A summary of movements in the number and exercise price of Common Share purchase warrants in the two years to December 31, 2021 is as follows:

	Number of warrants ('000)	Weighted average exercise price (dollars)
Balance - December 31, 2019	**299,692**	**0.52**
Exercised	(7,668)	0.46
Issued	12,663	0.39
Balance - December 31, 2020	**304,687**	**0.52**
Expired	(103,867)	0.46
Balance - December 31, 2021	**200,820**	**0.55**

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

18. Share capital (continued)

Share Options

The exercise price of 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 ten years from the date of issuance.

The maximum number of Common Shares issuable under the Option Plan is fixed at 59,778,004.

As at December 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	2,630	0.26	8.3	2,195	0.26	8.1
0.31 - 0.40	13,744	0.36	5.9	12,859	0.36	6.0
0.41 - 0.50	11,054	0.45	6.9	11,054	0.45	6.9
0.51 - 0.60	88	0.57	7.8	88	0.57	7.8
0.61 - 0.70	481	0.65	4.6	481	0.65	4.6
0.71 - 0.80	5,000	0.79	2.0	5,000	0.79	2.0
	32,997	0.45	5.8	31,677	0.46	5.8

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 Consolidated Statement of Comprehensive Loss.

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

	Number of options (thousands)	**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)	0.46
Balance - December 31, 2020	**31,109**	**0.46**
Options granted	**1,888**	**0.25**
Balance - December 31, 2021	**32,997**	**0.45**

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

18. Share capital (continued)

During the year ended December 31, 2021, 1.9 million Share Options were granted at a weighted average exercise price across all grants of $0.25, of which 0.45 million vested immediately and the remaining 0.45 million vest on the first anniversary of the grant. Of the Share Options granted, 856,176 were granted in January 2021 relating to payment for services in 2020. In January 2022, 297,790 Share Options were granted related to payment for services in Q4 2021.

In the corresponding year ended December 31, 2020, 6.2 million Share Options were granted at a weighted average exercise price across all grants of $0.46, of which 3.3 million vested immediately and the remaining 2.9 million vested on the first anniversary of the grant. A total of 2.1 million Share Options lapsed unexercised in the period. Of the 6.2 million Share Options granted, 102,704 were granted in January 2020 relating to payment for services in Q4 2019.

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

	December 31 2021	December 31 2020
Weighted average risk-free interest rate	**0.75%**	1.49%
Volatility of share price	**80%**	90%
Weighted average life of options (years)	**5.1**	5.2
Pre-vesting forfeiture rate	**10%**	10%
Weighted average fair value of awards ($)	**0.16**	0.33

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

19. Non-controlling interest

	Rosia Montană Gold Corporation S.A.
Balance - December 31, 2019	**3,902**
Currency translation adjustment	(15)
Balance - December 31, 2020	**3,887**
Currency translation adjustment	**1**
Balance - December 31, 2021	**3,888**

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 December 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 for 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.

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

20. Income taxes

The following table reconciles the expected income tax at the Canadian statutory income tax rate to the amounts recognized in the Consolidated Statement of Losses.

	December 31 2021	December 31 2020
Loss before income taxes	**19,899**	34,682
Income tax rate (1)	**27.0%**	27.0%
Income tax at statutory rates	**(5,373)**	(9,364)
Tax effects of:		
- Impact of foreign tax rates(2)	**556**	806
- Non-deductable items / permanent differences	**110**	397
- Unrecognised deferred tax assets	**4,707**	8,161
Income tax recovery	**-**	-

(1) The income tax rate reflects the combined federal and provincial tax rates in effect in Yukon, Canada for each period shown. Effective July 1, 2017 the income tax rate in Yukon was reduced from 15% to 12%.
(2) The Company has operations based in Romania, which has a different tax rate to the Canadian statutory rate.

The Group has the following unrecognized deductible temporary differences within Canada. The expected future cash flow will be determined by the future tax rates applicable in Canada when the assets are utilized.

	December 31 2021	December 31 2020	Expiry
Losses carried forward	**117,566**	99,185	2026-2038
Unclaimed share issue cost	**337**	602	No expiry
Capital assets	**1,526**	1,526	No expiry
Cumulative eligible capital expenditures	**13,328**	13,328	No expiry
Deductable temporary differences	**132,757**	114,641	

RM Gold (Services) Ltd has $3.1 million of unrecognized deductible temporary differences in the United Kingdom (2020: $3.2 million), with no specified expiry date, to be carried forward for use against future profits. RMGC has unrecognized temporary differences in Romania of $559.4 million (2020: $535.0 million). These differences could give rise to deferred tax assets at a future date. Losses carried forward, which are a component of the deductible temporary differences in Romania, amounted to $50.8 million (2020: $62.4 million) and have expiry dates between 2022 and 2028.

The Group does not recognize deferred tax assets until such time as recovery of the taxes is probable.

21 Commitments

The following is a summary of contractual commitments of the Group including payments due for each of the next five years and thereafter.

	Note	**Total**	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**
Operating lease commitments								
Rosia Montană exploitation license	a	375	250	125	-	-	-	-
Surface concession rights	b	949	32	32	32	32	32	789
Lease agreements	c	183	183	-	-	-	-	-
Total commitments		1,507	465	157	32	32	32	789

21 Commitments (continued)

(a) Under the terms of the License, an annual fee is required to be paid to maintain the License in good standing. The current annual fee is approximately $0.3 million. These fees are indexed annually by the Romanian Government until expiry, which is currently June 2024, subject to further prospective five year renewal periods.

(b) RMGC has approximately 40 years remaining on concession agreements with the Local Councils of Roșia Montană and Abrud by which it is granted exploitation rights to property located on and around one of the Project's proposed open pits for an annual payment of approximately $32,000 (Romanian Leu equivalent).

(c) The Group has entered into agreements to lease premises for various periods. The annual rent of premises consists of minimum rent plus taxes, maintenance and, in certain instances, utilities.

22. Contingent Liabilities

The Company has a number of contingent liabilities which may accrue on the issuance of an Award, namely***:***

(i) in respect of an agreement to defer certain professional fees incurred and to be incurred in connection with the execution of the ICSID Arbitration. Such fees up to a limit of US$3 million are to be deferred in full. Any fees incurred under the deferred fee agreement in excess of US$3 million are required to be settled by the Company 50% as they are incurred, with the balance being added to the deferred amount. All deferred fees are payable within six months of issuance of an Award and are subject to a multiplier if such Award is made in favour of the Claimants above certain monetary thresholds. The Company accrues fees as incurred within its current liabilities but not the potential additional fees payable under the deferred fee arrangement if the multiplier is applicable, since such fees cannot be determined prior to issuance of an Award. In accordance with the deferred fee agreement, the liability of the Company which would occur under certain Award scenarios wound fall in the range of one to five times the fees actually incurred and deferred.

(ii) in respect of 95,625 arbitration value rights ("**AVR**s"), comprising:

a. 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 Award irrevocably made in its favour, subject to a maximum aggregate entitlement of $175 million among all holders of such AVRs; and

b. 40,625 AVRs entitling the holders to a pro rata share of 5.54% of any proceeds arising from any Award, subject to a maximum aggregate entitlement of $129.3 million among all holders of such AVRs.

(iii) in respect of the key employee engagement plan ("**KEEP**"), an arbitration-focused retention and incentive program established by the Company in 2016. Its aim is to ensure the long-term participation and incentivization of the Group's personnel, including its executive management, employees, non-executive directors and other contributors in pursuing the ICSID Arbitration through to a successful recovery. The KEEP is a trust established by the Claimants, as settlors, pursuant to a trust agreement dated July 2016, as amended. Subject to its terms and conditions, the KEEP provides that in the event that an Award is made in favor of, or a settlement is accepted by, Gabriel in connection with the ICSID Arbitration proceedings, the Claimants will pay, or procure the payment, to the KEEP trust. Such payment will be made following receipt of the proceeds awarded to the Claimants (inclusive of any non-monetary consideration) and subject to the payment of any taxes, payable or required to be withheld by the Claimants or by law, in an amount of cash equal to: (i) 7.5% of the first US$500 million of the proceeds; and (ii) 2.5% of any amount of proceeds in excess of US$500 million.

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

22. Contingent Liabilities (continued)

(iv) in June 2017, Gabriel entered into a settlement and release agreement to resolve a contractual dispute with a third-party agent regarding a contested obligation to pay certain commission to such agent (the "**Settlement Agreement**"). Pursuant to the terms of the Settlement Agreement, the Company is obligated to pay to the agent a fee based upon the receipt of funds paid by the Respondent to the Company in relation to the ICSID Arbitration claim, if any, up to a maximum amount of US$1.74m, within 90 days of receipt of such funds.

23. Loss per share

		December 31 2021		December 31 2020
Loss for the year attributable to owners of the parent		**19,899**		34,682
Weighted-average number of Common Shares (000's)				
Basic number of shares		**799,046**		588,712
Basic and diluted loss per share	**$**	**0.02**	$	0.06

As at December 31, 2021, the Company had 967,540,188 common shares in issue. While the Company is in a loss-making position, the effect of further potential share issuances under Share Options, DSUs and warrants of 238,136,280 common shares in aggregate would be anti-dilutive. Diluted loss per share is therefore deemed to be the same as basic loss per share.

24. Post Balance Sheet Events

Sale of Land

On February 2, 2022, RMGC concluded a conditional pre-sale agreement for the sale of 93 plots of land covering a total area of 68,229 sqm and a small number of buildings owned by RMGC as part of the housing construction project undertaken in the Recea resettlement neighborhood of Alba Iulia. Following the impairment of all Project related assets held as "mineral properties" in the consolidated statement of financial position in December 2015, the land is held at nil book value.

The agreed sale price is 1,000,000 EUR (approx. $1.45 million), to be received by RMGC in RON and a deposit of 200,000 EUR was received by RMGC on February 7, 2022. Following fulfilment of certain conditions of sale, a definitive sale and purchase agreement was signed by the parties on February 25, 2022. The balance of 800,000 EUR will be paid in three installments, 550,000 EUR was received by RMGC in March 2022 and a further installment of 250,000 EUR is to be received on or before April 24, 2022.

25. 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").

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

25. Segmental information (continued)

The segmental report is as follows:

	Romania		Corporate		Total	
For the year ended December 31,	**2021**	2020	**2021**	2020	**2021**	2020
Reportable items in the Consolidated Statements of Income and Comprehensive Income						
Interest received	**-**	-	**(10)**	(71)	**(10)**	(71)
Finance costs - convertible note accretion	**-**	-	**5,234**	9,784	**5,234**	9,784
Depreciation	**24**	31	**7**	8	**31**	39
Reportable segment loss	**5,050**	7,312	**14,849**	27,370	**19,899**	34,682
As at December 31,	**2021**	2020	**2021**	2020	**2021**	2020
Reportable segment in Consolidated Statement of Financial Position						
Reportable segment current assets and assets classified as held for sale	**2,975**	3,657	**2,974**	6,283	**5,949**	9,940
Reportable segment non - current assets	**274**	335	**569**	619	**843**	954
Reportable segment liabilities	**(1,041)**	(1,013)	**(5,650)**	(88,326)	**(6,691)**	(89,339)

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

26. Financial instruments

The recorded amounts for cash, cash equivalents, short-term investments, accounts receivable, accounts payable, accrued liabilities and other liabilities approximate fair values based on the nature of those instruments. 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 on short-term overnight deposit with the 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 subsidiary. The Group manages its Romanian bank credit risk by centralizing custody, control and management of its surplus cash resources generated 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 small cash balances in the United Kingdom with a major UK bank to fund corporate activities.

Liquidity risk

As at December 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, including enforcement. As such, the Company will require additional future funding as discussed in Note 1.

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

26. Financial instruments (continued)

Market risk

(a) Interest rate risk

The Group maintains a short-term investment horizon, typically less than 3 months, for its cash and cash equivalents.

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 favour of capital preservation.

(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 denominated in Romanian Leu, US dollars, UK pounds sterling and Euros and is, therefore, subject to exchange variations against both the functional and presentation currency.

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 economic and market volatility. The Group currently endeavours to keep the majority of its cash, cash equivalents, and short-term investments in United States dollars and Canadian dollars.

Financial instruments

The Group's financial assets consist of cash and cash equivalents; the estimated fair value is considered to approximate the carrying value. The Group's financial liabilities consist of trade and other payables, and resettlement liabilities, which are at amortized cost, and other liabilities which are fair valued through profit and loss (Notes 13-15).

The following table illustrates the classification of the Group's financial instruments, which are measured at fair value on a recurring basis, within the fair value hierarchy as at December 31, 2021:

	Financial assets and liabilities at fair value as at December 31, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	3,494	-	-	**3,494**
Other liabilities	842	-	-	**842**
	4,336	-	-	**4,336**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by the stated valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

26. Financial instruments (continued)

Sensitivity analysis

As of December 31, 2021, the carrying amount of the financial instruments equals fair market value. Based on Management's knowledge and experience of the financial markets, the Company believes, based on its balance of cash and cash equivalents as at December 31, 2021, the following movements are "reasonably possible" over a twelve-month period:

- Cash and cash equivalents. A plus or minus 1% change in earned interest rates would affect net interest income by less than $0.1 million.
- The Group holds foreign currency balances, giving rise to exposure to foreign exchange risk. A plus or minus 1% change in exchange rates would affect net income by less than $0.1 million.

27. Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, fund its planned activities and commitments and retain financial flexibility to respond to unforeseen future events and circumstances. The Group manages, and makes adjustments to its capital structure based on the level of funds on hand and anticipated future expenditures.

In order to maintain or adjust the capital structure, the Group has, when required, raised additional capital. The Group has not paid dividends, nor returned capital to shareholders to date.

With the exception of minimum capital requirements pursuant to general company law, the Group is not subject to any other externally imposed capital requirements.

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

28. Summarized financial information of subsidiary with non-controlling interest

RMGC is the Group's only subsidiary with a non-controlling interest, as summarized further in Note 19. The summarized financial statements of RMGC, which are unaudited and are derived from the consolidation workings for these Financial Statements, are as follows:

Summarized statement of financial position

As at December 31	**2021**	2020
Current assets	**2,975**	3,657
Non-current assets	**274**	335
Total assets	**3,249**	3,992
Current liabilities	**(1,041)**	(1,013)
Non-current liabilities	**(867,035)**	(842,833)
Total liabilities	**(868,076)**	(843,846)

Summarized statement of comprehensive income

For the year ended December 31	**2021**	2020
Loss for the year	**5,050**	7,312
Other comprehensive loss / (income) (Currency translation adjustment)	**(24)**	115
Comprehensive loss for the year	**5,026**	7,427

Summarized statement of cash flows

For the year ended December 31	**2021**	2020
Net cash utilized by operating activities	**(5,072)**	(7,314)
Net cash provided by financing activities	**5,009**	7,369
Net (decrease) / increase in cash and cash equivalents	**(63)**	55