Management’s Discussion and Analysis

*This Management’s Discussion and Analysis (“**MD&A**”) provides a commentary to enable a reader to assess material changes in the financial condition and results of operations of Gabriel Resources Ltd. (“**Gabriel**” or the “**Company**”) and its subsidiary companies (together the “**Group**”) as at, and for the three and six-month periods ended June 30, 2023 and 2022.*

*The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes thereto of the Company as at and for the three and six-month periods ended June 30, 2023 and 2022 (“**Financial Statements**”). The Financial Statements have been prepared in condensed format in accordance with International Financial Reporting Standards (“**IFRS**”) as applicable to the preparation of interim financial statements, including International Accounting Standard IAS 34 (‘Interim Financial Reporting’). The Financial Statements should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company as at and for the year ended December 31, 2022, which have been prepared in accordance with IFRS.*

*All amounts included in the MD&A are in Canadian dollars (“**$**”), unless otherwise specified. This report is dated as of August 3, 2023 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 of the Company (“**Management**”) as of the date of this MD&A. All forward-looking statements, including those not specifically identified herein are made subject to 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 exploration, identifying and defining the size of the four ore bodies together with the size, scope and feasibility of the Project, building strong community relations, surface rights acquisitions, rescue archaeology and environmental assessment and permitting. . Gabriel invested over US$760 million to 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**").

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 unlawfully blocked and prevented the implementation of the Project and the Bucium Projects without compensation in contravention of the applicable legal and administrative processes and requirements.

Gabriel made repeated attempts to engage with the Government of Romania to find a way forward believing that the interests of all stakeholders would be best served if an amicable resolution could be reached. However, in the absence of any willingness by the Romanian authorities to engage in dialogue, Gabriel was left with no alternative but to pursue arbitration proceedings against Romania in July 2015. Since that time, the arbitration has become the Company's core focus.

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

ICSID Arbitration

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**").

The ICSID Arbitration seeks compensation for the loss and damage suffered by the Claimants resulting from the Respondent's breaches of the Treaties' protections.

On July 30, 2015, ICSID registered Gabriel's request for the institution of arbitration proceedings to resolve the dispute. The original arbitral tribunal ("**Tribunal**") was constituted on June 21, 2016. The current members of the Tribunal are Prof. Pierre Tercier (Switzerland), Mr. Horacio Grigera Naón (Argentina) and Prof. Zachary Douglas (Australian).

The ICSID Arbitration process is well advanced and the Claimants and the Respondent (together "**Parties**") await a final decision, an arbitral award, to be rendered by the Tribunal (an "**Award**"). To date, and in accordance with the procedural timelines established by the Tribunal, the Parties have filed a large number of substantial written submissions and participated in two hearings on the merits of the claim. Key milestones in the ICSID Arbitration proceedings have been disclosed at length in Gabriel's prior quarterly and annual filings. In the 2023 year to date such milestones include:

- On November 8, 2022, the Tribunal invited the Parties to confer and agree on a schedule for the exchange of their cost statements, which were filed with the Tribunal by the Parties simultaneously in two rounds of submissions on December 16, 2022 and January 6, 2023.
- On May 30, 2023, the Tribunal informed the Parties that it had received a request from certain non-governmental organizations (or 'non-disputing parties') who have opposed the Project for many years. ("**NGO Amici**") for leave to add a further submission to the record of the case. Following representations from the Parties, the Tribunal rejected the NGO Amici's request on June 27, 2023.
- On July 14, 2023, a Romanian citizen submitted an application to introduce a further non-disputing party submission to the record. The Tribunal rejected this application on July 31, 2023 noting, amongst other things, that it does not require any further information from potential non-disputing parties at this stage in the proceedings.

As at the date of this document the Tribunal is yet to render an Award. In April 2023, the President of the Tribunal advised the Parties that the Tribunal's latest deliberations took place in March 2023 and that the Tribunal was working hard to prepare the Award and deliver it to the Parties in a timely manner. Furthermore, in the procedural order made by the Tribunal on June 27, 2023 in respect of the NGO Amici application, the Tribunal noted that its decision-making at this stage is almost complete.

There is, however, no specified timeframe in the ICSID Rules applicable to this case in which an Award is to be rendered by the Tribunal. Accordingly, there is no certainty as to when the written Award will be issued or whether further procedural steps may be required by the Tribunal prior to the issuance of an Award. Any Award may be subject to a request for annulment by either Party, albeit such annulment application can only be made on very limited grounds under the ICSID Convention.

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.

If an Award concludes that Romania has breached the Treaties and is required to pay compensation to the Claimants, the Company will take appropriate steps to enforce and recover such an Award and to defend any annulment proceedings brought by Romania. In such circumstances, the enforcement and recovery of an Award may present material challenges and take a number of years.

A summary of the procedural aspects of the ICSID Arbitration, together with copies of the procedural orders of the Tribunal and the principal submissions, are available on ICSID's website.

Liquidity

Cash and cash equivalents at June 30, 2023 were $7.0 million.

The Company's average monthly cash usage during Q2 2023 was $1.0 million (Q1 2023: $0.7 million), primarily reflecting the consistent level of ongoing operational cost and limited ICSID Arbitration activity quarter on quarter.

At the end of Q2 2023, accruals for costs in respect of the ICSID Arbitration amounted to $4.6 million (Q1 2023: $4.5 million), 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).

Management continues to keep under review the Company's activities in order to identify areas to further rationalize expenditures.

Capital Resources

Private Placement

On June 8, 2023, the Company completed a non-brokered private placement (the "**2023 Private Placement**") of 24,782,212 common shares of the Company ("**Common Shares**") at a price of $0.26 each for gross proceeds of US$4.75 million (approximately $6.4 million). The Company will use the proceeds from the 2023 Private Placement to finance the ongoing costs of the ICSID Arbitration and for general working capital requirements.

Future Financing Requirements

On the basis of the Company's balance of cash and cash equivalents as at June 30, 2023, and taking into account: (i) the fee agreement in respect of the deferral of payment of certain ICSID Arbitration costs (see "Contingent Liabilities" below)); and (ii) the deferral of a portion of salary and fees for certain employees and directors (see also "Contingent Liabilities" below), the Company believes that it has sufficient cash necessary to fund general working capital requirements together with the material estimated costs associated with advancing the ICSID Arbitration through to December 2023.

At that time the Tribunal may not have yet reached a decision. As noted above, 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 further procedural steps may be required to be completed prior to the issuance of an Award.

Accordingly, post December 2023, Gabriel will require further funding in order 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) and for general working capital purposes, including to preserve its remaining assets, such as its License and associated rights and permits.

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. As noted below, the market and timing of any additional financing could also be adversely affected by the effects of COVID-19 and the Russia-Ukraine conflict, amongst other factors.

Other Recent Developments

RMGC - Government Audits and Investigations

Since the filing of the ICSID Arbitration, RMGC has been subjected to several Value Added Tax ("**VAT**") audits and other investigations by the Romanian National Agency for Fiscal Administration ("**ANAF**"), an agency of the Romanian Ministry of Finance, the Ministry charged with Romania's defense of the ICSID Arbitration. The timing, scope and manner of implementation of these audits and investigations are, in the view of Gabriel and RMGC, excessive and retaliatory to the Company's pursuit of the ICSID Arbitration.

VAT Audits and Inspections

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

In July 2022, two separate ANAF inspection teams commenced further VAT reviews of RMGC which involved the reopening of 30 previously audited periods from February 2016 to September 2021. In September and October 2022, RMGC was notified of ANAF's decision to fully reimburse the amounts challenged by RMGC. A further VAT inspection, auditing the period from October 2021 to December 2021, was closed on October 27, 2022 with the decision to fully reimburse the VAT amount requested by RMGC for the period.

Prosecutor Office and ANAF Investigation

In November 2013, RMGC was informed of an investigation by the Ploiesti Public Prosecutor's Office into the principals/key shareholders of a group of companies known as the "Kadok Group". The public prosecutor subsequently extended the investigation of the Kadok Group to other companies, including RMGC which had had a short-term commercial relationship with the Kadok Group in 2012.

In 2015, less than two months after Gabriel filed its Request for Arbitration against Romania, the public prosecutor mobilized a directorate of ANAF to pursue an investigation of RMGC that has continued for over eight years as of the date of this MD&A.

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 that another prosecutor's office would continue an investigation of the commercial relations between RMGC and a list of service providers.

The ad hoc investigations pursued by ANAF over the past eight years has covered 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 2023.

The investigation remains active and ongoing and the most recent developments include:

- On December 21, 2022, a division of ANAF issued a findings report in respect of 7 suppliers of RMGC (~$41m of transactions investigated) that concluded that RMGC should not have deducted for fiscal purposes a total expenditure of ~$29m (from 2007 to 2015) and related VAT of ~$6.7m.
- On December 28, 2022, a division of ANAF issued a findings report in respect of 9 suppliers of RMGC (~$26m of transactions investigated) that concluded that RMGC should not have deducted for fiscal purposes a total expenditure of ~$7m and related VAT of ~$1.6m .
- On March 10, 2023, a division of ANAF issued a findings report in respect of 35 suppliers of RMGC (~$90m of transactions investigated) that identified ~$19m of findings against RMGC (an expenditure of ~$11m that RMGC should not have been deducted for fiscal purpose with ~$2.7m related VAT, ~$4.2m of VAT adjustments and VAT for uninvoiced services and ~$0.6m of additional labor taxes for services requalified to labor). Of this amount, ANAF concluded that expenditure of ~$14.6m was allegedly incurred on purposes not directly related to carrying out RMGC's object of activity.
- A further findings report in respect of an investigation of transactions involving RMGC's core technical advisers to the Project is expected in due course.

RMGC (together with its professional advisers) has filed substantive written rebuttal submissions in response to all of the above-noted findings reports, identifying, amongst other things, the multiple errors and inaccuracies in such reports; the fact that the audit investigations were carried out by a department of ANAF that did not have legal attribution to perform the matter; that the conclusions of the findings' reports contradict the conclusions of multiple prior fiscal audits undertaken in respect of RMGC and disregard Romanian legislation, European jurisprudence and prior decisions of the Romanian Supreme Court; and that the investigations undertaken by ANAF are retaliatory actions in response to the pursuit by the Claimants of the ICSID Arbitration claim.

Gabriel and RMGC will continue to vigorously challenge and contest the continuing abusive investigations by ANAF and flawed findings reports.

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.

Change of Auditors

As previously disclosed, effective as of May 12, 2023, PricewaterhouseCoopers LLP ("**PwC**") resigned as auditor at the request of the Company and Ernst & Young LLP ("**EY**") has been appointed as successor auditor to hold office until the close of next annual meeting of the Company at a remuneration to be fixed by the Board.

Annual General Meeting

The Company held its AGM on August 3, 2023, and all the resolutions proposed to shareholders, as set out in the Company's Management Information Circular dated June 28, 2023, were adopted. The resolutions included: (i) re-electing Anna El-Erian, Jeffrey Couch, Dag Cramer, Ali Erfan, Daniel Kochav, James Lieber and Dragos Tanase as directors of the Company; and (ii) re-appointing Ernst and Young LLP as auditors of the Company for the ensuing year and authorization of the directors of the Company to fix the auditor's remuneration.

Outlook

The Company's current plans for the following year are as follows:

- the advancement of any final procedural stages of the ICSID Arbitration and undertaking preparatory initiatives prior to the potential issuance of an Award during the course of 2023;
- 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).

Results of Operations

The results of operations are summarized in the following tables. The amounts are derived from the Financial Statements prepared under IAS 34.

in thousands of Canadian dollars, except per share amounts	**2023 Q2**	**2023 Q1**	**2022 Q4**	**2022 Q3**
Income Statement				
Loss - attributable to owners of parent	2,646	2,037	2,639	1,421
Loss per share - basic and diluted	0.00	0.00	0.00	0.00
Statement of Financial Position				
Working capital	223	(3,516)	(1,486)	(924)
Total assets	8,366	5,169	6,935	10,925
Statement of Cash Flows				
Net cash-in-flows from financing activities	6,390	-	-	-

in thousands of Canadian dollars, except per share amounts	**2022 Q2**	**2022 Q1**	**2021 Q4**	**2021 Q3**
Income Statement				
Loss - attributable to owners of parent	2,801	877	2,252	2,987
Loss per share - basic and diluted	0.01	0.00	0.00	0.00
Statement of Financial Position				
Working capital	685	(3,601)	(2,736)	(558)
Total assets	12,332	6,283	6,792	8,230
Statement of Cash Flows				
Net cash-in-flows from financing activities	7,028	-	-	-

Review of Financial Results

	3 months ended June 30		**6 months ended June 30**	
in thousands of Canadian dollars, except per share amounts	**2023**	2022	**2023**	2022
Operating loss for the period	**2,583**	2,795	**4,627**	5,174
Loss for the period				
- attributable to owners of parent(1)	**2,646**	2,801	**4,683**	3,678
Loss per share - basic and diluted	**0.00**	0.00	**0.00**	0.00

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

Operating loss for the three-month period ended June 30, 2023 of $2.6 million was $0.2 million lower when compared to the corresponding period in 2022 ($2.8 million) primarily reflecting a $0.2 million lower share based compensation charge.

Overall loss for the three-month period ended June 30, 2023 was also $2.6 million, compared to $2.8 million in the corresponding period in 2022.

Expenses

Corporate, General and Administrative

in thousands of Canadian dollars	**3 months ended June 30**		**6 months ended June 30**	
	2023	2022	**2023**	2022
Payroll	**870**	998	**1,730**	1,938
ICSID Arbitration related	**325**	648	**827**	998
Finance, audit, accounting and compliance	**647**	258	**770**	588
Property taxes	**184**	160	**368**	325
Project obligations and community relations	**152**	139	**311**	297
Legal	**144**	39	**206**	150
Travel and transportation	**3**	173	**174**	175
Information technology	**83**	56	**131**	114
Office rental and utilities	**57**	38	**100**	121
External communications	**10**	6	**19**	11
Other	**105**	97	**224**	198
Corporate, general and administrative expense	**2,580**	2,612	**4,860**	4,915

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 procedures and written submissions which were principal drivers of related costs are set out in “ICSID Arbitration” above. In addition, ancillary advisory costs are incurred in respect of post-Award strategy. For the three-month period ended June 30, 2023, such ICSID Arbitration related costs were $0.8 million, reflecting fees incurred in the quarter relating to ad hoc matters and $0.3 million of fees paid directly to ICSID in respect of tribunal costs. ICSID Arbitration related expenses in the corresponding quarter of 2022 of $0.7 million reflected fees incurred in preparing the June 14, 2022 submission responding to additional Tribunal questions.

Payroll is the total of cash-based director fees and salaries and relevant taxes for all Group employees. As previously disclosed, certain employees and directors of the Group have agreed to accept a 20% deferral of their base salary / fees effective as of February 1, 2022 and April 1, 2022 respectively (“**Deferred Salary**”). As detailed in the “Contingent Liabilities” note below, the Company will pay 150% of the aggregate accumulated amount of the Deferred Salary dependent on recovery of sufficient monies received pursuant to any settlement or Award irrevocably made in its favor to discharge the liability in full.

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. In the six months to June 30, 2023 such costs have been inflated in Romania with regard to matters such as responding to the ANAF investigations.

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 14 of the Financial Statements for detail).

In Q4 2022, the Board asked the independent directors of Gabriel to commence a review of the scope of historic and future services to be provided by one such related party, SC Total Business Land SRL ("TBL"), a Romanian entity controlled by current and former employees of RMGC. This review is ongoing.

Travel and transportation costs arise primarily in relation to the Romanian operations.

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 June 30		6 months ended June 30	
in thousands of Canadian dollars	**2023**	2022	**2023**	2022
Interest income	**10**	2	**31**	4

Interest income reflects the average holdings of cash and cash equivalents during the respective periods shown above. Interest income has increased significantly since Q2 2022, in line with increased North American treasury yields in the period.

As at June 30, 2023, none of the Company's cash and cash equivalents were invested in US government guaranteed instruments (December 31, 2022: nil), with the majority of cash balances held with major Canadian banks.

Share-Based Compensation

	3 months ended June 30		6 months ended June 30	
in thousands of Canadian dollars	**2023**	2022	**2023**	2022
DSU expense / (reversal)	**23**	90	**(211)**	100
Share option - expense / (reversal)	**(23)**	87	**(28)**	146
Share based compensation	-	177	**(239)**	246

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

With effect from July 1, 2016, non-executive directors received 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 elected to receive all of their directors' fees payable in DSUs or Options. With effect from April 1, 2022, these arrangements have been discontinued and non-executive directors will receive 80% of their directors' fees in cash with the remaining 20% deferred on the same basis applicable to certain employees, as noted above within the commentary on payroll costs.

	3 months ended June 30		6 months ended June 30	
	2023	2022	**2023**	2022
Share option compensation				
Number of share options granted	**-**	120,466	**-**	418,236
Average value ascribed to each option granted	**$ -**	$ 0.24	**$ -**	$ 0.21
DSU compensation				
Number of DSUs issued	**-**	221,079	**-**	388,250
Average value ascribed to each DSU issued	**$ -**	$ 0.24	**$ -**	$ 0.22

No Options or DSUs were granted to during the three-month period ended June 30, 2023.

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 June 30, 2023, the Company's share price was $0.275 (March 31, 2023 $0.275; December 31, 2022: $0.32), resulting in a DSU expense less than $0.1 million for the three-month period ended June 30, 2023.

Foreign Exchange

The Company has experienced a foreign currency loss of $0.1 million in the three-month period to June 30, 2023 (December 31, 2022: gain of $0.1 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 a proportion of 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 June 30, 2023 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 June 30		**6 months ended June 30**	
in thousands of Canadian dollars	**2023**	2022	**2023**	2022
Total investment in capital assets	**2**	-	**2**	3
Depreciation and disposal - expensed	**3**	6	**6**	13

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

Financing Activities

The Company has raised funds since 2014 through private placements of convertible notes, Common Shares and warrants (together "**Private Placements**") amounting to gross aggregate proceeds of $175.6 million including $6.4 million raised in the 2023 Private Placement, described above.

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.

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 June 30, 2023, aggregate cash and cash equivalents were $7.0 million (December 31, 2022: $5.6 million). As noted above, on June 8, 2023, the Company announced the 2023 Private Placement, raising gross proceeds of US$4.75 million (approximately $6.4 million).

Working Capital

At June 30, 2023, the Company had working capital, calculated as total current assets less total current liabilities of $0.2 million (March 31, 2023: negative $3.5 million December 31, 2022: negative $1.4 million).

The $1.6 million increase in working capital since the 2022 year end is due to the funds received in the 2023 Private Placement, offset by ongoing ICSID Arbitration expenditure and operating costs of the Company in the six months to June 30, 2023.

At June 30, 2023, the Company had current liabilities of $7.4 million (December 31, 2022: $7.6 million). These balances are predominantly made up of the ICSID Arbitration cost accruals at June 30, 2023 (reflecting work performed in 2021, 2022 and 2023 where costs are accrued in accordance with the deferred fee arrangement) which amounted to $4.6 million (December 31, 2022: $4.5 million) together with DSU liabilities at June 30, 2023 of $1.3 million (December 31, 2022: $1.5 million) and resettlement provisions of $0.6 million at both June 30, 2023 and December 31, 2022.

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 June 30, 2023 the Company had accrued resettlement liabilities totaling $0.6 million (December 31, 2022: $0.6 million).

Contractual Obligations

The Company and its subsidiaries have 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 June 30, 2023 is included within the Financial Statements.

Contingent Liabilities

The Company has a number of contingent liabilities which may accrue on the issuance and/or recovery 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 have been deferred in full. 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 (if any) 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 would 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.

Since 2016, the KEEP has served, and continues to serve, as a critical tool to ensure that the key personnel, who held important historical information and knowledge to contribute towards the prosecution of the Arbitration claim and/or who were and are deemed necessary to implement and coordinate the ongoing Arbitration process, have been retained and/or continue to be retained through the course of the Arbitration (including the potential enforcement phase) to optimize the chances of a successful outcome and to protect, and deliver on, the Company's core strategic objectives. 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 make a cash payment, 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. In Q2 2022, the independent directors of Gabriel commenced a review of the KEEP. This review is ongoing.

(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.

(v) effective February 1, 2022, certain employees of the Group have agreed conditionally to accept a 20% reduction in their base salary. The terms of the agreement are that each such employee will be paid an amount equal to 150% of the aggregate accumulated amount of their respective Deferred Salary within 60 days of receipt of any monies received by the Company and/or any of its affiliates pursuant to any settlement or Award irrevocably made in its favor in relation to the ICSID Arbitration claim that is sufficient to satisfy and discharge the aggregate accumulated Deferred Salary in full.

Similarly, with effect from April 1, 2022 the directors have agreed to defer 20% of their fees due on the same basis.

Related Party Transactions

The Group had related party transactions, with associated persons or corporations, which were undertaken in the normal course of operations. See Note 14 of the Financial Statements for more information regarding the Group's related party transactions including key Management compensation. Other such transactions include:

(a) 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 six-month period ended June 30, 2023 such charges amounted to approximately $0.1 million (June 30, 2022: approximately $0.1 million).

(b) 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 six-month period ended June 30, 2023 such recharges by RMGC amounted to less than $0.1 million (June 30, 2022: less than $0.1 million).

(c) 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, 2021, 2022 and 2023. The balance of the loan at June 30, 2023 was $0.5 million (December 31, 2022: $0.5 million)

(d) 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 six-month period ended June 30, 2023 the charges amounted to less than $0.1 million (June 30, 2022: less than $0.1 million).

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 June 30, 2023, and taking into account (i) a fee agreement in respect of the deferral of payment of certain ICSID Arbitration costs; and (ii) the deferral of a portion of salary and fees for certain employees and directors, the Company believes that it has sufficient cash necessary to fund general working capital requirements together with the material estimated costs associated with advancing the ICSID Arbitration through to December 2023.

At that time the Tribunal may not have reached a decision, as 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 further procedural steps may be required to be completed prior to the issuance of an Award. Accordingly, post December 2023, Gabriel will require further funding in order 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) and for general working capital purposes, including to preserve its remaining assets, such as its License and associated rights and permits.

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.

Deferred 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

Units issued by the Company in the private placements completed in 2014 and 2016 included arbitration value rights. 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 June 30, 2023.

Units issued by the Company in the private placements completed in 2018, 2019 and 2020 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.

Common Shares issued by the Company in the private placements completed in 2021, 2022 and 2023 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 adjusts 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. Where appropriate and available to the Group, it 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 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 limited 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 each 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 June 30, 2023, the Group held approximately 92% of its cash and cash equivalents in US dollars.

The Company has not entered into any derivative hedging activities.

Sensitivity

As of June 30, 2023, 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 Group's balance of cash and cash equivalents as at June 30, 2023, 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 approximately $0.1 million.
- A plus or minus 1% change in foreign exchange rates; would affect net income by approximately $0.1 million.

Risks and Uncertainties

An investment in the Common Shares is subject to 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. 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.

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 and any enforcement of an Award, 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 a monetary award from the Respondent in the amount requested or at all. Failure to prevail in the ICSID Arbitration, or to obtain or recover adequate compensation for the loss in value of the Group's investments, 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 Group's business, financial condition and results of operations.

Governmental Investigations and Audits

The Group's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Company and/or its affiliates to regulatory or agency proceedings or investigations and could also lead to damage awards, fines, penalties and other civil or criminal sanctions.

Since the filing of the ICSID Arbitration, RMGC has been subjected to several audits and investigations by Romanian governmental agencies, the timing, scope, and manner of implementation of which has shown that they are excessive and retaliatory to the Company's pursuit of the ICSID Arbitration.

Whilst the VAT Assessment levied against RMGC was ultimately successfully challenged and the related VAT fully reimbursed to RMGC, there can be no certainty that further VAT audits and assessments will not arise in the future.

At the current time, a prosecutor's office investigation of RMGC's commercial relationships with a number of service providers remains in progress, as further described above. The related ad hoc investigation conducted by ANAF over almost eight years covering a broad range of RMGC operational activities and transactions is ongoing. To date, the ANAF investigators have issued three 'findings reports' and a further report in respect of transactions involving RMGC's core technical advisers to the Project is expected in due course. RMGC (together with its professional advisers) has filed substantive written rebuttal submissions in response to all of the findings reports received to date.

However, there can be no assurance regarding the outcome of the ongoing prosecutor's office and ANAF investigations of RMGC. The outcome of these investigations could harm the Group's reputation, require the Company and/or RMGC to take, or refrain from taking, actions that could harm its operations, seize RMGC's assets, require RMGC to pay substantial amounts of money, harming the Group's financial condition or lead to the initiation of criminal proceedings against RMGC and its administrators.

There can be no assurance that any pending or future regulatory or agency proceedings, investigations, and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Sources of Additional Funding

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

Historically, the Company has been financed through the issuance of its Common Shares, convertible 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 ongoing arbitration 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, COVID-19 and the Russia-Ukraine conflict has had a negative impact on global economies and financial markets. The continuation of the Russia-Ukraine war and/or 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.

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-related 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

Other than in relation to the ICSID Arbitration, Gabriel's employee base, 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 additional 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), 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.

UNESCO World Heritage List

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.

Romania's application to UNESCO to list the Roşia Montană site and the subsequent Inscription are fundamentally incompatible and at odds with the rights the Group acquired to develop the Project and the continued existence of the Project License.

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

Mineral Tenure Rights

RMGC is the titleholder, and retains 'nominal ownership', of an exploitation license for the Project. The License, which had an initial duration of 20 years expiring on June 21, 2019, was extended for a further term of 5 years in June 2019. The term of the License, as extended, is due to expire on June 20, 2024. 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**").

Although the License remains in effect having been extended in June 2019, the acts and omissions of the Romanian State have prevented RMGC and, in turn, Gabriel 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 14 years to act on RMGC's applications for exploitation licenses for Rodu-Frasin and Tarniţa.

Any adverse or arbitrary decision of the NAMR or any other competent body concerning the License and/or the Bucium concessions (including, but not limited to, any application of RMGC to further extend the term of the License) 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

Over the years, Gabriel has been party (directly and through RMGC) to several legal challenges in Romania. including, lawsuits initiated by non-governmental organizations challenging administrative deeds issued by public authorities directly or indirectly related to the Project. With the commencement of the ICSID Arbitration in 2015, RMGC withdrew from a number of court proceedings where it was acting as either plaintiff or third party intervenor in respect of disputes concerning the administrative documents, permits and/or authorizations issued for the Project.

However, in the course of its business, Gabriel and/or its subsidiaries may from time to time become involved in further legal claims, arbitration and other legal proceedings.

Due to the inherent uncertainties of the judicial process in Romania, the nature and results of any legal proceedings concerning the Group, its investment and property rights and/or the Project cannot be predicted with any certainty. In addition, such claims, arbitration and other legal proceedings may be lengthy and involve the incurrence of substantial costs and resources by the Group. 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 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 ICSID Arbitration and/or the Project 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. Other than the ICSID Arbitration, 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 63rd out of 180 countries in terms of corruption, according to a 2022 index published in January 2023 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.

International Developments and Geopolitical Risk

Global economic factors, geopolitical actions, political and market conditions and unexpected events, such as the COVID-19 pandemic and the Russia-Ukraine conflict, may create uncertainty and risk with respect to the prospects of the Group’s business.

The extent to which the Russia-Ukraine conflict may 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.

Epidemics and Pandemics (including COVID-19)

The Company faces risks related to health epidemics, pandemics 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. The Company could be adversely impacted by the continuing effects of COVID-19, an infectious disease caused by severe acute respiratory syndrome (SARS-CoV-2) or by other pandemics and epidemics.

The extent to which COVID-19 will impact, 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 any outbreak and the actions taken to contain or treat the outbreak.

In particular, the continued impact of the COVID-19 globally, 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.

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.

Cyber Security Risk

The Group and its third-party services provider's information systems are vulnerable to an increasing threat of continually evolving cyber security risks. Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (e.g., employees, contractors, service providers, suppliers and operational risks) or external sources (e.g., nation states, terrorists, hacktivists, competitors and acts of nature).

Cyber incidents include, but are not limited to, unauthorized access to information systems and data (e.g., through hacking or malicious software) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (e.g., efforts to make network services unavailable to intended users).

The operations of the Company depend, in part, on how well networks, equipment, information technology systems and software are protected against damage from several threats. The failure of information systems or a component of information system could, depending on the nature of any such failure, have a material adverse effect on the Company's business, its reputation, results of operations and financial condition.

A cyber incident that affects the Group and/or its service providers might cause disruptions and adversely affect their respective business operations and might also result in violations of applicable law (e.g., personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents.

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 functional and presentation 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 reviewed the interim financial statements and interim MD&A (the "Interim Filings") for the three-month period ended June 30, 2023.

The CEO and CFO certify that, as at June 30, 2023, based on their knowledge, having exercised reasonable diligence, the Interim Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the Interim Filings.

The CEO and CFO certify that, as at June 30, 2023, based on their knowledge, having exercised reasonable diligence, the interim financial statements for the period, together with the other financial information included in the Interim Filings, fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of June 30, 2023 and for the three month period to that date.

Outstanding Share Data

The Company's fully diluted share capital as at August 2, 2023 was:

	Outstanding
Common shares	1,025,427,517
Incentive stock options	32,005,693
Deferred share units - Common Shares	4,707,924
Warrants	200,819,566
Fully diluted share capital	**1,262,960,700**

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 duration, costs, process and outcome of the ICSID Arbitration and potential enforcement of an Award;
- access to funding to support the Group’s continued ICSID Arbitration and/or operating activities in the future;
- the impact on financial condition, business strategy and its implementation in Romania of: any allegations of historic acts of corruption, uncertain fiscal investigations, uncertain legal enforcement both for and against the Group, unpredictable regulatory or agency actions and political and social instability;
- changes in the Group’s liquidity and capital resources;
- equity dilution resulting from the conversion or exercise of new or existing securities in part or in whole to Common Shares;
- the ability of the Company to maintain a continued listing on the Exchange or any regulated public market for trading securities;
- Romania’s actions following inscription of the “Roşia Montană Mining Landscape” as a UNESCO World Heritage site;
- 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, including inflation risk;
- the geo-political situation and the resulting economic developments arising from the unfolding conflict and humanitarian crisis as a consequence of the Russia-Ukraine conflict;
- the COVID-19 pandemic may affect the Company’s operations and/or the anticipated timeline for the ICSID Arbitration;
- 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.

Unaudited Condensed Interim Consolidated Financial Statements
For the period ended June 30, 2023

Unaudited Condensed Consolidated Statements of Financial Position

As at June 30, 2023 and December 31, 2022
(Expressed in thousands of Canadian dollars)

	Notes	**June 30 2023**	December 31 2022
Assets			
Current assets			
Cash and cash equivalents	7	**7,047**	5,621
Other receivables	8	**56**	114
Prepaid expenses and supplies	9	**521**	425
Total current assets		**7,624**	6,160
Non-current assets			
Restricted cash	7	**176**	177
Property, plant and equipment		**56**	60
Loan receivable	14	**510**	538
Total non-current assets		**742**	775
TOTAL ASSETS		**8,366**	6,935
Liabilities			
Current liabilities			
Trade and other payables	11	**5,541**	5,563
Resettlement liabilities	12	**565**	576
Other current liabilities	13	**1,295**	1,507
Total current liabilities		**7,401**	7,646
TOTAL LIABILITIES		**7,401**	7,646
Equity / (deficit)			
Share capital	15	**1,027,910**	1,021,520
Other reserves		**158,635**	158,663
Currency translation adjustment		**1,124**	1,125
Accumulated deficit		**(1,190,555)**	(1,185,872)
Accumulated deficit attributable to owners of the parent		**(2,886)**	(4,564)
Non-controlling interest	16	**3,851**	3,853
TOTAL EQUITY / (DEFICIT)		**965**	(711)
TOTAL EQUITY AND LIABILITIES		**8,366**	6,935

Going concern – Note 1
Contingent liabilities – Note 18

Approved by the Board of Directors

(Signed) *"Anna El-Erian"*
Anna El-Erian
Director

(Signed) *"Jeffrey Couch"*
Jeffrey Couch
Director

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

Unaudited Condensed Consolidated Statements of Loss

For the three and six-month periods ended June 30
(*Unaudited and expressed in thousands of Canadian dollars, except per share data)*

		3 months ended		6 months ended	
	Notes	**2023**	2022	**2023**	2022
Expenses					
Corporate, general and administrative	5	**2,580**	2,612	**4,860**	4,915
Share-based compensation (reversal) / expense	13	**-**	177	**(239)**	246
Depreciation		**3**	6	**6**	13
Operating loss		**2,583**	2,795	**4,627**	5,174
Other (income) / expense					
Interest		**(10)**	(2)	**(31)**	(4)
Gain on disposal of assets	6	**-**	-	**-**	(1,443)
Foreign exchange loss / (gain)		**73**	8	**87**	(49)
Loss for the period	19	**2,646**	2,801	**4,683**	3,678
Basic and diluted loss per share	19	**$0.00**	$0.00	**$0.00**	$0.00

Unaudited Condensed Consolidated Statements of Comprehensive Loss

For the three and six-month periods ended June 30
(*Unaudited and expressed in thousands of Canadian dollars)*

	3 months ended		6 months ended	
	2023	2022	**2023**	2022
Loss for the period	**2,646**	2,801	**4,683**	3,678
Other comprehensive loss				
- may recycle to the Income Statement in future periods)				
Currency translation adjustment	**(8)**	29	**3**	38
Comprehensive loss for the period	**2,638**	2,830	**4,686**	3,716
Comprehensive loss for the period attributable to:				
- Owners of the parent	**2,641**	2,824	**4,684**	3,709
- Non-controlling interest	**(3)**	6	**2**	7
Comprehensive loss for the period	**2,638**	2,830	**4,686**	3,716

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

Unaudited Condensed Consolidated Statements of Changes in Shareholders’ Equity

For the six-month period ended June 30

(Unaudited and expressed in thousands of Canadian dollars)

	Note	**2023**	2022
Common shares			
At January 1		**1,021,520**	1,014,492
Shares issued in private placement - net of issue costs	15	**6,390**	7,026
At June 30		**1,027,910**	1,021,518
Other reserves			
At January 1		**158,663**	158,540
Share-based compensation		**(28)**	101
At June 30		**158,635**	158,641
Currency translation adjustment			
At January 1		**1,125**	1,315
Currency translation adjustment		**(1)**	(31)
At June 30		**1,124**	1,284
Accumulated deficit			
At January 1		**(1,185,872)**	(1,178,134)
Loss for the period	19	**(4,683)**	(3,678)
At June 30		**(1,190,555)**	(1,181,812)
Non-controlling interest			
At January 1		**3,853**	3,888
Currency translation adjustment		**(2)**	1
At June 30		**3,851**	3,889
Total shareholders' equity at June 30		**965**	3,520

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

Unaudited Condensed Consolidated Statements of Cash Flows

For the six-month period ended June 30

(Unaudited and expressed in thousands of Canadian dollars)

	Notes	**2023**	2022
Cash flows used in operating activities			
Loss for the period		**(4,683)**	(3,678)
Adjusted for the following non-cash items:			
Depreciation		**6**	13
Share-based compensation	13	**(239)**	246
Gain on disposal of land		**-**	(1,443)
Interest on loan receivable		**(3)**	(3)
Foreign exchange loss		**(93)**	2
		(5,012)	(4,863)
Changes in operating working capital:			
Increase in trade and other payables		**75**	1,037
Decrease / (increase) in trade and other receivables		**58**	(78)
Increase in prepaid expenses and supplies		**(114)**	(335)
		(4,993)	(4,239)
Cash flows from investing activities			
Increase in advances received for LLTE disposal		**-**	968
Proceeds from sale of land		**-**	1,443
Repayment of loan receivable		**31**	-
Movement in restricted cash		**-**	3
Purchase of property, plant and equipment		**(2)**	(3)
		29	2,411
Cash flows provided by financing activities			
Proceeds from private placement	15	**6,443**	7,117
Private placement costs		**(53)**	(91)
		6,390	7,026
Increase in cash and cash equivalents		**1,426**	5,198
Effect of foreign exchange on cash and cash equivalents		**-**	(2)
Cash and cash equivalents - beginning of period		**5,621**	3,291
Cash and cash equivalents - end of period		**7,047**	8,487

The accompanying notes are an integral part of these condensed interim 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 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 unaudited condensed interim consolidated financial statements ("**Condensed Financial Statements**") reflect the principal focus of Gabriel and its subsidiary companies (together the "**Group**") on the pursuit of international bilateral investment treaty claims against Romania, as described further below, which seek compensation resulting from the Romanian State's expropriation, unfair and inequitable treatment, discrimination, and other unlawful treatment.

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 the loss and damage suffered by the claimants resulting from the breaches of the Treaties' protections.

The ICSID Arbitration process is well advanced, and the Claimants and the Romanian State ("**Respondent**") (together "**Parties**") await a final decision to be rendered by the presiding arbitral tribunal ("**Tribunal**") in the ICSID Arbitration proceedings (an arbitral award ("**Award**")). To date, and in accordance with the procedural timelines established by the Tribunal, the Parties have filed a large a number of written submissions and participated in two hearings on the merits of the claim. Key milestones in the ICSID Arbitration have been disclosed at length in Gabriel's prior quarterly and annual filings. In the 2023 year to date such milestones include:

- On November 8, 2022, the Tribunal invited the Parties to confer and agree on a schedule for the exchange of their cost statements, which were filed with the Tribunal by the Parties simultaneously in two rounds of submissions on December 16, 2022 and January 6, 2023.
- On May 30, 2023, the Tribunal informed the Parties that it had received a request from certain non-governmental organizations (or 'non-disputing parties') who have opposed the Project for many years. ("NGO Amici") for leave to add a further submission to the record of the case. Following representations from the Parties, the Tribunal rejected the NGO Amici's request on June 27, 2023.
- On July 14, 2023, a Romanian citizen submitted an application to introduce a further non-disputing party submission to the record which was dismissed by the Tribunal as inadmissible.

1. Nature of operations and going concern (continued)

As at the date of this document the Tribunal is yet to render an Award. In April 2023, the President of the Tribunal advised the Parties that the Tribunal's latest deliberations took place in March 2023 and that the Tribunal was working hard to prepare the Award and deliver it to the Parties in a timely manner. Furthermore, in the procedural order made by the Tribunal on June 27, 2023 in respect of the NGO Amici application, the Tribunal noted that its decision-making at this stage is almost complete.

There is, however, no specified timeframe in the ICSID Rules applicable to this case in which an Award is to be rendered by the Tribunal. Accordingly, there is no certainty as to when the written Award will be issued or whether further procedural steps may be required by the Tribunal prior to the issuance of an Award. Any Award may be subject to a request for annulment by either Party (albeit such annulment application can only be made on very limited grounds under the ICSID Convention).

If an Award concludes that Romania has breached the Treaties and is required to pay compensation to the Claimants, the Company will take appropriate steps to enforce and recover such an Award and to defend any annulment proceedings brought by Romania. In such circumstances, the enforcement and recovery of an Award may present material challenges and take a number of years.

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.

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 normal course of operations for the foreseeable future.

On June 8, 2023, the Company completed a non-brokered private placement (the "**2023 Private Placement**") of 24,782,212 Common Shares at a price of $0.26 each for gross proceeds of US$4.75 million (approximately $6.4 million).

On the basis of the Company's balance of cash and cash equivalents as at June 30, 2023, taking into account (i) a fee agreement in respect of the deferral of payment of certain ICSID Arbitration costs (see note 18); and (ii) the deferral of a portion of salary and fees for certain employees and directors (see also note 18), the Company believes that it has sufficient cash necessary to fund general working capital requirements together with the material estimated costs associated with advancing the ICSID Arbitration through to December 2023.

At that time the Tribunal may not have yet reached a decision. As noted above, 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 further procedural steps may be required to be completed prior to the issuance of an Award. Accordingly, post December 2023, Gabriel will require further funding in order 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) and for general working capital purposes, including to preserve its remaining assets, such as its License and associated rights and permits.

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.

1. Nature of operations and going concern (continued)

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.

2. Basis of preparation

The Condensed 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. These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as outlined by International Financial Reporting Standards ("**IFRS**") and its interpretations as issued by the International Accounting Standards Board. They do not include all the information required for a complete set of annual financial statements prepared in accordance with IFRS, and therefore should be read in conjunction with the Company's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2022 ("**2022 Financial Statements**"). However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since December 31, 2022.

A number of amended standards became effective from January 1, 2023. The Company was not required to change the accounting policies or make retrospective adjustments as a result of adopting these standards.

3. Critical accounting estimates, risks and uncertainties

The preparation of the Condensed Financial Statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities, if any, at the date of the financial statements and the reported amount of expenses and other income for the period. 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. Actual results could differ from those estimates and assumptions. Apart from the estimates and assumptions used in determining the date at which existing cash reserves will be exhausted (impacted by, among other things, the timing of any Award), the significant estimates and assumptions are not materially different from those disclosed in the 2022 Financial Statements.

4. Significant accounting policies

The accounting policies applied in the Condensed Financial Statements are the same as those applied in the 2022 Financial Statements and have been consistently applied to all the years presented.

5. Corporate General and Administrative expenses

	3 months ended June 30		6 months ended June 30	
in thousands of Canadian dollars	**2023**	2022	**2023**	2022
Payroll	**870**	998	**1,730**	1,938
ICSID Arbitration related	**325**	648	**827**	998
Finance, audit, accounting and compliance	**647**	258	**770**	588
Property taxes	**184**	160	**368**	325
Project obligations and community relations*	**152**	139	**311**	297
Legal	**144**	39	**206**	150
Travel and transportation*	**3**	173	**174**	175
Information technology	**83**	56	**131**	114
Office rental and utilities	**57**	38	**100**	121
External communications	**10**	6	**19**	11
Other	**105**	97	**224**	198
Corporate, general and administrative expense	**2,580**	2,612	**4,860**	4,915

*Included in these balances are expenses incurred with related parties (see note 14 for detail).

6. Sale of Recea Land

On February 25, 2022, RMGC concluded a definitive sale and purchase agreement for the sale of 93 plots of land and a small number of buildings owned by RMGC in the Recea resettlement neighborhood of Alba Iulia ("**Recea Land**"). The agreed sale price was 1,000,000 EUR (approx. $1.44 million). A gain on disposal of $1.44 million was recognised in Q1 2022 as the Recea Land was held at nil book value on the balance sheet of the Company.

7. Cash and cash equivalents and restricted cash

	June 30	December 31
As at	**2023**	2022
Cash and cash equivalents	**7,047**	5,621
Restricted cash	**176**	177
	7,223	5,798

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 June 30, 2023, the Group held $0.1 million in unrestricted cash and cash equivalents in Romanian banks (December 31, 2022: $0.2 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.

(Unaudited and expressed in thousands of Canadian dollars, unless otherwise stated)

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

Cash balances are held in the following currencies:

	June 30 2023	December 31 2022
Canadian dollar	**307**	2,248
United States dollar	**6,504**	2,634
UK pound sterling	**135**	587
Romanian Leu	**101**	152
Romanian Leu (restricted cash)	**176**	177
	7,223	5,798

8. Other receivables

Other receivables of $0.1 million at June 30, 2023 (December 31, 2021: $0.1 million) is comprised of group VAT receivable at the period end. The carrying amounts of accounts receivable are denominated in the following currencies:

	June 30 2023	December 31 2022
UK pound sterling	**5**	2
Canadian dollar	**5**	13
Romanian leu	**46**	99
	56	114

9. Prepayments

	June 30 2023	December 31 2022
Corporate insurance	**309**	96
Mining tax	**143**	288
Property tax	**7**	-
Other	**62**	41
	521	425

10. 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 (December 31, 2022: $0.1 million).

(Unaudited and expressed in thousands of Canadian dollars, unless otherwise stated)

11. Trade and other payables

As at	**June 30 2023**	December 31 2022
Trade payables	**188**	216
Payroll liabilities	**382**	350
Accruals and other payables	**4,971**	4,997
	5,541	5,563

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 until an Award is issued.

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

As at	**June 30 2023**	December 31 2022
UK pound sterling	**145**	154
Canadian Dollar	**372**	213
United States dollar	**4,377**	4,578
Euro	**93**	56
Romanian Leu	**554**	562
	5,541	5,563

12. 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 June 30, 2023 was $0.5 million (December 31, 2022: $0.5 million).

13. Other current liabilities

	DSUs (000's)	**Average price per common share (dollars)**	**Value**
Balance - December 31, 2021	**4,320**	**0.20**	**842**
Granted	388	0.22	84
Change in fair value	-	-	581
Balance - December 31, 2022	**4,708**	**0.32**	**1,507**
Change in fair value	**-**	**-**	**(212)**
Balance - June 30, 2023	**4,708**	**0.28**	**1,295**

The Company has a deferred share unit ("**DSU**") plan under which qualifying participants receive certain compensation in the form of DSUs. From July 1, 2016, until March 31, 2022, certain Company non-executive directors elected to receive up to 100 per cent. of their director fees payable in DSUs. From April 1, 2022, this arrangement has been discontinued.

As at June 30, 2023, the Company's share price had decreased from $0.32 to $0.275 in comparison to December 31, 2022 and, accordingly, a fair value decrease of $0.2 million has been recorded in the DSU liability.

(Unaudited and expressed in thousands of Canadian dollars, unless otherwise stated)

14. Related party transactions

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

(a) 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 six-month period ended June 30, 2023 such charges amounted to approximately $0.1 million (June 30, 2022: approximately $0.1 million).

(b) 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 six-month period ended June 30, 2023 such recharges by RMGC amounted to less than $0.1 million (June 30, 2022: less than $0.1 million).

(c) 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, 2021, 2022 and 2023. The balance of the loan at June 30, 2023 was $0.5 million (December 31, 2022: $0.5 million)

(d) 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 six-month period ended June 30, 2023 the charges amounted to less than $0.1 million (June 30, 2022: less than $0.1 million).

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:

	3 months ended June 30		6 months ended June 30	
	2023	2022	**2023**	2022
Salaries and other short-term employee benefits(1)(2)	**248**	305	**506**	645
Directors' fees(2)	**83**	83	**165**	116
DSUs(3)	**-**	-	**-**	31
Share options(3)	**-**	-	**-**	26
Total	**331**	388	**671**	818

(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) *Officers and Directors salaries are net of a 20% deferral, as described fully in note 19.*
(3) *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.*

(Unaudited and expressed in thousands of Canadian dollars, unless otherwise stated)

15. Share capital

(a) On June 29, 2022, the Company announced it had completed closing of a non-brokered private placement of 33,105,117 Common Shares at a price of $0.215 per Common Share to raise gross proceeds of US$5.6 million, approximately $7.1 million.

(b) On June 8, 2023, the Company announced it had completed closing of a non-brokered private placement of 24,782,212 Common Shares at a price of $0.26 per Common Share to raise gross proceeds of US$4.75 million, approximately $6.4 million.

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]
Balance - December 31, 2021	**967,540**	**1,014,492**
Shares issued in private placement	33,105	7,028
Balance - December 31, 2022	**1,000,645**	**1,021,520**
Shares issued in private placement	**24,782**	**6,390**
Balance - June 30, 2023	**1,025,427**	**1,027,910**

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

Common Share purchase warrants

A summary of Common Share purchase warrants issued and outstanding as at June 30, 2023, along with their exercise prices, is as follows:

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

There has been no movement in the number of warrants outstanding since June 2021

(Unaudited and expressed in thousands of Canadian dollars, unless otherwise stated)

15. Share capital (continued)

Share Options

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

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

As at June 30, 2023, 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)**
0.195 - 0.30	3,048	0.25	7.0	3,048	0.25	7.0
0.31 - 0.40	12,860	0.36	4.4	12,085	0.36	4.6
0.41 - 0.50	10,529	0.45	5.5	10,529	0.45	5.5
0.51 - 0.60	88	0.57	6.3	88	0.57	6.3
0.61 - 0.70	481	0.65	3.1	481	0.65	3.1
0.71 - 0.80	5,000	0.79	0.5	5,000	0.79	0.5
	32,006	0.45	4.4	31,231	0.45	4.5

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

Certain Share Option grants have performance vesting conditions. The fair value of these Share Options that vest upon achievement of milestones will be recognized and expensed over the estimated vesting period of these Share Options. Adjustments resulting from the recalculation of the estimated vesting periods are recorded in the 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 ('000)	**Weighted average exercise price (dollars)**
Balance - December 31, 2021	**32,997**	**0.45**
Options granted	418	0.21
Balance - December 31, 2022	**33,415**	**0.45**
Options expired	**(1,410)**	**0.39**
Balance - June 30, 2023	**32,005**	**0.45**

(Unaudited and expressed in thousands of Canadian dollars, unless otherwise stated)

15. Share capital (continued)

During the six-month period ended June 30, 2023, no Share Options were granted. In the corresponding six-month period ended June 30, 2022, 418,236 Share Options were granted to directors related to payment for services in Q4 2021 and Q1 2022.

During the six-month period ended June 30, 2023 1,409,583 Share Options expired. In the corresponding six-month period ended June 30, 2022 no Share options expired.

At June 30, 2023, the fair value of Share Options yet to be expensed is $0.1 million (December 31, 2022: $0.1 million).

16. Non-controlling interest

	Rosia Montana Gold Corporation S.A.
Balance - December 31, 2021	**3,888**
Currency translation adjustment	(35)
Balance - December 31, 2022	**3,853**
Currency translation adjustment	(2)
Balance - June 30, 2023	**3,851**

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 June 30, 2023, are non-interest bearing and according to their terms are to be repaid as and when RMGC distributes dividends to its shareholders.

Further to the loans noted above, 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.

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 Condensed 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

(Unaudited and expressed in thousands of Canadian dollars, unless otherwise stated)

17. Commitments

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

	Total	2023	2024	2025	2026	2027	Thereafter
Operating lease commitments							
Rosia Montana exploitation license	143	143	-	-	-	-	-
Surface concession rights	935	16	33	33	33	33	787
Property lease agreements	49	49	-	-	-	-	-
Total commitments	1,127	208	33	33	33	33	787

(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 $33,000 (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.

18. Contingent Liabilities

The Company has a number of contingent liabilities which may accrue on the issuance and/or recovery 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 would 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.

(Unaudited and expressed in thousands of Canadian dollars, unless otherwise stated)

18. Contingent Liabilities (continued)

(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 make a cash payment, or procure the cash 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.

(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.

(v) certain employees of the Group have agreed to accept a 20% reduction in their base salary effective as of February 1, 2022. ("**Deferred Salary**"). The Company has a contingent liability to pay to each such employee an amount equal to 150% of the aggregate accumulated amount of their respective Deferred Salary within 60 days of receipt of any monies received by the Company and/or any of its affiliates pursuant to any settlement or Award irrevocably made in its favor in relation to the ICSID Arbitration claim that is sufficient to satisfy and discharge the aggregate accumulated Deferred Salary in full. Similarly, with effect from April 1, 2022, the directors have agreed to defer 20% of their fees due on the same basis.

19. Loss per share

	3 months ended June 30		6 months ended June 30	
	2023	2022	**2023**	2022
Loss for the period attributable to owners of the parent	**2,646**	2,801	**4,683**	3,678
Weighted-average number of common shares (000's)	**1,006,637**	971,894	**1,003,674**	967,540
Basic and diluted loss per share	**$0.00**	$0.00	**$0.00**	$0.00

As at June 30, 2023, the Company had 1,025,427,517 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 237,533,183 common shares in aggregate would be anti-dilutive. Diluted loss per share is therefore deemed to be the same as basic loss per share.

(Unaudited and expressed in thousands of Canadian dollars, unless otherwise stated)

20. Segmental information

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

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

The segmental report is as follows:

	Romania		Corporate		Total	
For the three-month period ended June 30,	**2023**	2022	**2023**	2022	**2023**	2022
Reportable items in the Condensed Consolidated Income Statement and Comprehensive Loss						
Interest received	**-**	-	**(10)**	(2)	**(10)**	(2)
Depreciation	**3**	6	**-**	-	**3**	6
Reportable segment loss	**-**	1,006	**2,646**	1,794	**2,646**	2,801
For the six-month period ended June 30,	**2023**	2022	**2023**	2022	**2023**	2022
Reportable items in the Condensed Consolidated Income Statement and Comprehensive Income						
Interest received	**-**	-	**(31)**	(4)	**(31)**	(4)
Depreciation	**6**	12	**-**	1	**6**	13
Reportable segment loss	**1,264**	690	**3,419**	2,988	**4,683**	3,678
As at June 30,	**2023**	2022	**2023**	2022	**2023**	2022
Reportable segment in Condensed Consolidated Statement of Financial Position						
Reportable segment current assets and assets classified as held for sale	**345**	3,356	**7,279**	8,164	**7,624**	11,520
Reportable segment non - current assets	**228**	169	**514**	643	**742**	812
Reportable segment liabilities	**(1,118)**	(1,154)	**(6,283)**	(7,658)	**(7,401)**	(8,812)

21. 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 limited cash balances in the United Kingdom with a major UK bank to fund corporate activities.

(Unaudited and expressed in thousands of Canadian dollars, unless otherwise stated)

21. Financial instruments (continued)

Liquidity risk

As at June 30, 2023 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.

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 functional and 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 11-13).

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 June 30, 2023:

	Financial assets and liabilities at fair value as at June 30, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	7,223	-	-	**7,223**
Other liabilities	1,295	-	-	**1,295**
	8,518	-	-	**8,518**

21. Financial instruments (continued)

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.

Sensitivity analysis

As of June 30, 2023, 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 June 30, 2023, 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 $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 $0.1 million.