



GABRIEL
Roșia Montană
IN PARTNERSHIP

PRESS RELEASE

FOR IMMEDIATE RELEASE

April 29, 2024

2023 Annual Results

Gabriel Resources Ltd. (TSXV: GBU - “**Gabriel**” or the “**Company**”) announces the publication of its Annual Results and Management’s Discussion and Analysis Report for the year ended December 31, 2023.

Summary

- On March 8, 2024, Gabriel and its wholly-owned indirect subsidiary, Gabriel Resources (Jersey) Limited (together “**Claimants**”), received a final decision in its ICSID arbitration case (“**ICSID Arbitration**”) against the Romanian State (“**Arbitral Decision**”).
 - The Arbitral Decision dismissed, by a two to one majority of the presiding tribunal (“**Tribunal**”), the arbitration claims filed against the Romanian State and awarded Romania approximately US\$10 million to reimburse half of the legal fees and expenses it had incurred in connection with its defence of the ICSID Arbitration (“**Costs Order**”).
 - The Arbitral Decision is binding on the parties and the amount payable incurs simple interest from the date of the Arbitral Decision at the 3-month US Treasury rate
 - The Company strongly disagrees with the Tribunal majority’s decision, which it believes is deeply flawed, at odds with the opinion of the dissenting arbitrator and is inconsistent with any objective assessment of the evidence presented.
 - The Company is evaluating the possibility of challenging the Arbitral Decision through the annulment process prescribed by the ICSID Convention, which requires that any annulment application must be filed within 120 days of the date of the Tribunal’s decision.
- In December 2023, the Company received \$3.23 million in respect of proceeds from the exercise of common share purchase warrants. As at December 31, 2023, the Company held \$4.6 million of cash and cash equivalents (Q3 2023 \$4.6 million).
- In early April 2024, the Company disclosed it had cash resources which were expected to be sufficient working capital until the end of May 2024. On April 26, 2024 Gabriel announced a fundraising of up to US\$5.575 million which it expects to close on or around May 23 2024.
- Subject to closing the proposed fundraising, and excluding the Costs Order, Gabriel believes that it has sufficient funding necessary to cover its planned activities through to the end of November 2024 and will need to raise additional financing thereafter to fund its working capital requirements.
- The net loss for the fourth quarter of 2023, including the Costs Order, was \$16.9 million (Q3 2023 \$3.4 million), and for the year ended December 31, 2023 was \$24.9 million, or \$0.02 per share (2022 loss of \$7.7 million, or \$0.01 per share).

Dragos Tanase, Gabriel’s President and Chief Executive Officer, stated:

“Gabriel appreciates that the Arbitral Decision was an unexpected and bitter disappointment for all stakeholders. We therefore appreciate the strong support shown by existing and new investors in the recently announced fundraising. Once that funding is closed, we will then be able to implement the strategic actions necessary to drive achievement of value for shareholders in the coming months.”

Further information and commentary on the results in the fourth quarter of 2023 and the full financial year is given below. The Company has filed its Audited Consolidated Financial Statements for 2023 and related Management's Discussion & Analysis on SEDAR+ and each is available for review on the Company's website at www.gabrielresources.com.

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Further Information

Status of the ICSID Arbitration

- The ICSID Arbitration sought compensation for all of the loss and damage suffered by the Claimants resulting from the Respondent's wrongful conduct including unlawful treatment in respect of the Roşia Montană gold and silver project, together with the gold, silver and porphyry copper deposits defined in the Bucium concession area ("**Projects**") and related licenses.
- The Company strongly disagrees with the Tribunal majority's decision, which is at odds with the opinion of the dissenting arbitrator and inconsistent with any objective assessment of the evidence presented. The Company has carefully analyzed the Arbitral Decision with its professional advisers and continues to believe that the Arbitral Decision is deeply flawed and that the Romanian Government's sustained political interference with the Claimants' contractual rights prevented the development of a flagship mining project without any substantive or objective regulatory basis.
- As Gabriel's shareholders invested hundreds of millions of dollars to deliver a transformational mining project owned in partnership with the Romanian State that would have brought very significant social and financial benefits to the Romanian people, not only in Roşia Montană but across Romania, Gabriel also believes that Romania, its economy and its citizens, have missed the opportunity to significantly benefit from development of this mining project.
- Accordingly, Gabriel is evaluating the possibility of challenging the Arbitral Decision through the annulment process prescribed by the ICSID Convention. An annulment application must be filed within 120 days of the date of the Tribunal's decision and such annulment application will be adjudicated by a new panel of ICSID arbitrators.
- The Company considers that the Costs Order is unjust and inequitable given the manner in which the Tribunal conducted, and the Romanian State approached its defence of, the ICSID Arbitration case, which introduced significant delays to the procedure and significantly increased Claimants' costs.
- It is to be expected that Romania will take steps to enforce and recover the Costs Order. The Company announced on April 4, 2024 that the Government of Romania has requested the Claimants to settle the Costs Order and noted that they will take action to enforce the same. In this regard, the Romanian State has sought precautionary measures in Romania to impose restrictions on the sale or transfer of the shares held by Gabriel Jersey in RMGC, pending settlement of the Costs Order. The Company believes that these actions are premature and suffer from serious procedural infirmities, Gabriel Jersey and RMGC have submitted complaints before the Romanian courts challenging these measures. Gabriel intends to vigorously defend its rights and interest in Romania and elsewhere.
- There can be no assurances that any annulment process pursuant to the ICSID Convention, if instituted, will advance in a customary or predictable manner or be completed or settled within any specific or reasonable period of time.

Liquidity

- Cash and cash equivalents at December 31, 2023 were \$4.6 million.
- The Company's average monthly cash usage during Q4 2023 was \$1.1 million (Q3 2023: \$0.8 million), primarily reflecting the consistent level of ongoing operational cost together with increased ICSID Arbitration-related activity quarter on quarter, offset by cash receipts from the exercise of warrants.
- At December 31, 2023, accruals for costs in respect of ICSID Arbitration-related matters amounted to \$4.6 million (Q3 2023: \$5.3 million), the decrease reflecting a lower level of activity in pre and post Arbitral Decision strategic initiatives in the quarter, with the continuation of a fee agreement in respect of certain ICSID Arbitration costs incurred before an Arbitral Decision with payment deferred.

Capital Resources

Warrant Exercise

- In December 2023, the Company announced the exercise for cash of 8,290,200 warrants to purchase Common Shares of the Company ("**Warrants**") at a price of \$0.39 per Common Share. The Company received an aggregate consideration of \$3.23 million in respect of those Warrants. In addition, 2,823,987 Warrants were exercised on a "Net Exercise" basis and Gabriel issued a further 167,348 Common Shares to settle those Warrants. In aggregate, 8,457,548 Common Shares were issued to settle 11,114,187 Warrants (the "**2023 Warrant Exercise**").

Private Placement

- On April 26, 2024, the Company announced a non-brokered private placement (the "**2024 Private Placement**") of 377,594,750 Common Shares at a price of \$0.02 per Common Share for gross proceeds of up to US\$5.575 million (approximately \$7.5 million). The closing of the 2024 Private Placement is subject to certain conditions, including, but not limited to, the approval of the TSX Venture Exchange ("**Exchange**") and the receipt of all other applicable approvals and is expected to complete on or about May 23, 2024. The Company will use the proceeds from the 2024 Private Placement to finance the ongoing costs of the ICSID Arbitration and for general working capital requirements..

Future Financing Requirements

- Gabriel currently has available funds of approximately C\$1.7 million (US\$1.25 million) and continues to manage its cash resources and its current and future financial obligations carefully.
- Excluding the Costs Order, which may be 'stayed' from enforcement in the period from any annulment application, on the basis of the Company's balance of cash and cash equivalents as at December 31, 2023, and taking into account (i) the assumed closure of the 2024 Private Placement; (ii) a fee agreement in respect of the deferral of payment of certain ICSID Arbitration costs; and (iii) 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 the end of November 2024.
- 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. There is no assurance that the Company will be successful in completing the 2024 Private Placement, in which case the Company believes that, excluding the Costs Order, it has sufficient cash to enable the Group to fund general working capital requirements together with the material estimated costs associated with the Company advancing the ICSID Arbitration through to the end of May 2024 and it will seek alternative sources of additional financing. These events and conditions indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Mineral Tenure Rights

- In March 2024, RMGC submitted an application to the Romanian National Agency for Mineral Resources ("**NAMR**"). together with the requisite supporting documentation, requesting an extension of the term of the License for an additional five years, as provided by Romanian law.

- RMGC has also recently urged NAMR to issue the exploitation licenses for the two Bucium Projects in accordance with the applications made in 2007 (“**Bucium Applications**”). Throughout the ICSID Arbitration, the Romanian State has consistently maintained a position, relied upon by the majority in the Arbitral Decision, that the Bucium Applications remain pending before the NAMR.

Financial Performance

- Operating loss for the fourth quarter of 2023 was \$16.5 million. After taking into account the Costs Order and a doubtful debt expense, operating loss for the three-month period ended December 31, 2023 of \$2.7 million was the same as the corresponding period in 2022 primarily reflecting \$0.6 million higher corporate general and administrative expenses offset by a \$0.6 million lower share based compensation charge.
- Operating loss for the year ended December 31, 2023 was \$24.5 million, \$15.2 million higher than in 2022 (\$9.3 million) with the increase arising from the following main factors:
 - the Costs Order of \$13.8 million, recognized in 2023.
 - 2023 corporate, general and administrative costs of \$10.7 million were \$2.2 million higher than 2022, including \$1.3 million higher costs related to the ongoing ICSID Arbitration, \$0.4 million higher finance, audit, accounting and compliance costs and \$0.2 million higher payroll costs.
 - stock-based compensation was less than \$0.1 million in 2023 compared to \$0.8 million in 2022.
- Overall loss for the year ended December 31, 2023 was \$24.9 million, or \$0.02 per share (2022 loss of \$7.7 million, or \$0.01 per share) the year on year difference reflecting the operating loss noted above and a movement in “Other (income)/expenses” between 2023 and 2022, in aggregate \$2.0 million, arising from the following:
 - a gain of \$1.4 million was recognized in respect of the sale of the Recea Land in 2022;
 - a doubtful debt expense recognized in 2023 against the TBL loan; and
 - Exchange losses of \$0.1 million were recognized in 2023 (compared to a 2022 gain of \$0.1million).

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 divisions of the Romanian National Agency for Fiscal Administration (“**ANAF**”), an agency of the Romanian Ministry of Public 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.
- For over eight years, a directorate of ANAF has continued to pursue an ad hoc investigation covering a broad range of operational activities and transactions of RMGC, and several of its suppliers, consultants, and advisors, covering an extensive period spanning 1997 to 2023. The investigation remains active and in December 2022, March 2023 and January 2024 a division of ANAF issued three findings reports in respect of an aggregate 65 suppliers of RMGC.
- These findings reports assessed transactions amounting to an aggregate value of approximately \$239m and allege that various amounts were incorrectly deducted for fiscal purposes, erroneously adjusting VAT and with labour tax inaccuracies. ANAF concluded that expenditure of ~\$19.4m was allegedly incurred for purposes not directly related to carrying out RMGC’s object of activity.
- RMGC (together with its professional advisers) has filed substantive written rebuttal submissions in response to the above-noted findings reports, identifying, amongst other things, the multiple errors and inaccuracies in such reports; that the conclusions of the findings’ reports contradict the conclusions of multiple prior fiscal audits undertaken in respect of RMGC; and that such conclusions disregard Romanian legislation, European jurisprudence and prior decisions of the Romanian Supreme Court.
- Gabriel and RMGC will continue to vigorously challenge and contest the continuing abusive investigations by ANAF and the 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.

About Gabriel

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

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

Forward-looking Statements

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

In this press release, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein.

Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: the ICSID Arbitration, actions by the Romanian Government, conditions or events impacting the Company's ability to fund its operations (including but not limited to the completion of further funding noted above) or service its debt, exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "is of the view", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

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

- the duration, costs, process and outcome of any further procedural phases in connection with the ICSID Arbitration (including, but not limited to, any potential annulment proceedings);
- access to funding to support any challenges to the Arbitral Decision, to preserve the Group's rights and interests in Romania and/or to fund the Group's operating activities in the future;
- the impact on the Company's financial condition and operations of any actions taken by Romania to enforce the Costs Order;
- 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 conflicts such as the Russia-Ukraine war;
- volatility of currency exchange rates; and
- the availability and continued participation in operational or other matters pertaining to the Group of certain key employees and consultants.

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

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