Management's Discussion and Analysis

*This Management's Discussion and Analysis ("**MD&A**") provides a commentary to enable a reader to assess material changes in the financial condition and results of operations of Gabriel Resources Ltd. ("**Gabriel**" or the "**Company**") and its subsidiary companies (together the "**Group**") as at, and for the years ended December 31, 2023 and 2022.*

*The MD&A should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company as at and for the years ended December 31, 2023 and 2022 ("**Financial Statements**"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").*

*All amounts included in the MD&A are in Canadian dollars ("**$**"), unless otherwise specified. This report is dated as of April 29, 2024 and the Company's public filings can be reviewed on the SEDAR+ website (www.sedarplus.ca).*

*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 (expressed or implied by such forward-looking statements) to be materially different from any future results, performance or achievements. 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 29. 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.

Gabriel invested over US$700 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**") in accordance with all applicable laws, regulations, licenses, and permits.

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 blocked and prevented the implementation of the Project and the Bucium Projects, and Gabriel was left with no alternative but to pursue arbitration proceedings against Romania in July 2015. Since that time, the ICSID Arbitration (as defined below) has been the Company's core focus.

Any information set out in this MD&A relating to the Project (including the License), the Bucium Projects 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 projects.

ICSID Arbitration

On July 21, 2015, Gabriel and its subsidiary company, Gabriel Resources (Jersey) Limited ("**Gabirel Jersey**", together the "**Claimants**"), filed a request for arbitration before the World Bank's International Centre for Settlement of Investment Disputes ("**ICSID**") against the Romanian State ("**ICSID Arbitration**") seeking compensation for the loss and damage suffered by the them arising from the Romanian State's treatment of the Claimants' investments in Romania in violation of certain bilateral investment protection treaties.

Key milestones in the ICSID Arbitration have been disclosed in Gabriel's prior quarterly and annual filings. Following a legal process conducted over almost nine years, the Claimants and the Romanian State (together "**Parties**") received a final decision rendered by the presiding arbitral tribunal ("**Tribunal**") in the ICSID Arbitration proceedings on March 8, 2024 ("**Arbitral Decision**").

Accordingly, the consolidated financial statements for the year ended December 31, 2023 ("**Financial Statements**") and this MD&A reflect the principal focus of Gabriel and its subsidiary companies (together the "**Group**") on the pursuit of the ICSID Arbitration, adjusted as appropriate to reflect the outcome arising from the Arbitral Decision (as described below).

Arbitral Decision

On March 8, 2024, Gabriel announced that the Tribunal had issued a decision dismissing, by a two to one majority, the arbitration claims filed against the Romanian State and had 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 subsequently announced that it strongly disagrees with the Tribunal majority's decision, which it believes 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 State that would have brought significant social and financial benefits to the Romanian people, not only in Roșia 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 also 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 aggravated and significantly increased Claimants' costs. The imposition of the Costs Order is also inconsistent with the Tribunal's acknowledgement in the Arbitral Decision that the Claimants presented serious and reasonable claims, none of which were frivolous.

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. The resources necessary in pursuing such process are substantial and the costs, fees and other expenses and commitments payable in that connection may differ materially from Management's expectations.

In due course, Gabriel anticipates that the Arbitral Decision will be published on the ICSID website following the completion of the redaction process relating to confidential information in accordance with a procedure and timeframe agreed by the parties. 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 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 noted in 'Capital Resources' below.

At the end of Q4 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 until a period of up to six months after an Arbitral Decision is issued.

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

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**").

The Company currently has in issue a further 81,730,233 Warrants each exercisable for cash or on a 'net exercise' basis at $0.645 until expiry in Q3 2024.

Private Placements

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 per Common Share for gross proceeds of US$4.75 million (approximately $6.4 million) to finance the ongoing costs of the ICSID Arbitration and for general working capital requirements.

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 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 (see "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 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.

Other Recent Developments

Mineral Tenure Rights

Request for Extension of the Roșia Montană Exploitation License

As described above, RMGC is the titleholder 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 five years in June 2019 pursuant to the execution by the NAMR and RMGC of an additional addendum to the License ("Addendum No. 8"). The term of the License, as extended, is due to expire on June 20, 2024. Under Romanian law, 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**"). RMGC has continued to maintain the License in good standing.

In March 2024, RMGC submitted an application to the 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 ("**License Renewal Application**").

In April 2024, a Romanian non-governmental organization initiated a claim in the Cluj Court of Appeal of Romania requesting: (i) the suspension of the June 2019 approval of NAMR that extended the term of the License for a further term of 5 years; (ii) as a subsidiary claim, the suspension of Addendum No. 8; and (iii) as a tertiary claim, the suspension of the ongoing proceedings before the NAMR relating to the License Renewal Application. The joint respondents in this claim are the NAMR and RMGC. A first hearing of this claim has been scheduled for May 9, 2024. The Company and RMGC intend to vigorously defend this claim, which they consider is unmeritorious.

Bucium Projects

Following the completion of exploration works at Bucium which identified two feasible deposits, the Rodu-Frasin and Tarniţa deposits, RMGC acquired an exclusive right under Romanian law to obtain exploitation licenses for the discovered mineral resources. Accordingly, in October 2007, RMGC applied to the NAMR for exploitation licenses to develop and exploit the Rodu-Frasin and Tarniţa ("**Bucium Applications**"). The NAMR has failed to act on the Bucium Applications for over 16 years despite being legally obliged to do so.

RMGC has recently urged NAMR to issue the exploitation licenses for the two Bucium Projects in accordance with the 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.

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.

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 for purposes not directly related to carrying out RMGC's object of activity.

- On January 12, 2024, a division of ANAF issued a findings report in respect of 14 suppliers of RMGC (~$82m of transactions investigated) that concluded that RMGC should not have deducted for fiscal purposes a total expenditure of ~$3.9m and related VAT of ~$0.9m. ANAF concluded that the amount 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 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 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. 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.

Outlook

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

- the advancement of the ICSID Arbitration, review of the Arbitral Decision and undertaking actions to progress Gabriel's position in any annulment process;
- seeking additional funding and carefully managing its cash resources; and
- the protection of its rights and interests in Romania (including, so far as reasonably practical and desirable, ensuring that existing licenses and permits remain in good standing).

Annual Summary

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

in thousands of Canadian dollars, except per share amounts	**2023**	**2022**	2021
Operating loss	**24,499**	**9,331**	14,539
Other (income) / expenses	**(49)**	**(1,593)**	5,360
Loss - attributable to owners of the parent	**24,936**	**7,738**	19,899
Loss per share (basic and diluted)	**0.02**	**0.01**	0.02
Total assets	**5,203**	**6,935**	6,792
Total liabilities	**20,710**	**7,646**	6,691
Net cash-in-flows from financing activities	**9,622**	**7,028**	7,210

Results of Operations

Operating loss in 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.
- As described in the "Expenses" section below:
  - o 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.
  - o stock-based compensation was less than $0.1 million in 2023 compared to $0.8 million in 2022.

The movement in "Other (income) /expenses" between 2023 and 2022, in aggregate $2.0 million, has arisen due to 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 against the TBL loan; and
- Exchange losses of $0.1 million were recognized in 2023 (compared to a 2022 gain of $0.1million).

Total Assets

Total assets decreased by $1.7 million in 2023 from 2022, primarily reflecting (i) the utilization of $10.6 million of cash to fund the Group's 2023 activities, offset by net aggregate cash inflows after issue costs of $9.7 million from financing activities described below; (ii) the doubtful debt expense recognized against the TBL loan and (iii) a $0.2m reduction in prepaid expenses/other receivables.

Total Liabilities

In 2023 total liabilities were $20.7 million, an increase of $13.0 million from 2022, comprised predominantly of the Costs Order described above, the year on year revaluation of the DSU liability resulting from the higher share price at December 31, 2023 and offset by the reduction in the overall number of outstanding DSUs following a partial cash / partial share redemption in July 2023..

Net Cash In-Flows from Financing Activities

Cash flows from financing activities in 2023 reflect the proceeds after issue costs of $6.4 million from the 2023 Private Placement and $3.2 million from the 2023 Warrant Exercise. Cash flows from financing activities in 2022 reflect private placement proceeds after issue costs of $7.0 million.

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 Q4**	**2023 Q3**	**2023 Q2**	**2023 Q1**
Income Statement				
Loss - attributable to owners of parent	16,888	3,365	2,646	2,037
Loss per share - basic and diluted	-	-	-	-
Statement of Financial Position				
Working capital	4,925	(2,584)	223	(3,516)
Total assets	5,203	5,855	8,366	5,169
Statement of Cash Flows				
Net cash-in-flows from financing activities	3,232	-	6,390	-

in thousands of Canadian dollars, except per share amounts	**2022 Q4**	**2022 Q3**	**2022 Q2**	**2022 Q1**
Income Statement				
Loss - attributable to owners of parent	2,639	1,421	2,801	877
Loss per share - basic and diluted	0.00	0.00	0.01	0.00
Statement of Financial Position				
Working capital	(1,486)	(924)	685	(3,601)
Total assets	6,935	10,925	12,332	6,283
Statement of Cash Flows				
Net cash-in-flows from financing activities	-	-	7,028	-

Review of Financial Results

in thousands of Canadian dollars, except per share	3 months ended December 31 **2023**	2022	12 months ended December 31 **2023**	2022
Operating loss for the period	**16,505**	2,763	**24,499**	9,331
Loss for the period				
- attributable to owners of parent[(1)]	**16,888**	2,639	**24,936**	7,738
Loss per share - basic and diluted	**0.02**	-	**0.02**	0.01

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

Operating and overall loss for the 12 months ended December 31 in 2023 and 2022 are described in the Annual Summary section above.

After taking into account the Costs Order and doubtful debt expense described above, 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, explained further below and offset by a $0.6 million lower share based compensation charge.

Similarly, after taking into account the Costs Order and doubtful debt expense, the overall loss for the three-month period ended December 31, 2023 was $2.6 million, compared to $2.6 million in the corresponding period in 2022.

Expenses

Corporate, General and Administrative

in thousands of Canadian dollars	3 months ended December 31 **2023**	2022	12 months ended December 31 **2023**	2022
Payroll	**888**	857	**3,478**	3,324
ICSID Arbitration related	**715**	393	**2,724**	1,426
Finance, audit, accounting and compliance	**412**	326	**1,478**	1,032
Property taxes	**189**	166	**740**	645
Project obligations and community relations	**180**	146	**637**	582
Travel and transportation	**184**	139	**438**	399
Legal	**77**	14	**319**	261
Information technology	**70**	73	**273**	271
Office rental and utilities	**56**	60	**194**	213
External communications	**6**	6	**32**	23
Other	**27**	8	**405**	344
Corporate, general and administrative expense	**2,804**	2,188	**10,718**	8,520

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

Payroll is the total of cash-based director fees and salaries and relevant taxes for all Group employees or in-house contractors in Romania. The year-on-year increase from 2022 to 2023 is primarily a reflection of the move to full cash fees for directors from Q2 2022, increased holiday cost provision in Romania and the impact of a stronger Romanian currency in which a large proportion of payroll costs is paid.

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 (i) dependent on recovery of sufficient monies received pursuant to any settlement or arbitral award irrevocably made in its favor to discharge the liability in full or (ii) 90 days following a "change of control" of the Company, as defined in the applicable deferral agreement.

ICSID Arbitration-related expenses are for legal and other advisory services provided to the Company in respect of the ICSID Arbitration; in addition, ancillary advisory costs have been incurred in the second half of 2023 in respect of advancement of pre and post-arbitral award strategic initiatives. For the three-month period ended December 31, 2023, such ICSID Arbitration related costs were $0.6 million. ICSID Arbitration related expenses in the corresponding quarter of 2022 of less than $0.4 million reflected costs incurred relating to ad hoc matters and the final costs submissions.

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 2023, such costs have been inflated in Romania with regard to matters such as responding to the ANAF investigations, whilst 2022 benefitted from a one-off $0.2 million historic Romanian VAT refund.

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 including SC Total Business Land SRL ("**TBL**"), a Romanian entity controlled by current and former employees of RMGC (see note 16 of the Financial Statements for detail).

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 December 31		12 months ended December 31	
in thousands of Canadian dollars	**2023**	2022	**2023**	2022
Interest income	**21**	7	**95**	48

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 December 31, 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

in thousands of Canadian dollars	3 months ended December 31 **2023**	2022	12 months ended December 31 **2023**	2022
DSU (reversal) / expense	**(65)**	565	**30**	664
Share option - expense / (reversal)	**3**	5	**(21)**	122
Share based compensation	**(62)**	570	**9**	786

Deferred share units ("**DSUs**") are revalued each period end based on the period end closing share price. The initial value of the DSUs on grant, and the effect on the valuation of DSUs of the period-on-period change in share price, is expensed. At December 31, 2023, the Company's share price was $0.405 (September 30. 2023 $0.44, June 30, 2023 $0.275 March 31, 2023 $0.275; December 31, 2022: $0.32), resulting in a reversal of the DSU expense of $0.3 million for the three-month period ended December 31, 2023.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 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 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 December 31 **2023**	2022	12 months ended December 31 **2023**	2022
Share option compensation				
Number of share options granted	-	-	-	418,236
Average value ascribed to each option granted	**$** -	$ -	**$** -	$ 0.21
DSU compensation				
Number of DSUs issued	-	-	-	388,250
Average value ascribed to each DSU issued	**$** -	$ -	**$** -	$ 0.22

No Options or DSUs were granted during the three-month period ended December 31, 2023.

In July 2023 2.1 million DSUs were redeemed for shares and 0.7 million DSUs were redeemed for cash following the resignation of the holders from the boards of two of the Group's subsidiary companies.

Foreign Exchange

The Company has experienced a foreign currency loss of $0.1 million in the three-month period ended December 31, 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 December 31, 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 December 31		**12 months ended December 31**	
in thousands of Canadian dollars	**2023**	2022	**2023**	2022
Total investment in capital assets	**21**	1	**24**	4
Depreciation and disposal - expensed	**2**	5	**11**	25

The purchase of capital assets remains low, in line with the Company's cost containment strategy. Assets purchased in the three-month period ended December 31, 2023 are predominantly IT equipment.

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. In addition, further funds have been raised through the 2023 Warrant Exercise, also as described above.

The Company has used and is continuing to use the proceeds of such financings to fund 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 December 31, 2023, aggregate cash and cash equivalents were $4.6 million (December 31, 2022: $5.6 million).

Working Capital

At December 31, 2023, the Company had working capital, calculated as total current assets less total current liabilities of negative $11.4 million (September 30, 2023: negative $2.6 million, June 30, 2023: $0.2 million, March 31, 2023: negative $3.5 million, December 31, 2022: negative $1.4 million).

The $10.0 million increase in working capital since the 2022 year end is due to the funds received in the 2023 Private Placement, offset by the Costs Order and ongoing ICSID Arbitration expenditure and operating costs of the Company in the year to December 31, 2023, and adjusted by the reclassification of the deferred legal fees to long term liabilities under the terms of the deferred fee arrangement.

At December 31, 2023, the Company had current liabilities of $16.3 million (December 31, 2022: $7.6 million). These balances are predominantly made up of the Costs Order, ICSID Arbitration-related cost accruals at December 31, 2023 (including 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 December 31, 2023 of $0.7 million (December 31, 2022: $1.5 million) and resettlement liability provisions noted below.

Resettlement Liabilities

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

At December 31, 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 December 31, 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 95,625 arbitration value rights ("**AVR**s"), entitling the holders thereof to a share of any proceeds arising from any settlement or arbitral award irrevocably made in the Company's and/or any of its affiliates' favour in connection with the ICSID Arbitration claim, including:

   a. 55,000 AVRs entitling the holders to a pro rata share of 7.5% of any such proceeds, 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 such proceeds, subject to a maximum aggregate entitlement of $129.3 million among all holders of such AVRs.

(ii) in respect of the key employee engagement plan ("**KEEP**"), an arbitration-focused retention and incentive program established by the Company in 2016. The KEEP's 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 any arbitral 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.

(iii) certain employees of the Group 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 (i) 60 days of receipt of any monies received by the Company and/or any of its affiliates pursuant to any settlement or arbitral 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; or (ii) 90 days following a "change of control" of the Company. Similarly, with effect from April 1, 2022 the directors of the Company 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 16 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 year ended December 31, 2023, such charges amounted to $0.2 million (December 31, 2022: $0.2 million).

(b) In December 2015 RMGC entered into an agreement with TBL to lease 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. The agreement was terminated on November 1, 2023. For the year ended December 31, 2023 such recharges by RMGC amounted to $0.1 million (December 31, 2022: $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. In April 2024 TBL entered into voluntary administration and the company believe it is prudent to provide against the receivable. On that basis, the balance of the loan at December 31, 2023 of $0.5 million has been written down to zero (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 year ended December 31, 2023 the charges amounted to $0.1 million (December 31, 2022: $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.

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. While Management believes that these estimates and assumptions are reasonable, actual results could vary significantly therefrom.

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 April 26, 2024, the Company announced a non-brokered private placement for gross proceeds of US$5.575million (approximately $7.5 million).

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, excluding the Costs Order, the Company believes that 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. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern.

The Financial Statements reflect, as an adjusting event, the liabilities in regard to the Costs Order. 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. Such adjustments could be material.

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 December 31, 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 has utilized 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 any 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 also holds cash balances in the United Kingdom to fund corporate office activities and is therefore exposed to the credit risks of major UK banks.

Liquidity Risk

As of the date of this MD&A, the Group had no sources of operating cash flows and does not have sufficient cash to fund 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 arbitral 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. Following the 2023 Warrant Exercise, the Group held approximately 9% of its cash and cash equivalents in US dollars.

The Company has not entered into any derivative hedging activities.

Sensitivity

As of December 31, 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 December 31, 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 less than $0.1 million.
- A plus or minus 1% change in foreign exchange rates; would affect net income by less than $0.1 million.

Risks and Uncertainties

An investment in the Common Shares is subject to 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 – Further Procedural Phases and Costs Order

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 any future procedures in the ICSID Arbitration, including any annulment application, there can be no assurances that such procedures will advance in a customary or predictable manner or be completed or settled within any specific or reasonable period of time.

The pursuit by the Company of additional procedural phases in connection with 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.

As described above, it is anticipated that Romania will take steps to enforce and recover the Costs Order, and has already initiated procedures in Romania to encumber certain of the Group's assets. There can be no assurance that any pending or future legal proceedings in Romania or elsewhere to enforce the Costs Order 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 financial position and results of operations, and on the Company's business, assets and prospects.

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 a prior 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 four 'findings reports', most recently a report in respect of transactions involving RMGC's core technical advisers to the Project. 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 could 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 application and procedure, 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. The continuation of the Russia-Ukraine war and/or any future emergence of war or spread of pathogens similar to COVID-19 could have an adverse impact on global economies and financial markets, 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 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 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

As described above, RMGC is the titleholder, and retains 'nominal ownership', of an exploitation license for the Project. The current term of the License is due to expire on June 20, 2024. RMGC has applied for a further extension of the term of the License for an additional five years, as provided by Romanian law.

RMGC also has the exclusive legal right to obtain exploitation licenses for the two Bucium Projects (Rodu-Frasin and Tarniţa) and, as described above, has recently urged NAMR to issue such licenses in accordance with the applications submitted by RMGC in 2007.

Any adverse or arbitrary decision of the NAMR or any other competent body concerning the License and/or the Bucium Projects (including, but not limited to, the License Renewal Application and the Bucium Applications) 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 required of CONVERSMIN 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 2023 index published in January 2024 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 epidemics or pandemics such as 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 impact of epidemics or pandemics such as COVID-19 globally, could materially and adversely impact the Group's business including, without limitation, the progress of the ICSID Arbitration, 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 established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the Financial Statements; and (ii) the Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

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

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

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

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

Outstanding Share Data

The Company's fully diluted share capital as at April 26, 2024 was:

	Outstanding
Common shares	1,036,177,260
Incentive stock options	26,805,273
Deferred share units - Common Shares	1,849,777
Warrants	81,730,233
Fully diluted share capital	**1,146,562,543**

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 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 MD&A that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies.

Gabriel Resources Ltd.

Consolidated Financial Statements

For the year ended December 31, 2023

Management’s Responsibility for Financial Reporting

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

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

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

(Signed) ***“Dragos Tanase”***

Dragos Tanase
President and Chief Executive Officer

(Signed) ***“Richard Brown”***

Richard Brown
Chief Financial Officer

April 29, 2024

Independent auditor's report

To the Shareholders of
Gabriel Resources Ltd.

Opinion

We have audited the consolidated financial statements of **Gabriel Resources Ltd**. and its subsidiaries [the "Group"], which comprise the consolidated statements of financial position as at December 31, 2023, and the consolidated statements of loss, comprehensive loss, shareholders' deficit and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ["IFRSs"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter – Comparative information

The consolidated financial statements of the Group for the year ended December 31, 2022, were audited by PricewaterhouseCoopers LLP who expressed an unmodified opinion on those statements on April 19, 2023.

Material uncertainty related to going concern

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

Key audit matter

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other information

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

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

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

We obtained Management's Discussion & Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ashraf Zineldin.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 29, 2024

Consolidated Statement of Financial Position

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

	Notes	**2023**	2022
Assets			
Current assets			
Cash and cash equivalents	9	**4,611**	5,621
Other receivables	10	**54**	114
Prepaid expenses and supplies	11	**260**	425
Total current assets		**4,925**	6,160
Non-current assets			
Restricted cash	9	**202**	177
Property and equipment	12	**76**	60
Loan receivable	16	**-**	538
Total non-current assets		**278**	775
TOTAL ASSETS		**5,203**	6,935
Liabilities			
Current liabilities			
Trade and other payables	13	**1,251**	5,563
Arbitral costs order	13	**13,761**	-
Other current liabilities	15	**749**	1,507
Resettlement liabilities	14	**567**	576
Total current liabilities		**16,328**	7,646
Non-current liabilities			
Deferred arbitration fees	13	**4,382**	-
Total non-current liabilities		**4,382**	-
TOTAL LIABILITIES		**20,710**	7,646
Deficit			
Share capital	17	**1,032,948**	1,021,520
Other reserves		**157,419**	158,663
Currency translation adjustment		**1,087**	1,125
Accumulated deficit		**(1,210,808)**	(1,185,872)
Deficit attributable to owners of the parent		**(19,354)**	(4,564)
Non-controlling interest	18	**3,847**	3,853
TOTAL DEFICIT		**(15,507)**	(711)
TOTAL DEFICIT AND LIABILITIES		**5,203**	6,935

Going concern – Note 1
Contingent liabilities – Note 21

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 consolidated financial statements

Consolidated Statement of Loss

For the year ended December 31
(*Expressed in thousands of Canadian dollars, except per share data)*

	Notes	2023	2022
Expenses			
Corporate, general and administrative	7,16	**10,718**	8,520
Arbitral costs order	13	**13,761**	-
Share-based compensation	15,17	**9**	786
Depreciation		**11**	25
Operating loss		**24,499**	9,331
Other (income) / expense			
Doubtful debt expense	16	**486**	-
Interest received		**(95)**	(48)
Gain on disposal of assets	8	**-**	(1,447)
Foreign exchange loss / (gain)		**46**	(98)
Loss for the year		**24,936**	7,738
Loss per share (basic and diluted)	22	**$ 0.02**	$ 0.01

Consolidated Statement of Comprehensive Loss

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

	Note	2023	2022
Loss for the year		**24,936**	7,738
Other comprehensive income			
- may recycle to the Income Statement in future years			
Currency translation adjustment		**44**	225
Comprehensive loss for the year		**24,980**	7,963
Comprehensive loss for the year attributed to:			
Owners of the parent		**24,974**	7,928
Non-controlling interest	18	**6**	35
Comprehensive loss for the year		**24,980**	7,963

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

Consolidated Statement of Changes in Shareholders' Deficit

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

	Notes	2023	2022
Common shares			
At January 1		**1,021,520**	1,014,492
Shares issued in private placement - net of issue costs	17	**6,389**	7,028
Shares issued on the redemption of DSUs	15	**582**	-
Shares issued on exercise of warrants	17	**3,234**	-
Transfer from contributed surplus - exercise of warrants	17	**1,223**	-
At December 31		**1,032,948**	1,021,520
Other reserves			
At January 1		**158,663**	158,540
Share-based compensation		**(21)**	123
Equity component of warrants issued	17	**(1,223)**	-
At December 31		**157,419**	158,663
Currency translation adjustment			
At January 1		**1,125**	1,315
Currency translation adjustment		**(38)**	(190)
At December 31		**1,087**	1,125
Accumulated deficit			
At January 1		**(1,185,872)**	(1,178,134)
Loss for the year		**(24,936)**	(7,738)
At December 31		**(1,210,808)**	(1,185,872)
Non-controlling interest			
At January 1		**3,853**	3,888
Currency translation adjustment		**(6)**	(35)
At December 31		**3,847**	3,853
Total shareholders' deficit at December 31		**(15,507)**	(711)

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

Consolidated Statement of Cash Flows

For the year ended December 31

(Expressed in thousands of Canadian dollars)

	Notes	**2023**	2022
Cash flows used in operating activities			
Loss for the period		**(24,936)**	(7,738)
Items not affecting cash			
Share-based compensation	15,17	**9**	786
Depreciation		**11**	25
Interest on loan receivable		**(5)**	(6)
Unrealized foreign exchange gain		**(13)**	(10)
Doubtful debt expense	16	**486**	-
Gain on disposal of assets	8	**-**	(1,447)
		(24,448)	(8,390)
Changes in operating working capital:			
Increase in trade and other payables		**125**	14
Arbitral costs order		**13,761**	-
Decrease in other current liabilities		**(206)**	-
Decrease / (Increase) in other receivables		**61**	(6)
Decrease in prepaid expenses and supplies		**145**	83
		(10,562)	(8,299)
Cash flows provided by investing activities			
Proceeds received from LLTE disposal		**-**	1,998
Proceeds from sale of land	8	**-**	1,443
Repayment of loan receivable	16	**57**	31
Movement in restricted cash	9	**(24)**	26
Increase in property and equipment	12	**(24)**	(4)
		9	3,494
Cash flows provided by financing activities			
Proceeds from private placement	17	**6,443**	7,118
Private placement costs		**(54)**	(90)
Proceeds from exercise of warrants	17	**3,233**	-
		9,622	7,028
(Decrease) / Increase in cash and cash equivalents		**(931)**	2,223
Effect of foreign exchange on cash and cash equivalents		**(79)**	107
Cash and cash equivalents - beginning of year		**5,621**	3,291
Cash and cash equivalents - end of year		**4,611**	5,621

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

1. Nature of operations and going concern

Nature of operations

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

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

Over US$700 million has been invested to maintain and develop the Project and 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 Roşia Montană ("**Bucium Projects**"), in accordance with all applicable laws, regulations, licenses, and permits.

On July 21, 2015, Gabriel and its subsidiary company, Gabriel Resources (Jersey) Limited ("**Gabriel Jersey**") (together "**Claimants**"), filed a request for arbitration before the World Bank's International Centre for Settlement of Investment Disputes ("**ICSID**") against the Romanian State ("**ICSID Arbitration**") seeking compensation for the loss and damage suffered arising from the Romanian State's treatment of the Claimants' investments in Romania in violation of certain bilateral investment protection treaties.

Key milestones in the ICSID Arbitration have been disclosed in Gabriel's prior quarterly and annual filings. Following a legal process conducted over almost nine years, the Claimants and the Romanian State ("**Respondent**") (together "**Parties**") received a final decision rendered by the presiding arbitral tribunal ("**Tribunal**") in the ICSID Arbitration proceedings on March 8, 2024 ("**Arbitral Decision**").

Accordingly, these consolidated financial statements for the year ended December 31, 2023 ("**Financial Statements**") reflect the principal focus of Gabriel and its subsidiary companies (together the "**Group**") on the pursuit of the ICSID Arbitration, adjusted as appropriate to reflect the outcome arising from the Arbitral Decision (as described below).

Arbitral Decision

On March 8, 2024, Gabriel announced that the Tribunal had issued a decision dismissing, by a two to one majority, the arbitration claims filed against the Romanian State and had 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 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.

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.

It is to be expected that Romania will take steps to enforce and recover the Costs Order and 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. Gabriel Jersey and RMGC have submitted complaints before the Romanian courts challenging these measures. The Company believes that these actions are premature and suffer from procedural infirmities. Gabriel intends to vigorously defend its rights and interest in Romania and elsewhere.

1. Nature of operations and going concern (continued)

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. The resources necessary in pursuing such process are substantial and the costs, fees and other expenses and commitments payable in that connection 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.

As at December 31, 2023, the Company had a working capital deficit of $11.4 million and had incurred losses of $24.4 million and $7.7 million for the years ended December 31, 2023 and 2022, respectively, and has yet to achieve profitable operations resulting in an accumulated deficit of $1,210 million as at December 31, 2023.

In December 2023, the Company announced the exercise for cash of 8,290,200 warrants to purchase common shares ("**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, with no cash received. In aggregate, 8,457,548 Common Shares were issued to settle 11,114,187 Warrants.

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 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.

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 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 (see note 13); and (ii) the deferral of a portion of salary and fees for certain employees and directors (see note 21), the Company believes that it has sufficient cash necessary to fund general working capital requirements together with the material estimated costs associated with consideration and preparation of any annulment application through to the end of November 2024.

Accordingly, Gabriel will require further funding during the fourth quarter of 2024 in order to pursue long-term activities (which may include, as appropriate, costs of any potential annulment proceedings) 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. There is no assurance that the Company will be successful in completing the 2024 Private Placement, in which case the Company believes that 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 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.

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

1. Nature of operations and going concern (continued)

The Financial Statements reflect, as an adjusting event, the liabilities related to the Costs Order. 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. Such adjustments could be material.

Registered office

The Company's registered address is Suite 200 – 204 Lambert Street, Whitehorse, Yukon, Canada Y1A 1Z4. The Company receives significant management services from its wholly owned subsidiary, RM Gold (Services) Ltd. ("**RMGS**"). The Company is the ultimate parent of the Group and does not have any controlling shareholders.

2. Statement of compliance

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

The Financial Statements were approved by the Board of Directors on April 29, 2024.

3. Basis of preparation

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

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

4. Basis of consolidation

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

The Financial Statements include the accounts of the Company and the following subsidiaries, which are or were part of the Group during the year ended December 31, 2023:

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

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

Loans made by the Company to enable entities with non-controlling interests to acquire their shareholding in RMGC are deemed to be part of the net investment in the subsidiary and are accordingly set off against non-controlling interest balances upon consolidation. See also Note 18.

5. Critical accounting estimates, risks and uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities, if any, at the date of the consolidated financial statements and the reported amount of expenses and other income for the year. 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. Significant items subject to such estimates and assumptions include depreciation, impairment, provisions, stock based compensation, forecasted cash flows and fair value of financial instruments.

6. Material accounting policies

Cash and cash equivalents

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

Property and equipment

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

The depreciation rates for each asset class are as follows:

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

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

Impairment of non-financial assets

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

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

6. Material accounting policies (continued)

Provisions

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

The Company believes that RMGC has satisfied its obligations under the License and applicable Romanian laws to perform environmental rehabilitation within the areas of the tenement affected by its exploration activities. Accordingly, at December 31, 2023, the Group has not incurred and is not deemed to have committed to any provisions under its accounting policies for environmental restoration related to the development of its mineral properties in Romania.

Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

(c) Group companies

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

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

Financial instruments

At initial recognition, the Company measures a financial asset at fair value through profit or loss or are classified based on the business model for managing the financial assets and the contractual terms of the cash flows as financial assets at (i) amortized cost or (ii) fair value through profit or loss.

The Company classifies and provides for financial assets as follows:

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

6. Material accounting policies (continued)

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

At each balance sheet date the Company assesses the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition, in which case the allowance for credit losses is estimated based on the lifetime expected credit loss. The amount of the allowance is the difference between the receivable's gross carrying amount and the estimated future cash flows. Credit losses and subsequent recoveries are recognized in the statement of loss.

Financial liabilities at amortized cost are measured at amortized cost using the effective interest method, unless they are required to be measured at fair value through profit or loss, or the Company has opted to measure them at fair value through profit or loss. Financial liabilities include trade and other payables.

The Company derecognizes:

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

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

Loss per share

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

Share based payments

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

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

6. Material accounting policies (continued)

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

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

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

Income taxes

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

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

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

Accounting standards and amendments

New standards and interpretations adopted in the year:

In February 2021, the International Accounting Standards Board ("**IASB**") amended IAS 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The narrow-scope amendments require the disclosure of material accounting policy information rather than significant accounting policies and clarify how to distinguish changes in accounting estimates from changes in accounting policies. The Company has adopted these amendments in its consolidated financial statements for the year ended December 31, 2023. The Company assessed the accounting policies disclosed and revised the disclosure to provide material accounting policy information rather than significant accounting policies.

New standards and interpretations not yet adopted:

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current, which amends IAS 1, Presentation of Financial Statements. The narrow-scope amendments affect only the presentation of liabilities in the statement of financial position and not the amount or timing of their recognition. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They also introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

6. Material accounting policies (continued)

In October 2022, the IASB issued further amendments to IAS 1, Presentation of Financial Statements, that aim to improve the information companies provide about long-term debt with covenants. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

These amendments are not expected to have a material impact on the consolidated financial statements.

7. Corporate General and Administrative expenses

in thousands of Canadian dollars	**December 31 2023**	December 31 2022
Payroll	**3,478**	3,324
ICSID Arbitration related	**2,724**	1,426
Finance, audit, accounting and compliance	**1,478**	1,032
Property taxes	**740**	645
Project obligations and community relations*	**637**	582
Travel and transportation*	**438**	399
Legal	**319**	261
Information technology	**273**	271
Office rental and utilities	**194**	213
External communications	**32**	23
Other	**405**	344
Corporate, general and administrative expense	**10,718**	8,520

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

8. 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.

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

9. Cash and cash equivalents and restricted cash

	December 31 2023	December 31 2022
Cash and cash equivalents	**4,611**	5,621
Restricted cash	**202**	177
	4,813	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 December 31, 2023, the Group held $0.2 million in unrestricted cash and cash equivalents in Romanian banks (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. Environmental guarantees were subject to an upwards inflation adjustment in 2023.

Cash balances are held in the following currencies:

	December 31 2023	December 31 2022
Canadian dollar	**3,725**	2,248
United States dollar	**429**	2,634
UK pound sterling	**302**	587
Romanian leu	**155**	152
Romanian leu (restricted cash)	**202**	177
	4,813	5,798

10. Other receivables

Other receivables of $0.1 million at December 31, 2023 (December 31, 2022: $0.1 million) is comprised of group VAT receivable at the period end.

11. Prepaid expenses and supplies

	December 31 2023	December 31 2022
Corporate insurance	**71**	96
Mining tax	**160**	288
Other	**29**	41
	260	425

12. Property and equipment

Property and equipment consists of office equipment, vehicles and right of use assets with a carrying value of $0.1 million (2022: $0.1 million).

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

13. Trade and other payables

Short term

	December 31 2023	December 31 2022
Trade payables	**207**	216
Payroll liabilities	**416**	350
Accruals and other payables	**628**	4,997
Arbitral costs order	**13,761**	-
	15,012	5,563

Accruals and other payables principally reflect the levels of work performed in relation to the ICSID Arbitration leading up to the balance sheet dates and the related accrued costs, including advancement of pre and post arbitration award strategic initiatives.

As a post balance sheet date adjusting event, Gabriel has recognized the principal amount of the arbitration Costs Order at rates of exchange as at December 31, 2023 and excluding the simple interest applicable from the date of the Arbitral Decision at the 3-month US Treasury rate.

Long term

As at December 31, 2023 $4.4 million (December 31, 2022: $4.4 million, which was included in short term) was due under a fee agreement in respect of certain ICSID Arbitration costs incurred before an arbitration award, with payment deferred until six months after such award. Subsequently this deferral has been further extended such that no amount in this regard will be repayable until up to 90 days after the conclusion of any annulment process instituted by the Company.

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

	December 31 2023	December 31 2022
UK pound sterling	**168**	154
Canadian dollar	**261**	213
United States dollar	**7,684**	4,578
Euro	**1,710**	56
Romanian leu	**9,571**	562
	19,394	5,563

14. Resettlement liabilities

RMGC previously had a program for purchasing homes in the Project area. Under the resettlement program residents were offered two choices; either to take the sale proceeds and move to a new location of their choosing or exchange their properties for a new property to be built by RMGC at a new resettlement site. For those residents who chose the new resettlement site alternative, the Company recorded a resettlement liability for the anticipated construction costs of the resettlement houses. The total resettlement liability balance at December 31, 2023 was $0.6 million (December 31, 2022: $0.6 million).

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

15. 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**
Redeemed	**(2,858)**	**-**	**(787)**
Change in fair value	**-**	**-**	**29**
Balance - December 31, 2023	**1,850**	**0.41**	**749**

The Company has a 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.

In July 2023, 2.1 million DSUs were redeemed for shares and 0.7 million DSUs were redeemed for cash following the resignation of the holders from the boards of two of the Group's subsidiary companies.

As at December 31, 2023, the Company's share price had increased to $0.405 from $0.32 at December 31, 2022 and, accordingly, a fair value increase of less than $0.1 million has been recorded in the DSU liability.

16. Related party transactions

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

(a) In July 2015, the Company entered into a services agreement with SC Total Business Land SRL ("**TBL**"), a Romanian entity controlled by current and former employees of RMGC, including the current CEO of Gabriel. TBL was set up after Gabriel entered into the ICSID Arbitration with a business purpose to provide specialized services to the Romanian market – for example archaeology, land planning and surveying, permitting, environmental assessment, and digital services. The incorporation of TBL enabled the Gabriel group to significantly reduce its cost base whilst maintaining compliance with its License obligations. The services agreement with TBL is terminable by each party with 30 days' notice and is for the provision of certain manpower to RMGC, primarily to conduct real estate maintenance on RMGC owned land and buildings, preservation of historical buildings, underground works, document management and other administration work. For the year ended December 31, 2023 such charges amounted to $0.2 million (2022: $0.2 million).

(b) In December 2015 RMGC entered into an agreement with TBL to lease 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. The agreement was terminated on November 1, 2023. For the year ended December 31, 2023 such recharges by RMGC amounted to $0.1 million (2022: $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. In April 2024 TBL entered into voluntary administration and the company believe it is prudent to provide against the receivable. On that basis, the balance of the loan at December 31, 2023 was $nil (December 31, 2022: $0.5 million).

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

16. Related party transactions (continued)

(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 year ended December 2023 the charges amounted to $0.1 million (December 2022: $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:

	December 31 2023	December 31 2022
Salaries and other short-term employee benefits[(1),(2)]	**1,181**	1,279
Directors fees[(2)]	**330**	281
DSUs[(3)]	**-**	84
Share options[(3)]	**-**	55
Total	**1,511**	1,699

[(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 21.*
[(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.*

17. Share capital

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.

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.

In July 2023 2,155,802 DSUs were redeemed for shares and 702,345 DSUs were redeemed for cash following the resignation of the holders from the boards of two of the Group's subsidiary companies.

In December 2023, 8,290,200 Warrants to purchase Common Shares at a price of $0.39 per share were exercised for cash. The Company received an aggregate consideration of approximately $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.

Authorized:

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

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

17. Share capital (continued)

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	6,389
Shares issued on the redemption of DSUs	2,092	582
Shares issued on the exercise of warrants	8,458	3,234
Transfer from contributed surplus - exercise of warrants	-	1,223
Balance - December 31, 2023	**1,035,977**	**1,032,948**

[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 December 31, 2023, along with their exercise prices, is as follows:

Expiry date	Number of warrants	Exercise price ($)
January 15, 2024	25,723,372	0.490
August 23, 2024	76,504,263	0.645
September 13, 2024	5,225,970	0.645

Movements in the number and exercise price of Warrants were as follows:

	Number of warrants ('000)	Weighted average exercise price (dollars)
Balance - December 31, 2021	**200,820**	**0.55**
Balance - December 31, 2022	**200,820**	**0.55**
Warrants cancelled/forfeited	**(2,657)**	**0.39**
Warrants expired	**(82,251)**	**0.49**
Warrants exercised	**(8,458)**	**0.39**
Balance - December 31, 2023	**107,454**	**0.61**

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

17. 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.
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.

	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	6.5	3,048	0.25	6.5
0.31 - 0.40	12,860	0.36	3.9	12,085	0.36	4.1
0.41 - 0.50	10,529	0.45	5.0	10,529	0.45	5.0
0.51 - 0.60	88	0.57	5.8	88	0.57	5.8
0.61 - 0.70	481	0.65	2.6	481	0.65	2.6
0.71 - 0.80	5,000	0.79	0.0	5,000	0.79	0.0
	32,006	0.45	3.9	31,231	0.45	4.0

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

	Number of options (thousands)	Weighted average exercise price (dollars)
Balance - December 31, 2021	**32,997**	**0.45**
Options granted	418	0.21
Balance - December 31, 2022	**33,415**	**0.45**
Options expired	**(1,409)**	**0.39**
Balance - December 31, 2023	**32,006**	**0.45**

During the year ended December 31, 2023, no Share Options were granted. In the corresponding year ended December 31, 2022, 0.4 million Share Options were granted to non-executive directors in lieu of payment for services at a weighted average exercise price across all grants of $0.21, all of which vested immediately. On January 1, 2024 a further 5.0 million Share Options exercisable at $0.79 expired.

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

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

18. Non-controlling interest

	Rosia Montană Gold Corporation S.A.
Balance - December 31, 2021	**3,888**
Currency translation adjustment	(35)
Balance - December 31, 2022	**3,853**
Currency translation adjustment	**(6)**
Balance - December 31, 2023	**3,847**

The Company has historically advanced loans totaling US$39.5 million to Minvest RM, the non-controlling shareholder of RMGC, to facilitate mandatory statutory share capital increases in RMGC in accordance with Romanian company law rules on capitalization. These loans, which remain outstanding at December 31, 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 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.

19. Income taxes

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

	December 31 2023	December 31 2022
Loss before income taxes	**24,936**	7,738
Income tax rate [(1)]	**27.0%**	27.0%
Income tax at statutory rates	**(6,733)**	(2,089)
Tax effects of:		
- Impact of foreign tax rates [(2)]	**503**	412
- Non-deductable items / permanent differences	**2**	110
- Unrecognised deferred tax assets	**6,228**	1,567
Income tax recovery	**-**	-

[(1)] *The income tax rate reflects the combined federal and provincial tax rates in effect in Yukon, Canada for each period shown.*

[(2)]*The Company has operations based in Romania, which has a different tax rate to the Canadian statutory rate.*

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

19. Income taxes (continued)

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

		Canada	
	December 31 2023	December 31 2022	Expiry
Losses carried forward	**124,260**	120,893	2026-2043
Unclaimed share issue cost	**211**	278	No expiry
Capital assets	**1,526**	1,526	No expiry
Cumulative eligible capital expenditures	**13,328**	13,328	No expiry
Deductable temporary differences	**139,325**	136,025	

RM Gold (Services) Ltd has $2.8 million of unrecognized deductible temporary differences in the United Kingdom (2021: $3.1 million), with no specified expiry date, to be carried forward for use against future profits. RMGC has unrecognized temporary differences in Romania of $550.5 million (2022: $525.5 million). These differences could give rise to deferred tax assets at a future date. Losses carried forward, which are a component of the deductible temporary differences in Romania, amounted to $69.7 million (2022: $69.6 million) and have expiry dates between 2024 and 2030.

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

20. Commitments

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

	Note	Total	2024	2025	2026	2027	2028	Thereafter
Operating lease commitments								
Surface concession rights		949	33	33	33	33	33	784
Lease agreements		176	164	12	-	-	-	-
Total commitments		1,125	197	45	33	33	33	784

(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. Such renewal has been applied for by RMGC and is currently under review by the relevant competent authorities in Romania.

(b) RMGC has approximately 30 years remaining on concession agreements with the Local Councils of Roşia 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 $34,000 (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.

21. Contingent Liabilities

The Company has a number of contingent liabilities, namely***:***

(i) Litigation - the Company is involved in litigation matters and claims arising out of the ordinary course and conduct of its business. Although the amount of any liability that could arise with respect to any pending claims cannot be estimated or cannot be predicted with certainty, management does not consider the Company's exposure to litigation to be material to these consolidated financial statements.

(ii) in respect of 95,625 arbitration value rights ("**AVR**s"), entitling the holders thereof to a share of any proceeds arising from any settlement or arbitral award irrevocably made in the Company's and/or any of its affiliates favour in connection with the ICSID Arbitration claim, including:

  a. 55,000 AVRs entitling the holders to a pro rata share of 7.5% of any such proceeds, 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 such proceeds, 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. The KEEP's 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 any arbitral 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) Certain employees of the Group 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 (i) 60 days of receipt of any monies received by the Company and/or any of its affiliates pursuant to any settlement or arbitral 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; or (ii) 90 days following a "change of control" of the Company. Similarly, with effect from April 1, 2022 the directors of the Company have agreed to defer 20% of their fees due on the same basis.

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

22. Loss per share

		December 31 2023		December 31 2022
Loss for the year attributable to owners of the parent		**24,936**		7,738
Weighted-average number of Common Shares (000's)				
Basic number of shares		**1,016,011**		985,363
Basic and diluted loss per share	**$**	**0.02**	$	0.01

As at December 31, 2023, the Company had 1,035,976,840 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 141,309,075 Common Shares at that date in aggregate would be anti-dilutive. Diluted loss per share is therefore deemed to be the same as basic loss per share.

23. 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 year ended December 31,	**2023**	2022	**2023**	2022	**2023**	2022
Reportable items in the Consolidated Statements of Income and Comprehensive Income						
Interest received	-	-	**(95)**	(48)	**(95)**	(48)
Finance costs - convertible note accretion	-	-	-	-	-	-
Depreciation	**8**	21	**3**	4	**11**	25
Reportable segment loss	**4,571**	3,748	**20,365**	3,990	**24,936**	7,738
As at December 31,	**2023**	2022	**2023**	2022	**2023**	2022
Reportable segment in Consolidated Statement of Financial Position						
Reportable segment current assets	**303**	571	**4,622**	5,589	**4,925**	6,160
Reportable segment non - current assets	**272**	160	**6**	615	**278**	775
Reportable segment liabilities	**(1,207)**	(1,138)	**(19,503)**	(6,508)	**(20,710)**	(7,646)

24. Post balance sheet events

The following events have occurred after the December 31, 2023 balance sheet date:

(i) As explained in Note 1, on March 8, 2024, Gabriel announced that the Tribunal had issued a decision dismissing, by a two to one majority, the arbitration claims filed against the Romanian Government and had awarded Romania approximately US$10 million to reimburse half of the legal fees and expenses it had incurred in the arbitration. The Financial Statements have been adjusted to include the amount payable, which incurs simple interest from the date of the Arbitral Decision at the 3-month US Treasury rate.

(ii) On April 4, 2024 Gabriel announced that the Government of Romania had requested the Claimants to settle the Costs Order and noted that they will take action to enforce the same. In this regard, from public records, it appears that 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 procedural infirmities. Gabriel intends to vigorously defend its rights and interest in Romania and elsewhere.

24. Post balance sheet events (continued)

(iii) On April 26, 2024 the 2024 Private Placement was announced.

(iv) On January 1, 2024, 5.0 million Share Options with an exercise price of $0.79 expired.

(v) On January 15, 2024, 25,723,372 Warrants with an exercise price of $0.49 expired.

(vi) In March 2024, RMGC submitted an application to the 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.

25. 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 and loan receivable.

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.

The credit loss associated with the loan receivable arises from the possibility that the counterparty may default on their obligation. Outstanding loan receivable is regularly monitored and an allowance for doubtful accounts is established based on expected credit losses.

Liquidity risk

As at December 31, 2022 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

(b) 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.

25. Financial instruments (continued)

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

At December 31, 2023, the Group's financial instruments consist of cash and cash equivalents, other receivable and trade and other payables. The carrying amounts of these financial instruments approximate fair value due to their short-term maturities and are classified as level 1 of the fair value hierarchy.

As at December 31, 2023, the carrying amount of the Group's loan receivable approximates its fair value. The fair value was determined by discounting the expected future cash flow based on current rate for a loan with similar terms and maturities, and is categorized as Level 2 in the fair value hierarchy.

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 December 31, 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 December 31, 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 approximately $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 approximately $0.1 million.

26. Capital management

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

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

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

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

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

RMGC is the Group's only subsidiary with a non-controlling interest, as summarized further in Note 18. The summarized financial statements of RMGC, which are unaudited and are derived from the consolidation workings for these Financial Statements, are as follows:

As at December 31	**2023**	2022
Current assets	**303**	571
Non-current assets	**272**	160
Total assets	**575**	731
Current liabilities	**(1,138)**	(1,138)
Non-current liabilities	**(1,019,332)**	(952,546)
Total liabilities	**(1,020,470)**	(953,684)

Summarized statement of comprehensive loss

For the year ended December 31	**2023**	2022
Loss for the year	**4,571**	3,748
Other comprehensive loss (Currency translation adjustment)	**6**	35
Comprehensive loss for the year	**4,577**	3,783

Summarized statement of cash flows

For the year ended December 31	**2023**	2022
Net cash utilized by operating activities	**(4,393)**	(4,071)
Net cash provided by financing activities	**4,396**	3,927
Net increase / (decrease) in cash and cash equivalents	**3**	(144)