



## PRESS RELEASE

FOR IMMEDIATE RELEASE

TSX Trading Symbol: GBU

May 11, 2016

### Closing of Private Placement

Further to the news release of May 3, 2016, Gabriel Resources Ltd. ("Gabriel" or the "Company") is pleased to announce that it has completed the closing of its previously announced non-brokered private placement with a number of existing shareholders. A total of 20,000 units (the "Units") were issued at a price of \$1,000 per Unit to raise aggregate gross proceeds of \$20 million (the "Private Placement"). Proceeds from the Private Placement will be used for the ICSID Arbitration (defined below) and for general working capital requirements

In addition, the Company has entered into arrangements with certain existing securityholders to amend certain terms of the securities held by such holders (the "Restructuring"). Following completion of the Private Placement and the Restructuring (together referred to in this announcement as the "Transactions") the Company has in issue 55,000 Units, each Unit consisting of (i) \$1,000 principal amount of 0.025% convertible subordinated unsecured notes ("Notes"); (ii) 1,610 common share purchase warrants ("Warrants"); and (iii) one arbitration value right ("AVR") with, inter alia, the following terms:

- The Notes will mature on June 30, 2021 and will be convertible at any time prior to maturity, at the option of the holder, into common shares in the capital of the Company ("Common Shares") at a price of \$0.3105 per Common Share. The 0.025% coupon will be payable annually with effect from January 1, 2016. At maturity, the Company will have the ability to repay the Notes through issuing Common Shares.
- Each Warrant will entitle the holder to acquire one Common Share at an exercise price of \$0.46 at any time prior to June 30, 2021.
- Each AVR will entitle the holder thereof to its pro rata share of 7.5% of any proceeds arising from the arbitration claim which the Company has commenced against Romania before the World Bank's International Centre for Settlement of Investment Disputes ("ICSID Arbitration"), subject to the terms of the AVR and a maximum aggregate entitlement of \$175 million among all holders AVRs in issue.

The aggregate number of Common Shares to be issued pursuant to the Transactions (assuming conversion or exercise (as applicable) of the relevant securities noted above) is 223,230,000, representing approximately 58.1% of the Common Shares issued and outstanding (on a non-diluted basis) prior to giving effect to the Transactions.

Further detail regarding the Transactions and the impact thereof can be found in the news release issued by the Company on May 3, 2016 which is available on the Company's website at [www.gabrielresources.com](http://www.gabrielresources.com) and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

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## About Gabriel

Gabriel is a Toronto Stock Exchange listed Canadian resource company. The Company's principal focus has been the exploration and development of the Roşia Montană gold and silver project in Romania ("the Project"). The Project, one of the largest undeveloped gold deposits in Europe, is situated in the South Apuseni Mountains of Transylvania, Romania, an historic and prolific mining district that since pre-Roman times has been mined intermittently for over 2,000 years. The exploitation license for the Project ("License") is held by Roşia Montană Gold Corporation S.A., a Romanian company in which Gabriel owns an 80.69% equity interest, with the 19.31% balance held by Minvest Roşia Montană S.A., a Romanian state-owned mining company. It is anticipated that the Project would bring over US\$24 billion (at US\$1,200/oz gold) to Romania as potential direct and indirect contribution to GDP and generate thousands of employment opportunities.

Since the grant of the License in June 1999, the Company has focused substantially all of its management and financial resources on the exploration, feasibility and subsequent development of the Project. Despite the Company'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, Romania has blocked and prevented implementation of the Project without due process and without compensation.

For more information please visit the Company's website at [www.gabrielresources.com](http://www.gabrielresources.com).

## Forward-looking Statements

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

In this press release, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: the ICSID Arbitration, actions by the Romanian Government, conditions or events impacting the Company's ability to fund its operations or service its debt, exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "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, required disclosure, costs, process and outcome of the ICSID Arbitration against Romania;
- changes in the Gabriel Group's liquidity and capital resources;
- access to funding to support the Gabriel Group's continued ICSID Arbitration and/or operating activities in the future;
- equity dilution resulting from the conversion or exercise of existing securities in part or in whole to Common Shares;
- the ability of the Company to maintain a continued listing on the Toronto Stock Exchange or any regulated public market for trading securities;
- the impact on business strategy and its implementation in Romania of: unforeseen historic acts of corruption, uncertain legal enforcement both for and against the Gabriel Group and political and social instability;
- regulatory, political and economic risks associated with operating in a foreign jurisdiction including changes in laws, governments and legal regimes;
- volatility of currency exchange rates, metal prices and metal production;
- the availability and continued participation in operational or other matters pertaining to the Gabriel Group of certain key employees and consultants; and
- risks normally incident to the exploration, development and operation of mining properties.

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 report 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 including Gabriel's Annual Information Form for the year ended December 31, 2015, which can be viewed online at [www.sedar.com](http://www.sedar.com).

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