



G A B R I E L
Rozia Montana
IN PARTNERSHIP

ANNUAL INFORMATION FORM

of

GABRIEL RESOURCES LTD.

FOR THE YEAR ENDED DECEMBER 31, 2017

DATED AS OF APRIL 30, 2018

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PRELIMINARY NOTES

In this Annual Information Form, the terms “**Gabriel**”, the “**Company**” and the “**Gabriel Group**” refer to Gabriel Resources Ltd. and its consolidated subsidiaries and affiliates, and “**Management**” refers to the executive officers of Gabriel, unless the context requires otherwise. Other capitalised terms used in this Annual Information Form are defined within the body of this document.

Cautionary Note regarding the Core Focus of the Gabriel Group

The Gabriel Group’s primary objective for many years has been the development of the Roşia Montană gold and silver project in Romania (the “**Roşia Montană Project**” or the “**Project**”) to operational status. On July 21, 2015, the Company and its wholly-owned subsidiary, Gabriel Resources (Jersey) Ltd., (together “**Claimants**”) filed a request for arbitration (“**Arbitration Request**”) before the World Bank’s International Centre for Settlement of Investment Disputes (“**ICSID**”) against the Romanian State (the “**Respondent**”) pursuant to the bilateral investment protection treaties which the Government of Romania (“**Government**”) entered into with each of the Government of Canada and the Government of the United Kingdom of Great Britain and Northern Ireland for the Promotion and Reciprocal Protection of Investments (together the “**Treaties**”) (“**ICSID Arbitration**”). The ICSID Arbitration has become the core focus of the Company in light of the continued absence of any engagement by the Romanian State since the submission of the Arbitration Request, as described further below.

In the context of the above, the information set out elsewhere in this Annual Information Form relating to the Roşia Montană Project, the exploitation concession License for the Project (“License**”), the Gabriel Group’s exploration and development activities in Romania, the Project approval and permitting process and reported gold and silver resources and reserves 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 Roşia Montană Project.**

Cautionary Note regarding Forward-Looking Statements

This Annual Information Form 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.

In this Annual Information Form, 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 uncertainties associated with material factors or assumptions used to develop forward-looking statements include, without limitation: the progress of the ICSID Arbitration, actions (or inactions) by the Romanian Government or representatives thereof, the impact of current or future litigation against the Gabriel Group, conditions or events impacting the Company’s ability to fund its operations or service its debt, 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, 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 of the outstanding aggregate \$95,625,000 of 0.025% convertible, subordinated, unsecured notes (“**Convertible Notes**”), or exercise of the outstanding aggregate 111,536,250 common share purchase warrants (“**Warrants**”), in part or in whole to common shares in the capital of the Company;
- the ability of the Company to maintain a continued listing on the TSX Venture Exchange (the “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 and fiscal regimes;
- volatility of currency exchange rates; and
- the availability and continued participation in operational or other matters pertaining to the Gabriel 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. Reference should also be made to the section entitled “Risk Factors” in Part VI for additional risk factors that could cause results to differ materially from 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 Annual Information Form that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company’s website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company’s disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company’s filings with Canadian securities regulatory agencies, which can be viewed online at www.sedar.com.

Cautionary Note to Investors regarding Estimates of Measured, Indicated and Inferred Mineral Resources

This Annual Information Form uses the terms “Measured”, “Indicated” and “Inferred” Mineral Resources. Investors are advised that while such terms are recognised and required by Canadian securities regulations, the United States Securities and Exchange Commission does not recognise them. “Inferred Mineral Resources” have a greater amount of uncertainty as to their existence, and as to their economic and legal feasibility, than “Measured” or “Indicated” Resources. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under applicable Canadian securities laws, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **Investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources that are not already classified as Mineral Reserves will ever be converted into Mineral Reserves. Investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Currency and Exchange Rates

All dollar amounts in this Annual Information Form are expressed in Canadian dollars unless otherwise indicated. The Company’s functional currency is the Canadian dollar and its financial statements are prepared in Canadian dollars.

The following table sets forth the rate of exchange for the Canadian dollar, expressed in US dollars, Euros and Romanian new leu in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into US dollars (“**US dollar**” or “**US\$**”), Euros (“**EURO**” or “**€**”) and Romanian new leu, the official currency of Romania (“**RON**”).

<u>One Canadian dollar in US\$</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Rate at end of period..	0.7971	0.7448	0.7225
Average rate for period	0.7708	0.7548	0.7820
High for period	0.8245	0.7972	0.8527
Low for period	0.7276	0.6854	0.7148

The buying rate of exchange on April 27, 2018, as reported by the Bank of Canada for the conversion of Canadian dollars into US dollars, was Canadian \$1.00 equals US\$0.7778.

<u>One Canadian dollar in EUROS</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Rate at end of period..	0.6644	0.7058	0.6654
Average rate for period	0.6831	0.6821	0.7051
High for period	0.7230	0.7207	0.7627
Low for period	0.6523	0.6278	0.6537

The rate of exchange on April 27, 2018, as reported by the Bank of Canada for the conversion of Canadian dollars into Euro, was Canadian \$1.00 equals €0.6428.

<u>One Canadian dollar in RON</u>	<u>2017⁽¹⁾</u>	<u>2016</u>	<u>2015</u>
Rate at end of period..	3.1051	3.2206	3.0066
Average rate for period	3.1225	3.0627	3.1340
High for period	3.2369	3.2573	3.3750
Low for period	3.0302	2.8289	2.9070

The rate of exchange on April 27, 2018, as reported by The National Bank of Romania (*Banca Națională a României*) for the conversion of Canadian dollars into RON, was Canadian \$1.00 equals RON 2.9951.

(1) as reported by The National Bank of Romania for the conversion of Canadian dollars into RON

Metric Equivalents

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

To convert from Imperial	To metric	Multiply Imperial by
Acres	Hectares	0.404687
Feet	Metres	0.30480
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)	Grams	31.1035

Date of Information

All information in this Annual Information Form is as of April 27, 2018 unless otherwise indicated.

PART I CORPORATE STRUCTURE

Name, Address and Incorporation

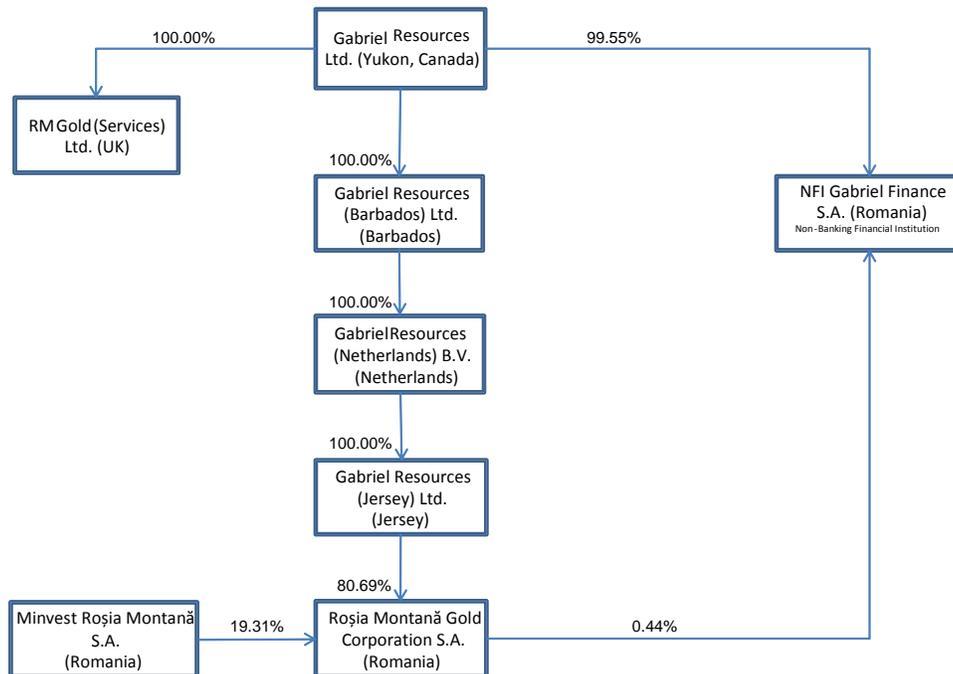
Gabriel Resources Ltd. was incorporated on July 18, 1986 under the Company Act of British Columbia under the name “PIC Prospectors International Corporation”. In 1994 the Company changed its name to “Starx Resource Corp.”. In April 1997 the Company was continued under the Yukon Business Corporations Act changing its name to “Gabriel Resources Ltd.”.

The Company's registered office is located at Suite 200, Financial Plaza, 204 Lambert Street, Whitehorse, Yukon, Y1A 1Z4, Canada. The Gabriel Group maintains administrative offices in London (UK), and Roșia Montană Gold Corporation S.A., the Company's 80.69% owned subsidiary, maintains offices in Bucharest (Romania) and Roșia Montană (Romania).

The Gabriel Group currently employs approximately 35 individuals directly. As of the date of this Annual Information Form and effective since February 1, 2018, the Company's common shares (“**Common Shares**”) are listed for trading on Exchange under the symbol “GBU”.

Inter-Corporate Relationships

The following chart lists the principal subsidiaries of the Company and their jurisdiction of incorporation. Except where noted, all subsidiaries are wholly-owned, directly or indirectly, by the Company:



Notes:

- (1) Figures in the above diagram may not sum due to rounding.
- (2) In February 2016, Gabriel Resources (Netherlands) B.V. approved the dissolution of its wholly-owned Romanian subsidiary, Rom Aur SRL. On February 17, 2016, Rom Aur SRL transferred its minority 0.22% shareholding in NFI Gabriel Finance S.A. to Rosia Montana Gold Corporation S.A.. Rom Aur SRL was dissolved on May 20, 2016.

PART II

GENERAL DESCRIPTION OF THE BUSINESS AND ITS DEVELOPMENT

Overview

Gabriel is a Canadian company whose Common Shares are listed on the Exchange. For many years, the Company was focused principally on the exploration and development of the Roşia Montană 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 and prolific mining district that since Roman times has been mined intermittently for over 2,000 years.

The License is held by Roşia 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 Roşia Montană S.A. (“**Minvest RM**”), a Romanian state-owned mining company.

Upon obtaining the License in 1999, RMGC, along with Gabriel and its subsidiary companies, focused substantially all of their management and financial resources on identifying and defining the size of the four ore bodies, engineering to design the size and scope of the Project, surface rights acquisitions, rescue archaeology and environmental assessment and permitting. 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, effectively depriving the Gabriel Group entirely of the value of its investments.

The Arbitration Request was registered by ICSID on July 30, 2015, and the presiding tribunal for the ICSID Arbitration (“**Tribunal**”) was constituted on June 21, 2016. Further details regarding subsequent events and the status of the ICSID Arbitration are set out in this Part II.

In light of the continued absence of any positive engagement by the Romanian State since the Arbitration Request, the ICSID Arbitration has become the Company’s core focus.

In the context of the above, the information set out below and elsewhere in this Annual Information Form relating to the Roşia Montană Project, the License, the Gabriel Group’s exploration and development activities in Romania, the Project approval and permitting process and reported gold and silver resources and reserves 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 Roşia Montană Project.

Recent Activities

During the course of the last three completed financial years, the principal activities of the Company have included:

- the advancement of the ICSID Arbitration;
- seeking the engagement of the Romanian Government in a process of consultation in order to find an amicable resolution regarding the development, construction and operation of the Project;
- the identification and evaluation of financing alternatives to support the continued operating activities of the Gabriel Group, including but not limited to the advancement of the ICSID Arbitration, and the closing of two non-brokered private placement transactions in 2016 to raise, in aggregate, gross proceeds of \$60.625 million;
- the implementation of a series of cost-saving measures (including a material reduction in the workforce of the Gabriel Group) to align the cost base of the Gabriel Group with the status of the Project in Romania;
- the protection of the Gabriel Group's rights and interests in Romania (including, so far as reasonably practical and desirable, ensuring that existing licenses and permits remain in good standing);
- the continuance of programs to ensure the preservation of artefacts and maintenance of buildings located in the historical and protected centre of the village of Roşia Montană;
- the ongoing care and maintenance of long-lead time equipment acquired by RMGC for the development phase of the Project and, more recently, the marketing and partial sale of such equipment; and

Since the end of the last completed financial year of the Company, Gabriel also announced and effected the transfer of the listing of its Common Shares from the Toronto Stock Exchange (the "TSX") to the Exchange, as further described herein.

Overview of Mineral Projects

Since 1997, Gabriel, through RMGC, has been engaged in the exploration and development of precious metal mineral properties in Romania and the Company's principal focus has been the exploration and development of the Roşia Montană Project. In addition, RMGC has conducted significant exploration work defining mineral deposits at the Rodu-Frasin (epithermal gold and silver) and Tarniţa (porphyry copper-gold) sites within the Bucium area located in the vicinity of Roşia Montană (the "**Bucium Projects**").

The Company has provided all of the funding for RMGC's activities since its incorporation in 1997 and, to December 31, 2017, has invested in excess of US\$700 million to finance the Roşia Montană Project.

Roşia Montană Project

In 1998, after Romania enacted a new mining law that established the regime of mining licenses, the National Agency for Mineral Resources (“**NAMR**”) issued the License for the Project to The National Company of Copper, Gold and Iron Minvest S.A. (“**Minvest**”) (the predecessor entity of Minvest RM) as the titleholder and to RMGC as an affiliated company. The License was subsequently approved by Government Decision No. 458/1999 as License No. 47/1999 and entered into force as of June 21, 1999. The License has an initial term of twenty years with a right of renewal for successive five-year periods, and carries the right as well as the obligation to develop the mineral resource within the license perimeter to the maximum extent feasible. In October 2000, with the approval of NAMR, Minvest transferred title to the License to RMGC. Since then, RMGC has remained the License titleholder.

Since obtaining the rights to the Roşia Montană Project, the Gabriel Group has pursued its development as a productive, high-quality, sustainable, and environmentally responsible mining project in accordance with all applicable laws, regulations, licenses, permits, as well as European Union guidelines, international mining best practices, and international sustainable development guidelines. Consistent with this objective, the Company engaged leading global mining, engineering, cultural heritage and environmental consultants and experts to assist in the development of all major aspects of the Project. Working with these consultants and experts, Gabriel implemented the following steps, among others, to develop the Project:

- undertaking extensive exploration activities within the Project area, including an extensive drilling and assaying program, which confirmed the existence of significant mineral deposits within the Project area;
- undertaking extensive and updated feasibility studies and development plans for extraction of gold and silver from the Project (including basic engineering and the initial aspects of the detailed engineering phases of development for the Project);
- developing the technical design of the Project;
- purchasing and storing mining and other equipment necessary to implement the Project, such as large-scale equipment for the processing plant;
- undertaking wide-ranging and comprehensive environmental impact assessments;
- undertaking and financing extensive corporate social responsibility programs in the Project area, including education and training programs, improvements to infrastructure, renovation of historical buildings and monuments, and other projects enhancing sustainability and social progress;
- acquiring surface rights to land within the Project’s footprint and, following public consultations and in accordance with World Bank principles, relocating and resettling members of the local community affected by the Project;
- undertaking and financing extensive programs of exploratory and preventive archaeology to identify and preserve sites and artefacts of historical importance in the Project and surrounding area; and
- pursuing applications for and acquiring permits and authorizations required to implement the Project and, as necessary, intervening to assist defending the same against legal challenges by, amongst others, anti-mining NGOs.

For further details regarding the Roşia Montană Project, see Part IV of this Annual Information Form.

Bucium Projects

In 1999 NAMR granted an exploration license (No. 218/1999) to Minvest as the titleholder and to RMGC as an affiliated company, covering the Bucium area located in the vicinity of Roșia Montană (the “**Bucium Exploration License**”). With NAMR’s approval, Minvest subsequently transferred the title to the Bucium Exploration License to RMGC. Following exploration work that defined mineral deposits at the Rodu-Frasin and Tarnița locations within the Bucium area, in order to implement projects for the exploitation of these deposits, in May 2007 RMGC submitted a timely application to the NAMR for the conversion of the Bucium Exploration License into two exploitation concessions but, to date, the NAMR has not acted on these applications. The Bucium Exploration License expired in May 2007, but RMGC retains the right to obtain the exploitation rights within the Bucium perimeter.

The ICSID Arbitration

Background to the Dispute

In reliance on numerous representations made and actions taken by the Romanian authorities and in the reasonable expectation that the Project would be evaluated in accordance with the law and reasonable technical standards and, ultimately, on its merits, the Claimants have invested over US\$700 million to maintain and develop the Project in accordance with all applicable laws, regulations, licenses, and permits. However, having encouraged the Claimants’ investment in the Project, and also in defining mineral deposits at the Rodu-Frasin site (epithermal gold and silver) and reviewing the Bucium Projects, the Romanian State has frustrated and prevented the implementation of those developments in an unlawful, discriminatory and non-transparent manner, and ultimately abdicated the responsibility to make decisions on the permitting of the Project in contravention of the applicable legal framework.

As a consequence of Romania’s acts and inactions, the Project has been stymied, depriving the Claimants of the use, benefit and entire value of their property rights associated with the Project and the Bucium Projects, which have effectively been taken without compensation in contravention of applicable legal and administrative processes and requirements.

The ICSID Arbitration seeks compensation for all of the loss and damage resulting from the Romanian State’s wrongful conduct and its breaches of the Treaties’ protections, including against expropriation, unfair and inequitable treatment and discrimination in respect of the Project and related licenses.

Request for Consultation

On January 20, 2015, the Company issued a formal notification to the President and Prime Minister of Romania, on behalf of Gabriel and certain of its affiliates, pursuant to the provisions of the Treaties, notifying the Government of the existence of a dispute between the Company and Romania under the Treaties and requesting that the Government engage formally with Gabriel in a process of consultation in order to find an amicable resolution regarding the development, construction and operation of the Project (the “**Notice of Dispute**”).

Following delivery of the Notice of Dispute, the Treaties allowed for a six month period to settle disputes prior to submitting a dispute to arbitration. This period elapsed in July 2015. The Romanian Government did not respond to the Notice of Dispute and failed to propose any resolution to the notified dispute.

Status of the ICSID Arbitration

On July 21, 2015, the Claimants filed the Arbitration Request before ICSID against the Respondent pursuant to the Treaties. On July 30, 2015, the Arbitration Request was registered by the Secretary-General of ICSID.

The initial three-person presiding tribunal was formally constituted on June 21, 2016.

The Tribunal held its first session with the Claimants and the Respondent by teleconference on August 12, 2016 in order to ascertain the parties' agreements and views on certain procedural questions relating to the ICSID Arbitration. On August 26, 2016 the Tribunal issued Procedural Order No.1 establishing certain timelines and procedural rules to be followed during the course of the ICSID Arbitration, including, amongst other matters, that all hearings of the Tribunal would be held in Washington, D.C.

On September 23, 2016, the Tribunal held a hearing to consider certain requests for certain provisional measures submitted to the Tribunal by the Claimants.

On January 10, 2017, the Tribunal issued Procedural Order No.4 establishing a procedural calendar for the ICSID Arbitration, including specific dates for the filing of submissions by the parties and other necessary procedural matters ("**Procedural Calendar**").

In accordance with the Procedural Calendar, the Claimants filed their memorial on the merits of the claim ("**Memorial**") on June 30, 2017 detailing, amongst other things, the factual and legal arguments supporting their claim against Romania and the quantum of the damages sustained.

On February 7, 2018, the parties were informed that the presiding arbitrator had resigned. As a result, the proceeding was suspended in accordance with the ICSID Arbitration Rules until such time as the vacancy was filled.

On February 22, 2018, the Respondent filed its counter-memorial ("**Counter-Memorial**") in response to the Memorial. Gabriel, together with its counsel, is currently preparing its reply in support of its claim ("**Reply**"), which will be filed in accordance with the Procedural Calendar (including any amendments that may flow from the suspension of proceedings) once established following the reconstitution of the Tribunal.

On April 5, 2018, the parties were notified by the Secretary-General of ICSID that the Tribunal had been reconstituted and, the suspension of the proceedings had been lifted.

A summary of the procedural aspects of the ICSID Arbitration is available on ICSID's website.

Reference is made to the section entitled "*Risk Factors – Arbitration*" in Part VI.

RMGC Audits and Investigations

Since the filing of the ICSID Arbitration, RMGC has been subjected to several audits and investigations by the Romanian National Agency for Fiscal Administration ("**ANAF**"), a Romanian Government agency operating under the Ministry of Public Finance, a Romanian Government department which is also charged with organizing and overseeing Romania's defense of the ICSID Arbitration. Management of Gabriel and RMGC consider that such audits and investigations are abusive in nature and have been initiated by the Romanian authorities in retaliation to the Claimants' filing of the ICSID Arbitration.

RMGC was served with a decision by ANAF assessing a liability for value added tax (“VAT”) in the amount of RON 27m (approximately \$8.6m) on July 5, 2017 (the “VAT Assessment”). The liability relates to VAT previously claimed and received by RMGC from the Romanian tax authorities in respect of RMGC’s purchase of goods and services from July 2011 to January 2016.

On August 9, 2017 RMGC challenged the validity of the VAT Assessment before the ANAF Directorate-General for the Settlement of Complaints. It is the Company’s understanding that such challenge should have been determined by ANAF, pursuant to the Fiscal Procedure Code, within six months of the date of the lodging of RMGC’s challenge application, however no decision was issued by ANAF within such period. On April 5, 2018, RMGC initiated an action before the Alba Iulia Court of Appeal (Division for Administrative and Tax Claims) seeking the annulment of the VAT Assessment. An initial hearing date for such annulment proceedings has not yet been set.

RMGC also filed a request for a stay of enforcement of the VAT Assessment before the Alba Iulia Court of Appeal on August 10, 2017. On October 2, 2017, the Alba Iulia Court of Appeal admitted RMGC’s request for a stay of enforcement of the VAT Assessment, pending the determination of RMGC’s annulment challenge of the VAT Assessment. RMGC received a copy of the Court of Appeal’s written decision on March 2, 2018. ANAF subsequently filed an appeal against this decision with the High Court of Cassation and Justice, however no hearing date for such appeal has yet been set. RMGC has filed a statement of defence in response to ANAF’s appeal.

Further to the VAT Assessment, and notwithstanding the Court of Appeal’s decision of October 2, 2017, RMGC received a further demand from ANAF in respect of interest and penalties related to the VAT Assessment for RON 18.6 million (approximately \$6.0 million) on October 23, 2017.

The Company believes the VAT Assessment is fundamentally flawed and abusive. Further, the Company believes that the procedure followed by ANAF to arrive at the VAT Assessment, and the subsequent interest and penalties, was improper and unlawful and that the VAT Assessment conflicts with Romanian fiscal laws as well as the mandatory applicable principles of EU law. The Company intends to pursue all available legal avenues to challenge the VAT Assessment along with the interest and penalties and to fully protect its rights and assets.

In parallel with the VAT Assessment, and for over two years as of the date of this Annual Information Form, a separate directorate of ANAF has continued to pursue an ad hoc investigation covering a broad range of operational activities and transactions of RMGC, and an increasing number of its suppliers, consultants and advisors, over an extensive period spanning 1997 to 2016 (the “ANAF Investigation”). Although RMGC is co-operating in good faith with ANAF, as at the date of this document Gabriel still awaits formal indication of the grounds for the ANAF Investigation and, neither the Company nor RMGC has received any feedback on its status.

Transfer of Listing

On January 23, 2018, Gabriel announced that it had voluntarily applied to delist its Common Shares from the TSX and had received conditional approval to transfer its listing to the Exchange through its streamlined listing procedures. The Common Shares of the Company commenced trading on the Exchange under the existing symbol "GBU" from the opening of trading on February 1, 2018 and, pursuant to the application to voluntarily delist from the TSX, the Common Shares ceased to trade on the TSX with effect from the close of the market on January 31, 2018.

Impairment of Project Assets

As at December 31, 2015, the Company assessed the Project for asset impairment based on the guidance in *IAS 36 Impairment of Assets* and concluded that, despite its continued efforts to develop the Project and to seek an amicable resolution of the dispute in arbitration, an impairment should be recorded. Accordingly, as at December 31, 2015, the Company recorded a non-cash write-down of \$631.2 million relating to all mineral property and a material proportion of its other property, plant and equipment (the “**2015 Impairment**”). The 2015 Impairment is based on international accounting standards, and is thus without prejudice to the legal qualification that the Romanian assets may be given under Romanian or international law (including the Treaties).

Given the nature of the assessed impairment indicators that gave rise to the 2015 Impairment, since January 1, 2016 the Company determined that, absent any positive, material permitting developments, none of the Company’s continuing expenditures will meet the criteria for capitalization in the statement of financial position and all will be expensed to the income statement. In the fourth quarter of 2016, following a further assessment of the remaining assets owned by RMGC in the Project area, a further impairment charge of \$4.2 million was recorded. No additional impairment was considered necessary in 2017.

Long Lead-Time Equipment

Between 2007 and 2009, the Gabriel Group purchased certain long lead-time equipment comprised of crushing and milling equipment. Procurement of such equipment was made in advance of expected construction activities due to the nature of the procurement cycle at that time requiring lead times of over a year for the delivery of orders of large-scale mining equipment. This equipment was stored in various warehouse locations which, with non-material exceptions, are outside of Romania. The principal storage location of the long lead time equipment currently held by the Gabriel Group is the port of Antwerp, Belgium.

Due to the status of the Project and the ongoing ICSID Arbitration, in December 2015 the Company formally engaged two specialist agents to broker the sale of this equipment. During the third quarter of 2016, the Gabriel Group sold a gyratory crusher for gross proceeds of US\$2.0 million (approx. \$2.6 million) and, after sales commission, recorded a net gain on disposal of \$0.6 million. In November 2017 an agreement was signed for the conditional sale of certain additional long lead-time equipment, a transaction which is expected to close in the second quarter of 2018. The Company continues, through its agents, to procure the sale of the remaining long lead-time equipment.

At December 31, 2017, the carrying amount of the remaining long-lead time equipment was assessed for indicators of impairment and no matters were noted.

Anticipated Activities for 2018

The Company’s current plans for the ensuing year are as follows:

- the advancement of the ICSID Arbitration, including the preparation and filing of the Reply in support of its claim;
- the continued assessment of the Company’s activities and resources necessary to support the preservation of its core assets and rights;
- carefully managing its cash resources (including the potential disposition of the remaining long lead-time equipment);

- the identification and evaluation of financing alternatives to support the continued activities of the Gabriel Group, including but not limited to the advancement of the ICSID Arbitration; and
- the protection of its rights and interests in Romania (including support to RMGC in respect of any further abusive, illegal, or retaliatory behavior of the Romanian authorities and, so far as reasonably practical and desirable, ensuring that existing licenses and permits remain in good standing).

There are significant risks that Gabriel's plans for 2018 may be adversely affected by delays in, or challenges to, one or more of its anticipated activities due to circumstances beyond its control. Reference is made to the section entitled "*Risk Factors*" in Part VI.

PART III OVERVIEW OF ROMANIA

Introduction

Romania lies on the Black Sea coast of south-eastern Europe. The Carpathian Mountains and the Transylvanian Alps divide the country into three physical and historical regions: Wallachia in the south, Moldavia in the north-east, and Transylvania in the country's centre. Romania has an area of approximately 238,000 square kilometres and borders Moldova, Ukraine, Bulgaria, Hungary and Serbia.

Bucharest, the capital city and industrial, financial and commercial centre of Romania, is located in the south-east of the country on the Dâmbovița river.

Politics of Romania

After a long period of communist rule, ending in the revolution of 1989, the new Romanian Constitution, approved by Parliament on November 21, 1991, and amended in November 2003, proclaimed Romania a parliamentary democracy.

Romania has a bicameral Parliament consisting of two legislative chambers, the lower house, the Chamber of Deputies (*Camera Deputaților*), and upper house, the Senate (*Senatul*), and members of each house are elected for a four-year term by party-list proportional representation on closed lists. The President, elected to a five-year term, may nominate a candidate for the office of Prime Minister, while cabinet members must be approved by Parliament.

In January 2018, the Parliament of Romania approved, for the third time since the December 2016 elections, a new cabinet proposed by the Social Democrat Party (PSD). Legislative elections are scheduled to be held in Romania in late 2020, provided that Parliament is not dissolved earlier.

The last presidential election was held in Romania in November 2014. Klaus Iohannis, the former mayor of the city of Sibiu and leader of the National Liberal Party, was elected to the office of the President of Romania and sworn in on December 21, 2014. The next presidential election will be held in Romania in late 2019.

Cooperation and Verification Mechanism for Romania

On January 1, 2007, Romania became a member state of the European Union (“EU”). Following accession, the European Commission preserved the right to monitor Romania’s judicial system and its fight against corruption and organized crime, and to invoke safeguard measures against the country set forth in the Treaty of Accession with the EU. A monitoring and verification mechanism was established by the European Commission (“CVM”) to ensure that Romania continued to reform in these areas post-accession. Accordingly, Romania is required to meet a number of benchmarks established by the Commission. The latest report was issued by the Commission under the CVM in November 2017, a copy of which can be obtained from the European Commission’s website www.ec.europa.eu.

The latest report concludes that “the overall reform momentum in the course of 2017 has stalled” and identifies the areas of principal concern as the challenges to the independence of the justice system and obstruction of progress on anti-corruption policies. In particular, the report notes concerns regarding the amendment of certain laws that secure the independence of the justice system, regulate the statute of judges and prosecutors, the structure of the judiciary, and the Superior Council of Magistracy.

On April 11, 2018, the Group of States against Corruption of the Council of Europe (GRECO) published a report citing serious concern about certain aspects of the laws adopted by the Romanian Parliament in December 2017 on the status of judges and prosecutors, on the judicial organisation and on the Superior Council of Magistracy, as well as on draft amendments to the criminal legislation. In particular, GRECO calls upon Romania to abandon the creation of the new special prosecutor's section for the investigation of offences in the judiciary and raises concerns regarding the controversial process to dismiss the head of the specialised anti-corruption prosecutor's office (DNA), which was initiated in February 2018, reiterating its call for additional safeguards in relation to appointments and dismissal procedures for senior prosecutors by the executive.

Mining Law and Mineral Ownership

The law governing mining activities in Romania is law no.85/2003 ("**Mining Law**"), which was adopted in 2003 and subsequently amended on several occasions, most recently in 2016. The Mining Law provides that all mineral resources in Romania are administered by the NAMR.

All mineral resources located in Romania and in the portion of the continental shelf of the Black Sea adjoining Romania belong to the Romanian State. Mineral rights in Romania are acquired by way of prospecting permit, exploitation permit, exploration concession or exploitation concession granted by NAMR. Under the Mining Law, an exploration or exploitation concession is a property-related right distinct and independent from the ownership of the land on and under which it is located, even when both belong to the same person. The rights granted by an exploration or exploitation concession are exclusive to the holder, chargeable, defensible against third parties and transferable with the consent of the holder and of NAMR.

Exploration Concessions

An exploration concession may be obtained for a maximum period of five years, with a renewal right of a maximum of a further three years. The perimeter of an exploration concession may be reduced upon the request of the titleholder and with the consent of NAMR. An annual fee of 1,367 RON/km² is payable to the Government. The annual fee doubles two years after the issue of the concession and quintuples after four years. The holder of an exploration concession must provide NAMR with semi-annual and annual reports of all exploration activities conducted on an exploration concession. Exploration concessions confer on the holder the exclusive right to explore for any of the mineral substances lying within the perimeter of the concession.

Under the Mining Law, exploration concessions may be converted into exploitation concessions upon application to NAMR.

Exploitation Concessions

Exploitation concessions confer on the holder the right to explore, exploit, process, refine and trade all mineral substances (except oil, gas and radioactive substances) lying within the perimeter of, and subject to, the concession. In addition, exploitation concessions confer on the holder the right to obtain the right to use the surface of the land and available water to undertake mining activities in accordance with the provisions of the law.

An exploitation concession is granted for an initial term of twenty years and is extendable for successive five year periods. Under the Mining Law, an extension application must be submitted to NAMR no later than 90 days prior to the expiry of the exploitation concession license term. An annual fee of 34,180 RON/km² is payable by a holder of an exploitation concession to the Government. This fee may be adjusted for inflation. Holders of exploitation concessions must also pay to the Romanian State a net smelter royalty on all production plus a minor royalty for waste and aggregate material used in construction activities.

On January 13, 2015, Romania enacted an amendment to the Mining Law which prescribed a royalty for noble metals, including gold, of 6% of the mineral production value. Notwithstanding this legislative amendment, it is the Company's view that the royalty rate of 4% that is set forth in the License continues to apply to the Project.

PART IV DESCRIPTION OF MINERAL PROPERTIES

The information set out below and elsewhere in this Annual Information Form relating to the Roşia Montană Project, the License, the Gabriel Group's exploration and development activities in Romania, project approval and permitting process and reported gold and silver resources and reserves 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 Roşia Montană Project.

Part XI of this document includes a glossary of certain mining terms used in this Annual Information Form.

Introduction

Since 1997, Gabriel, through RMGC, has been engaged in the exploration and development of precious metal mineral properties in Romania with a principal focus, until recently, on the Roşia Montană Project. In addition, Gabriel has conducted significant exploration work on the Bucium Projects. These projects are situated in the historic "Golden Quadrilateral" area of Romania. This mining district in the Apuseni and Metaliferi Mountains of Transylvania covers an area of approximately 900km² immediately to the north-northeast of the city of Deva. Historically this constitutes one of Europe's most important gold producing areas.

The Roşia Montană Project is the most advanced of the Company's projects. Actions and inactions of the Romanian State that led the Company to commence the ICSID Arbitration have prevented the Project from moving past the permitting stage. As exploitation licenses are still awaited for the Bucium Projects, they are not deemed material mining properties for the purposes of disclosure in this Annual Information Form.

Technical Reports

In 2011, Gabriel commissioned SRK Consulting (UK) Ltd ("SRK") to provide a revised technical report to reflect the status of the Project. This report included updated capital and operating costs and revenue projections from those last published by the Company in March 2009 ("**2009 Technical Report**") within the context of the then current environment for commodity, capital equipment and consumable prices. This revised technical report is dated October 1, 2012 and entitled "*Technical Report on the Roşia Montană Gold and Silver Project, Transylvania, Romania*" ("**Technical Report**"), and was filed in accordance with National Instrument 43-101 (Standards of Disclosure for Mineral Projects) ("**NI 43-101**").

Unless stated otherwise, all information in this Annual Information Form of a scientific or technical nature regarding the Project is derived or extracted from the Technical Report. For a complete description of assumptions, qualifications and procedures associated with the information in the Technical Report, reference should be made to the full text of such report, a copy of which is available on either SEDAR at www.sedar.com or the Company's website at www.gabrielresources.com.

The Roşia Montană Project

Project Description and Location

The Project is wholly owned by RMGC, in which Gabriel has an 80.69% equity shareholding. The remaining 19.31% of RMGC is owned by Minvest RM, a State-owned mining company.

The Project is located in west-central Romania near the village of Roşia Montană in Alba County and is within the Roşia Montană mining district. It is located immediately northeast of the town of Abrud, approximately 45km (80km by road) northwest of the regional capital of Alba Iulia, and 60km (90km by road) north-northeast of the city of Deva.

The Project is held under exploitation concession license number 47/1999 which covers an area of approximately 23.88km². The concession was granted in June 1999 and has a 20-year term, with provision for successive five-year extensions.

As described in Part III, exploitation concessions confer on the holder the right to explore, exploit, process, refine and trade all mineral substances lying within the concession, as well as the right to obtain the use of the surface of the land and available water in accordance with the provisions of the law. Minvest, as the original titleholder of the Project and other properties, made an application to the Government under the then mining law for an exploitation concession for the Project, which was approved. The exploitation concession for the Project was granted to Minvest in June 1999. The terms and conditions of the concessions provided for the transfer of the concession license from Minvest to RMGC, and the transfer to RMGC was made in 2000. The transfer to RMGC limited RMGC's involvement in the closure of the existing mining operations that were run in the Project footprint by the Romanian State, and left related liabilities (such as environmental issues and redundancy packages) as sole obligations of State bodies.

The Project is an advanced stage gold and silver project, which has been the subject of several feasibility studies. The construction of the Project would require completion of permitting and financing. RMGC has intended for the Project to be constructed on an EPCM basis. The Project, as envisaged, would comprise an open pit mine and a processing plant comprising primary crushing, SAG and ball milling, cyanidation and adsorption onto activated carbon followed by electrowinning.

The deposit itself consists of several, mostly dacite-dominated, mineralised bodies located within a diatreme-maar complex. The two largest orebodies; Cetate and Cârnic, are characterised by the presence along with the gold of finely disseminated pyrite mineralisation hosted by dacite porphyry. A further six orebodies contribute to the total resource, namely Orlea, Carpeni, Carnicel, Cos, Jig and Igre.

As a result of historical mining activities (as described below), several abandoned waste dumps and tailings ponds exist on the Roşia Montană property. In addition, approximately 140km of historical underground workings, some dating from Roman times, have been identified and acid rock drainage continues to be produced from the historical openings and dumps which continue to discharge, untreated, into local streams. If the Project was permitted, RMGC had proposed to treat these effluents as part of its normal operating procedures.

For a description of surface rights pertaining to, and the permits required for, the Project, see the section entitled "*Permitting Process for the Project*" in Part V. For a description of the royalty rate applicable to the Project, see the section entitled "*Mining Law and Mineral Ownership*" in Part III.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Roşia Montană mining district is readily accessible via a well-developed network of roads and includes a number of community access, logging and mining property roads and tracks, which permit vehicular access to most areas. The village of Roşia Montană and the nearby town of Abrud are the two main centres housing staff and associated infrastructure for the Project.

The climate of the area is designated as continental temperate and is characterised by hot summers, cold winters, significant snowfalls, and annual rainfall averaging 745mm.

The Project site is well served by service infrastructure including an existing twin circuit power line which traverses the Project site and the availability of fresh water from a pumping station on the Aries River. In addition, two sources for construction materials have been identified within the Project site.

The Project area is characterised by a partly forested, hilly landscape with elevations ranging between 500 and 1,000 masl and valleys ranging in depth from 100 to 200 metres.

Mining and Exploration History

Mining History

The Project has been mined since Roman times but this activity has been concentrated during the following four principal periods:

- (i) Roman era;
- (ii) Austro-Hungarian Empire (end of the 17th century to 1918);
- (iii) Inter-war period (1918-1939); and
- (iv) Modern era (1947 to present).

While the high-grade quartz veins and breccias at Cetate and Cârnic were mined both from the surface and to a limited extent from underground during Roman times, most of the historic underground development and peak gold production occurred during the period of the Austro-Hungarian administration.

A more modernised method of underground mining was undertaken by the Romanian State from the early 1960s up until 1985. Underground mining during this period was carried out from strike development along individual quartz veins (predominantly at Orlea, Tarina, Carnicel, and also within Cetate and Cârnic) and room and pillar mining within breccias and dacite at Cetate and Cârnic.

In 1970, open-pit mining commenced at Cetate, extracting ore from new mining areas, but also recovering remnant pillars from the previous room and pillar mining areas. The open-pit was subsequently extended to the southwest to access ore hosted within the dacite at Cetate. Open-pit mining by the State at Cetate ceased in 2006. Open-pit mining was also conducted by the Romanian State on the western side of Cârnic from 2000 until 2004.

Exploration History

Exploration during the 1970s and 1980s was undertaken under the control of the Romanian State companies I.P.E.G. Deva (reorganized as S.C. Minexfor S.A. (“**Minexfor**”)) and the former Rosia Montana Mining Enterprise, further reorganized as Regia Autonoma a Cuprului Deva (later known as Minvest). Samples collected during this period were routinely annotated onto plans and sections and gold and silver assays recorded by hand in assay ledgers. In 1984, a “feasibility study” was compiled by Minvest based on information acquired from exploration carried out up to 1984. This essentially comprised the compilation of the available data into a series of maps, plans, sections and tables.

In 1992, Minexfor completed an 18-hole diamond drilling program at Vaidoaia-Jig to confirm and extend the findings of previous exploration carried out at Vaidoaia and the previous feasibility study was then updated to reflect this.

Geology

Regional Geology

Geologically, Romania is comprised of four Mesozoic and older terranes exposed in the Carpathian Mountains which wind through the country from the north to the southwest. An area of some 900km² of the Apuseni Mountains just north of Deva is known as the Golden Quadrilateral. Historically this constitutes Europe's most important gold producing area. The Project is located in the centre of the Apuseni Mountains, and within the northern-most of three northwest trending belts of volcanism found in the Golden Quadrilateral. The Mesozoic host rocks are dominantly Cretaceous black shale and sandstone sediments and these are overlain by Miocene sediments and tuffs.

Local Geology

The Roşia Montană deposit itself consists of several, mostly dacite-dominated, mineralised pipes located within a diatreme-maar complex consisting of a tuffaceous vent breccia. Mineralisation in the area comprises veins, disseminated sulphides, stockworks and breccia fillings. Grades vary between 0.5 and 2.0 g/t gold, with some localised gold grades of over 30 g/t occurring in veins and breccias. The two largest orebodies within the area are Cetate and Cârnic, which are characterised by finely disseminated pyrite within dacite porphyry.

Together, Cetate and Cârnic contribute approximately 63% of the Measured and Indicated Mineral Resource presented in the Technical Report. There are, however, six further orebodies that contribute to the total resource: Orlea, Carpeni, Carnicel, Cos, Jig and Igre. The mineralisation encountered in these deposits is similar to that of Cetate and Cârnic, comprising dacite porphyry hosted disseminated pyrite, sub-vertical breccia zones, and crosscutting veins.

Structure has played an important role at the Project supplying, firstly, dilation for the emplacement of the maar-diatreme complex and, secondly, the structural permeability up which the mineralising fluids flowed. Two types of structures have been identified at the Project, regional scale faults and more localised faulting related to the formation of the diatreme.

The Project deposits are hosted within an extensive zone of strong hydrothermal alteration. The distribution of alteration assemblages is quite complex, however, it can be simplified down to the following groupings: chlorite-carbonate-smectite alteration; phyllic-argillic alteration; QIP (quartz-illite-pyrite) alteration; quartz-adularia replacement; and silicification.

Mineralisation

The gold and silver mineralisation at the Project is associated primarily with sulphides, and approximately 80% of the gold occurs in free form. Pyrite and associated gold and silver are disseminated throughout the mineralised bodies providing a low background grade and are also concentrated in 1 to 10cm scale veinlets, which occur as stockworks. The frequency, intensity and orientation of the veinlets are variable although they tend to be more prolific where alteration intensity increases and it is this process that has concentrated metal in the central highly altered cores at Cetate and Cârnic.

There are several different styles of mineralisation at the Project and these are described in turn below:

- (i) *Dacite hosted mineralisation* - this style of mineralisation is characterised by wide zones of finely disseminated sulphide (pyrite) hosted within dacite porphyry. QIP and silica-adularia alteration are distinctive features of the mineralised dacite and the best indicator of gold and silver grade. Narrow, usually widely spaced, stockwork veining is always present but is minor in terms of contained gold and silver. The individual veins are generally steeply dipping, discontinuous and less than 1m wide though in places the veins have blown out into narrow hydrothermal breccia pipes. Significant gold mineralisation of this style occurs at Cetate, Cârnic, Carpeni, Gauri, Cos and parts of the Vaidoiaia zone.
- (ii) *Sub-vertical breccia zones crosscutting dacite intrusive bodies* – these mineralised breccias are commonly of mixed lithology and are considered to represent structurally controlled phreato-magmatic breccias. The mineralisation occurs within strongly silicified alteration zones which contain low to moderate amounts of disseminated fine-grained sulphide within both the matrix and breccia clasts. Cetate and Cârnic contain mineralisation of this style.
- (iii) *Disseminated and vein hosted gold-silver mineralisation within vent breccia* - a significant amount of the gold-silver mineralisation is hosted by the vent breccia surrounding the dacitic intrusions. This mineralisation is characterised by silicification and finely disseminated pyrite and by infrequent, and generally narrow veining. Examples of this style of mineralisation are present at Carnicel, Vaidoiaia, Jig, Igre, Orlea and Tarina.
- (iv) *Diatreme breccia pipe hosted mineralisation* - this type of mineralisation is hosted by the sub-vertical diatreme breccia pipes at Igre and Jig. It is characterised by intense, pervasive silicification of both the breccia matrix and the diatreme breccia clasts. Disseminated pyrite is also pervasive within the matrix and clasts and sometimes completely replaces the black shale clasts. Zones of rhodochrosite have also been identified, occurring within the matrix of the diatreme breccia.
- (v) *Cretaceous sediment hosted mineralisation* - this mineralisation has been identified at Igre, Gauri, East Cârnic and Cos. The mineralisation occurs directly below the vent breccia-Cretaceous sediment contact and is usually hosted by shale, sandstone and less frequently by conglomerate beds. The mineralisation is characterised by both silicification and pervasive fine-grained disseminated pyrite and in some areas (Igre, Gauri and East Cârnic) by hydrothermal crackle brecciation that varies from mm-width widely spaced spidery crackle breccia through to more intense mosaic (jigsaw) brecciation. Clasts are always very angular and made up of locally derived sediment. The brecciation can be over 50m thick and tends to be most intense close to the vent breccia-Cretaceous contact. The breccia matrix is typically vuggy and crystalline, some coliform banding has been observed and up to five phases of mineralisation can be present. The mineralisation is dominated by carbonate (both calcite and rhodochrosite), quartz and pyrite with galena and sphalerite not uncommon and rarer chalcopyrite.

Exploration

All exploration work at the Project prior to 1998 was undertaken by State companies. Post 1998, however, exploration was undertaken under the management of RSG Global of Perth, Western Australia (“**RSG**”) in close consultation with RMGC field staff and management, and it was this information that was used to derive the Mineral Resource estimates presented in the Technical Report.

All surveying, topography, underground workings, and drill hole collars for the Project are reported to be based on the Stereo70 grid system. Aerial photography was flown by RMGC as part of the feasibility study with the topography generated by licensed surveyors Spectrum Survey and Mapping (Spectrum) of Perth, Australia. This has been superseded by a LiDAR topographic survey undertaken by Fugro in 2010.

The exploration work itself has comprised reverse circulation (RC) and diamond (DD) drilling from surface, along with underground channel sampling of all accessible underground drives and crosscuts. Surface channel sampling was also undertaken to extend the known surface geochemical and assay database. During 2000, a programme of underground DD drilling was undertaken from the lowest accessible level in the Cetate and Cârnic underground development.

The channel sampling was completed on 1m intervals from all the accessible and safe drives within the Roşia Montană deposit, and from surface channels and pits. The widths and depths of each channel were measured and samples were routinely weighed prior to final bagging in order to maintain an even sample size and to avoid sampling bias in harder rock types. The average channel sample weight was maintained at 3.7kg. In total the Company completed some 1,688 runs of channel sampling totalling some 71,952m and this provides an approximate 30m spaced network of sample lines in the cores of the main orebodies.

The extent of the underground workings has been determined from digitised historical plans. Check surveying of portals and traverses within the underground development has confirmed their accuracy. In addition, during the validation of the underground survey traverses undertaken by Spectrum, all visible start points for the channel samples were surveyed and were subsequently compared with those recorded in the underground channel sampling three-dimensional database.

Subsequent to May 2005, some additional geotechnical drilling has been undertaken and additional underground channel sampling completed. This data was collected subsequent to the cut-off date for the data used to derive the Mineral Resource Estimate presented in the Technical Report but is not material in the context of the size of the database as a whole and no additional resource estimation studies have been completed incorporating this.

Drilling

The RSG sample database, on which the Mineral Resource Estimate presented in the Technical Report is based, comprises information from the following drilling (in addition to the information from the underground sampling commented upon above):

- 348 DD drill holes totalling some 31,905m
- 629 RC drill holes totalling some 75,436m
- 131 RC pre-collar diamond drill holes totalling some 29,237m

The drilling was undertaken by Genfor SRL, the Romanian subsidiary of RB Drilling Ltd. The company used a variety of RC, DD and multi-purpose drill rigs.

All surface and underground drill holes have been downhole surveyed using Eastman or Sperry Sun single-shot cameras, based on a downhole interval of approximately 50m. Due to ground conditions, many RC holes had to be surveyed inside the drill rods, resulting in the production of dip measurements only, rather than dip and azimuth measurements. Some RC holes have been surveyed after the removal of the drill rig, using PVC piping to protect the Eastman single-shot cameras. In these cases the PVC piping was lowered down the hole as far as possible and camera shots were taken at 50m intervals.

Drill core recoveries were calculated by comparing the measured length of recovered core with the distance recorded on the core blocks between each drill run. Core recovery for samples in the database is on average in excess of 95%, except for the 2002 geotechnical drilling, which averaged 86%. SRK considered the core recovery to be acceptable. In the case of DD, where poor ground conditions were encountered, a triple tube core barrel, sub-three metre core runs and specialised drilling mud were used to maximise core quality. All core was photographed prior to sampling. The surface drilling as a whole now provides coverage on an approximate 80 x 80m grid over most of the well mineralised parts of the deposit, with frequent areas of infill drilling reducing the sample spacing to an average of 40 x 40m. Underground drilling has allowed areas with no channel samples or with a low density of surface drilling coverage to be properly explored.

Sampling Preparation, Analyses and Security

The DD core was marked off at 1m intervals and sampled to produce half-core (lengthways) using a diamond core saw. RC samples were routinely collected at 1m intervals and the cuttings split with a Jones riffle splitter. Field duplicates were taken via the splitter every 20 samples. The bags of cuttings were routinely weighed prior to taking the sub-sample via the Jones riffle splitter. Sample weights were routinely measured on a meter-by-meter basis as part of the standard reverse circulation drilling procedures.

Random replicate samples (10%), whereby a sample taken from the LM5 pulveriser was sub-sampled and assayed twice, and second split samples (approximately 10%), whereby two individual samples were taken from the LM5, were taken for quality control purposes.

Samples were prepared and assayed at the on-site, custom built, laboratory managed by SGS Ltd. (formerly Analabs Pty. Ltd.) (“**SGS**”), an internationally accredited assay laboratory group. All drill hole and channel samples were crushed and milled to 85% passing 75 microns in an LM5 pulveriser. Core samples were crushed with a jaw crusher before pulverising. 300g scoop samples were taken from the bowl of the LM5, with the remainder of the sample pulp being stored. 50g sub-samples were submitted for fire assay, with an atomic absorption spectrometry (AAS) finish. A normal fire assay batch consisted of 50 assays, comprising 40 original samples, 4 replicate samples, 3-second split samples, 2 standards and a blank. Prills were digested in aqua regia to dissolve the gold and silver and the solution was then assayed by AAS and the results were back-calculated to provide the sample assay result.

Check samples were also sent to external laboratories and in total approximately 1,500 samples were checked externally at SGS in Perth and ALS Chemex (Bondar Clegg) in Canada.

A variety of sample types were used to generate a dataset of sulphate assays. Although the distribution of sulphate assays covers the orebodies scheduled to be mined, the high-grade core areas are underrepresented. Given the importance of sulphate assays in the metallurgical recovery algorithms applied in the revenue determinations, and notwithstanding the fact that SRK considers the assumptions made by Gabriel in this regard for the purpose of its production planning to be appropriate, SRK has recommended to Gabriel that further work be carried out prior to the commencement of mining to confirm that the highly altered core areas do not have materially different sulphide / sulphate ratios. As the sulphide ores are more refractory, an increase in the sulphide / sulphate ratio would result in a decrease in the metallurgical recovery and vice-versa.

A total of 6,213 density determinations have been carried out since January 1998, on both diamond drill core samples and hand specimens obtained from underground development. The determinations themselves were undertaken at the Cepromin laboratory in Deva, Romania, which is a commercial laboratory previously run by the Government prior to privatisation.

Samples were collected and data recorded according to detailed mineralised zone location, lithology and style and intensity of alteration. Diamond core samples were prepared by ‘squaring off’ the ends of approximately 15cm billets of half core. Bulk density determination was by standard water immersion method with each sample coated in wax prior to immersion. Standard laboratory samples were used to calibrate the scales between each measurement. All samples were returned to site and the samples placed back into the core trays, without removing the wax coating, as a record. Results are supplied in hardcopy format with the bulk density measurement reported to two decimal places.

Mineral Resource and Mineral Reserve Estimates

Mineral Resources

SRK did not independently re-estimate Mineral Resources for Roşia Montană, but rather reviewed and commented upon the quantity and quality of the underlying data and the methodologies used by RSG to derive the estimates previously reported in the 2009 Technical Report and, as part of this, undertook a series of check calculations.

The table below summaries SRK’s audited Mineral Resource Statement based on a 0.4 g/t cut-off grade as presented in the Technical Report. SRK reports this in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum’s “CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines” (CIM Standards). The only material difference between this and the Mineral Resource derived by RSG is that it was reported at a lower cut-off grade.

It should be noted that the Mineral Resources are stated inclusive of that material which is converted to Mineral Reserves and the notes following the Mineral Reserves table shown below should be referenced when also reviewing the Mineral Resources table.

Resource Category	Tonnage (Mt)	Au Grade (g/t)	Ag Grade (g/t)	Au Metal (Koz)	Ag Metal (Koz)
Measured	171.5	1.32	8	7,260	43,160
Indicated	341.2	0.90	3	9,890	37,960
Measured and Indicated	512.7	1.04	5	17,142	81,117
Inferred	44.8	0.98	3	1,420	4,100

Mineral Reserves

The table below summaries SRK’s audited Mineral Reserve statement as presented in the Technical Report. This reflects the ore planned to be mined as assumed by the economic model presented in the Technical Report. SRK considers this statement to be in accordance with the guidelines and terminology provided in the CIM Standards. This Mineral Reserve is the same as that presented in the 2009 Technical Report which reflects the fact that various pit limit constraints (physical features including permitting related protected areas and historic buildings) had been retained.

Reserve Category	Tonnage (Mt)	Au Grade (g/t)	Ag Grade (g/t)	Au Metal (Moz)	Ag Metal (Moz)
Proven	112.5	1.63	9.01	5.9	32.6
Probable	102.5	1.27	4.55	4.2	15.0
Total	214.9	1.46	6.88	10.1	47.6

Notes:

- (1) Disclosure of Mineral Resources and Mineral Reserves for the Project is derived from the Technical Report with an effective date of October 1, 2012, a copy of which is filed under the Company's SEDAR profile. SRK authored the Technical Report under the supervision of Dr. Mike Armitage C.Eng C.Geol, Corporate Consultant and Former Group Chairman of SRK, who is considered an independent qualified person for the purposes of NI 43-101 – Standards of Disclosure for Mineral Projects guidelines.
- (2) The Mineral Resources and Mineral Reserves have been classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines" as per the requirements of NI 43-101.
- (3) For more information with respect to the grade interpolation procedures used, data verification procedures undertaken and the key assumptions, parameters and risks associated with the foregoing scientific and technical information, please refer to the Technical Report.
- (4) The Mineral Resources estimate set out above uses a 0.4 g/t gold cut-off.
- (5) Numbers may not total due to rounding in some of the calculations.
- (6) Mineral Resources and Mineral Reserves are mine and property totals and are not limited to Gabriel's proportionate interests in the Project.
- (7) All quoted Mineral Resources are inclusive of the Mineral Reserves.
- (8) The Mineral Reserves reflects the portion of the Mineral Resources planned to be mined, inclusive of mining dilution and losses and falling within the designed pits. All of the Mineral Resources presented here have the potential for eventual economic extraction.
- (9) Development of the Project is dependent on successful permitting.

Exploration Potential

The lateral limits to the orebodies explored to date are largely determined by the extent of drilling and therefore there is potential for the discovery of further mineralisation with additional drilling. Most notably, SRK commented that further exploration is justified to explore the extensions to the Orlea, Cârnic and Igre orebodies. While there are no planned activities in relation to exploration and upgrading Mineral Resources, outline drilling budgets have been developed for this work.

Proposed Mining Operations

Mining Method

The Project has been planned as a conventional open-pit mining operation producing and delivering gold and silver bearing ores to the processing plant located immediately adjacent to the mine site.

Throughput

The mine plan envisages a mine operating life of approximately 14 years through the selection, production and processing of higher grade material in the initial years of operation (during the first five years of mining the average grade mined is 1.8 g/t gold), while stockpiling lower grade material (at an average grade of 0.9 g/t gold).

Once active mining operations cease during year 14, the 29.4 million tonne stockpile of lower grade material will be reclaimed and processed during the remaining two years of mine life. As the mine plan schedules the Cârnic, Orlea and Jig pits to be mined out prior to the Cetate pit, the Cârnic, Orlea and Jig pits will be backfilled with waste rock in the later years of the mine life.

Mine Scheduling

Mining is scheduled to commence at Cetate and Cârnic, as they are situated closest to the process plant and together comprise the majority of the Proven Mineral Reserve and Probable Mineral Reserve. Mining at Cârnic will be completed in Year 9 with Cetate continuing for the remainder of the mine life. Mining at Orlea and Jig will begin in year 8 and 9 respectively of the mine life.

Waste Management

A total of approximately 257 million tonnes of waste rock material will be removed from the four open-pits during the mine life of the Project, giving a life of mine average waste/ore stripping ratio of 1.2 tonnes of waste per tonne of ore. During the initial nine years of mine life, waste will be deposited on one of the two principal waste dumps, being the Cârnic waste dump located south of the Cârnic open-pit, and the Cetate waste dump, located to the west of the Cetate open-pit. Starting in year ten, the Cârnic pit will be backfilled with waste material as will the Orlea and Jig pits upon completion of mining in years 12 and 11, respectively.

Process Plant

The material planned to be processed has been shown to be partially refractory with the precious metals associated with, and partially locked in, sulphide minerals, mainly pyrite. Despite the partially refractory nature of the ore, a relatively conventional free milling gold recovery plant has been shown to be effective. The flowsheet selected incorporates primary crushing, SAG and ball milling, cyanidation and adsorption onto activated carbon. A gravity recovery circuit has been incorporated into the milling circuit for recovery of free gold and continuous elution circuits have been selected for the treatment of the loaded carbon. Overall recoveries around 79% for gold and 61% for silver are forecast over the life of the mine although these vary significantly dependent on the ore source (Cârnic, Cetate, Jig or Orlea pits), the feed grade for gold and silver and the sulphide sulphur level in the feed.

Tailings slurry will be thickened and subject to cyanide detoxification prior to discharge to the tailings management facility (“**TMF**”).

Tailings Management Facility

The TMF has been sized to contain 250 Mt of material and will be created by constructing a single dam in the Corna Valley, located south of the process plant and planned pits and west of the proposed waste rock dumps.

At the start-up of operations, the TMF will consist of a cofferdam (constructed to elevation 682 masl) that will be encompassed within the TMF Starter Dam (“**Starter Dam**”) (constructed to elevation 739 masl), both of which will be contained within the upstream toe of the main tailings dam. The Starter Dam has been designed as a water retaining structure in perpetuity, as the maximum phreatic surface has been modelled to be at about its crest.

The Starter Dam will be constructed with chimney drains on either side of the central clay core. A drain blanket will be installed at the base of the Starter Dam downstream of the centreline (and continue to the downstream toe of the ultimate dam footprint), and will capture seepage and relieve pore pressures. The tailings dam will be raised vertically each year after the ‘Stage 2’ Starter Dam has been completed, using a centreline method of construction. The downstream slope of the dams will be overall 3 horizontal to 1 vertical (3H:1V), and will be constructed from tailings on the upstream side and waste rock on the downstream side, separated by filter material.

A Secondary Containment Dam (“**SCD**”) will be constructed downstream of the main rockfill dam during initial operations. A series of semi-passive treatment lagoons will be constructed below the SCD and are intended to treat seepage water, runoff water from the face of the TMF dam or excess water stored in the TMF reclaim pond.

The TMF basin preparation will include the removal of topsoil material, and regrading and compaction of exposed colluvial material to form a low permeable barrier layer. In areas with unsuitable material (exposed rock or poor quantity soils material), the area will be covered with a geosynthetic clay liner or a compacted colluvial layer. In addition, a series of drains will be constructed at the base of the basin.

Summary of the Technical and Economic Aspects

A summary of the technical and economic aspects of the proposed open-pit mine at the Project, derived from the Technical Report which was prepared and calculated for 100% of the Project, is as follows:⁽¹⁾

	Mine Life	
Estimated Mine Life	16 years	
	Capital Costs⁽²⁾	
Initial Capital Costs (US\$m)	1,400	
Sustaining Capital Costs (US\$m)	571	
Closure Costs (US\$m)	146	
	Average Annual Production	
	Initial 60 Months	Life of Mine
Gold (Koz)	608	485
Silver (Moz)	2.6	1.7
	Operating/Production Costs	
	Initial 60 Months	Life of Mine
Average Operating Costs (US\$/t) ⁽³⁾	19.09	16.97
Unit Cash Costs of Gold Production (US\$/oz) ⁽⁴⁾	320	399

	Sensitivity Analysis⁽⁵⁾	
	US\$1,200/oz for gold and US\$20/oz for silver	US\$1,800/oz for gold and US\$35/oz for silver
Undiscounted Cash Flow (US\$m)	3,606	7,699
NPV at a 10% Discount Rate (US\$m)	865	2,494
Internal Rate of Return (%/year)	19.6	32.5
Payback of Initial Capital Outlay	Year 4	Year 2

Notes:

- (1) These statistics are derived from the Technical Report.
- (2) These updated estimates are a combination of first principle estimates, quotes and escalations of previous estimates. Overall the initial capital costs have increased by US\$524m and the sustaining capital costs have increased by US\$205m since the 2009 Technical Report.
- (3) These numbers assume a royalty of 4% payable to the Romanian State Budget of Romania based on total gross revenue; a refining deduction of 0.2% of total gold produced and 0.75% of total silver produced; a refining charge of US\$0.80/oz payable gold and transport and treatment charge of US\$0.53/oz payable gold and silver but exclude silver credits.
- (4) These numbers exclude corporation tax, working capital and value added tax movements and include silver credits.
- (5) These numbers are post-tax, pre-finance life of mine results.

Recent Exploration and Development Activities

Gabriel's proposed activities for 2018 are described in the section entitled "Anticipated Activities for 2018" in Part II.

PART V
SUMMARY DESCRIPTION OF THE PERMITTING PROCESS
AND LEGAL CHALLENGES

The information set out below and elsewhere in this Annual Information Form relating to the Roşia Montană Project, the License, the Gabriel Group’s exploration and development activities in Romania, the Project approval and permitting process and reported gold and silver resources and reserves is summarised and 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 Roşia Montană Project.

Permitting Process for the Project

General

After obtaining the rights to develop the Roşia Montană Project, the Gabriel Group, through RMGC, initiated and maintained necessary actions and undertakings in respect of the legislated permitting and approval processes for the development (and, where appropriate, the construction and operation) of the Project, including environmental, archaeological, and land use authorizations. These actions, as well as the acquisition of significant surface rights in the area of the Project footprint by Gabriel, were undertaken with the knowledge, acceptance and encouragement of successive Romanian Governments in order to comply with procedures laid down by the Romanian State with which to facilitate the commencement of the construction phase of the Project.

RMGC must obtain a number of permits, approvals, authorizations and regulatory consents (the “**Authorizations**”) from various levels of local, county and national governmental authorities in order to proceed with the development, construction and operation of the Project and the development of its other mineral interests in Romania. A brief summary of certain of the material Authorizations is set forth below, together with a summary of certain aspects relating to the permitting process of the Project.

Given the current status of the Project, the ongoing ICSID Arbitration and the continued failure and refusal of the Romanian authorities to address the assessment procedures of the Project in accordance with the regulatory and legal norms, the Company expects that a number of existing Authorizations obtained or granted in relation to the Project will lapse or be the subject of legal challenge, and that certain pending endorsement processes and applications for outstanding Authorizations will not be evaluated and/or issued in accordance with the regulatory and legal norms.

Reference is made to the section entitled “*Risk Factors – Permitting Process*” in Part VI.

Environmental Permitting Process

The critical permit required for the Roşia Montană Project is the environmental permit (the “**Environmental Permit**”). RMGC has previously submitted an Environmental Impact Assessment (“**EIA**”) report for the Project to the Ministry of Environment of Romania, which formed the basis upon which the Government would evaluate the Project’s impacts and, ultimately, issue the Environmental Permit. The Government has failed to act on the Environmental Permit for political rather than technical reasons, thus making it impossible for the Project to proceed.

Adverse Legislative Initiatives on Cyanide

On December 21, 2016 the outgoing Government of Prime Minister Dacian Cioloș adopted a ‘point of view’ on a temporary ban on cyanide use in Romania in relation to certain draft laws proposing to amend the Mining Law to include an interdiction of cyanide use in mining activities, which have been under review in the Parliament since 2007 and 2013. The legal moratorium proposed by the Cioloș Government to the Parliament provides for a 10 year period during which cyanide-based technologies may not be used in mining. During this time frame, it is proposed that the Romanian State would have to undertake detailed assessments of the environmental issues generated by cyanide-based mining operations and analyse alternatives. In order to be enacted, the proposal for such a moratorium would have to be approved by the Parliament.

Land Use Regulations

All land situated under the footprint of the proposed new mine at Roșia Montană must be zoned and/or classified for industrial uses including mining. Similar to other countries, Romania manages its land planning through several levels of zoning which include (i) general urbanism plans and accompanying local regulations (“**PUGs**”) and (ii) zonal urbanism plans and accompanying local regulations (“**PUZs**”).

General Urbanism Plans

A PUG is a land management documentation initiated by the public authorities and approved by the local councils.

The PUG sets forth the designation and the urbanism rules applicable for each given territorial administrative unit and PUG regulations must be restated and detailed by a PUZ, or, as the case may be, by detailed urbanism plans. PUGs are valid for a limited period (maximum 10 years), which may be extended only once for a maximum additional term of 10 years.

A number of PUGs have previously been initiated by the public authorities and approved by the local councils in respect of the Project, including the PUG for the Roșia Montană commune (approved in 2002) (“**2002 Roșia Montană PUG**”).

In July 2014, the 2002 Roșia Montană PUG was extended for a further term of three years.

As described in the section entitled “*Legal Challenges relating to the Project*” in this Part V, the 2002 Roșia Montană PUG remained in force during the entire duration of the EIA process, as carried out to date, until it was annulled in May 2016 by a Romanian appeal court. Accordingly, the area of the Project does not currently have a valid PUG and, therefore, no construction work could be authorized for the area of the Project footprint until a further PUG is obtained.

Zonal Urbanism Plans

The PUZ is a more detailed plan and relates to the development of a particular area located within the territory of an administrative unit and details the regulations established for the relevant area under the PUG. The final approval of a PUZ by the relevant local councils follows receipt of a series of endorsements and approvals from various authorities.

In 2002, the local councils of Roșia Montană and Abrud approved a PUZ designating an industrial zone under the footprint of the proposed new mine at Roșia Montană (“**2002 Industrial Area PUZ**”).

As described in the section entitled “*Legal Challenges relating to the Project*” in this Part V, the 2002 Industrial Area PUZ remained in force until it was annulled in May 2016 by a Romanian appeal court. Accordingly, the area of the Project does not currently have a valid PUZ for the proposed industrial zone under the footprint of the proposed new mine at Roșia Montană and therefore no construction work could be authorized for the area of the Project footprint until a further PUZ is obtained.

In 2006, an amended PUZ for the industrial development area of the Project was initiated to replace the 2002 Industrial Area PUZ, and such PUZ was further updated in 2010 (“**Industrial Area PUZ**”).

In 2009, the local council of Roșia Montană initiated the process for a PUZ for the Roșia Montană historical protected area (“**Historical Area PUZ**”).

While the Industrial Area PUZ and Historical Area PUZ are still technically undergoing their endorsement procedures, the Company does not expect that such approvals will be granted given the current status of the Project and the ongoing ICSID Arbitration.

Urbanism Certificates

In Romania, urbanism certificates form part of the legal regime associated with obtaining a construction permit for any kind of construction undertaking and are not solely associated with the mining industry. An urbanism certificate is an “informative deed” issued by a local or county council that sets out the legal, technical and economic status of a particular parcel of land and lists the documents that must be submitted in order to obtain a construction permit thereon. Urbanism certificates generally are valid for a period ranging between 6 and 24 months.

RMGC has obtained urbanism certificates for the land underneath the industrial footprint of the Project and has applied to renew or replace those certificates which have either expired or been the subject of legal challenges.

Since 2004, RMGC has obtained six separate urbanism certificates with respect to the industrial footprint of the Project (each of which were initially valid for a period of 24 months), the most recent being UC-98 which was issued by the Alba County Council on April 25, 2016 and expired on April 25, 2018.

Dam Safety Permits

On June 29, 2010, the Romanian National Dam Safety Commission (“**CONSIB**”) approved the design of the Project’s Corna and Cetate dams and operational safety permits were issued, both valid for two years. Such permits were subsequently renewed in 2012 and 2014. In October 2017, the Ministry of Waters and Forestry issued new dam safety permits to RMGC for the Corna and Cetate dams.

Archaeological Discharge

Archaeological Discharge Certificates

To realize the Project, a number of archaeological discharge certificates (“**ADCs**”) for mining, construction and operation in various parts of the proposed Project footprint are needed. In order to obtain such certificates, RMGC conducted, at its sole cost, extensive programs of exploratory and preventative archaeology in order to ensure that valuable historical relics in the area are uncovered and preserved where appropriate.

On July 14, 2011, the Alba County Directorate for Culture and National Patrimony issued a new ADC for the Cărnic Massif (underground), ADC-9 (“**ADC-9**”), which complemented the ADCs previously issued for the Cetate and Jig open-pits.

As described in the section entitled “*Legal Challenges relating to the Project*” in this Part V, on April 15, 2014, ADC-9 was suspended pursuant to a court order and is also the subject of a further legal challenge initiated by certain NGOs seeking its annulment.

Classification of Historical Monuments

The central authority in the field of protection of cultural heritage in Romania is the Ministry of Culture. As regards to historical monuments and sites, Romanian legislation (Law 422/2001) provides for the establishment of a national inventory of classified cultural property, namely a ‘*historical monument list*’ (“**List of Historical Monuments**” or “**LHM**”), an official document maintained by the Romanian National Institute of Patrimony, part of the Ministry of Culture.

In July 2010, the Ministry of Culture approved an updated List of Historical Monuments (“**2010 LHM**”), which was published in the Official Gazette on October 1, 2010. The Ministry of Culture altered significantly the description and address of the historical monuments within the Cărnic Massif to the entire area of Cărnic including the post-Roman era galleries and changed the address of the two historical monuments listed from Orlea to “the entire locality within a 2 km radius.”

A number of NGOs sought to exploit the erroneous descriptions in the 2010 LHM to bring legal challenges against certain permits issued by the Romanian authorities in relation to the Project.

On December 24, 2015, the Ministry of Culture issued an updated List of Historical Monuments (“**2015 LHM**”) which maintained and enlarged the erroneous descriptions of the historical monuments in Roșia Montană as included in the 2010 LHM. The 2015 LHM removed the precise geographical coordinates indicating the location of several archaeological sites in Roșia Montană, and included a new “address” for the Alburnus Maior historical monument in Roșia Montană, which it described as the “entire locality within a 2 km radius”.

As mining activities cannot be undertaken in an area established as an historical monument, the arbitrary and erroneous designations in both the 2010 LHM and the 2015 LHM were incompatible with the development of the Project as they both overlapped areas within the Project footprint for which the Ministry of Culture previously had issued ADCs allowing for implementation of the Project. The 2015 LHM remains in effect at the date of this document.

UNESCO World Heritage List

In February 2016, the Ministry of Culture submitted an initial application to the United Nations Educational, Scientific and Cultural Organization (UNESCO) for the placing of an area referred to as the “Roșia Montană Mining Cultural Landscape”, an area which includes the Project footprint, on UNESCO’s “Tentative List” to be declared a UNESCO World Heritage site.

On January 4, 2017, the Ministry of Culture submitted the nomination file (“Nomination File”) for the inclusion of the “Roșia Montană Mining Cultural Landscape” on the UNESCO World Heritage List. Notwithstanding its significant interests in the nominated area, neither the Company nor RMGC were notified of, or consulted on, this proposal.

It is the Company's understanding that on March 1, 2017, the Ministry of Culture was informed by the UNESCO World Heritage Centre that the Nomination File met all of the technical requirements outlined in the "Operational Guidelines for the Implementation of the World Heritage Convention" and, therefore, the Nomination File had been sent to the International Council on Monuments and Sites (ICOMOS) for evaluation.

The Company understands that ICOMOS is expected to complete its evaluation of the Nomination File in the second quarter of this year, following which its conclusions will be communicated to the World Heritage Committee of UNESCO for final assessment. The World Heritage Committee is expected to adopt a decision on the nomination of the Roşia Montană Mining Cultural Landscape for inscription on the World Heritage List at its 42nd session in July 2018.

Surface Rights and Resettlement

In order to commence mining operations, the titleholder of a mining license must demonstrate that it has the rights of access needed for the first year of activity, and then for each year of activity thereafter. The Mining Law prescribes the means for the titleholder to acquire such rights, including purchase, exchange, rent, and expropriation.

RMGC therefore undertook to acquire surface rights as necessary to implement the Project, much of which was privately owned, and to relocate or resettle affected households, as well as a number of small businesses, public facilities, churches and cemeteries. RMGC purchased properties owned by 794 households, acquiring on a willing seller-willing buyer basis properties from approximately 78% of households in the Project area.

To provide resettlement options to families affected by the Project, and based upon the outcome of consultation with affected families in Roşia Montană, RMGC constructed a 22-hectare modern neighborhood, known as Recea, including 137 houses, the majority of which were completed and transferred to resettled families in 2010, a church and associated facilities.

Legal Challenges relating to the Project

General

Over the years several foreign and domestically-funded NGOs have initiated legal challenges against local, regional and national Romanian authorities. The publicly stated objective of the NGOs in initiating and maintaining these legal challenges has been to use the Romanian court system to delay permitting approval of the Project as much as possible and ultimately to stop the development of the Project.

The following section provides a brief summary of certain pending legal actions relating to the Project. Reference is made to the section entitled "*Risk Factors – Legal Proceedings*" in Part VI.

RMGC Withdrawal from Legal Proceedings

Over a number of years, the Company, through RMGC, intervened, or sought to intervene, in all material cases brought against Romanian authorities involving matters pertinent to the Project.

During the course of 2015, Gabriel determined that RMGC should withdraw from a number of such legal actions, the majority of which concerned claims of third party NGOs challenging administrative deeds issued by public authorities, given, amongst other matters, the commencement of the ICSID Arbitration and the ongoing requirement for the Gabriel Group to reduce its cost base. RMGC has now withdrawn from all such legal proceedings.

Legal Proceedings relating to the Archaeological Discharge Certificates

Over the years, a number of ADCs granted to RMGC became the subject of legal actions initiated by NGOs.

On September 23, 2011, three NGOs filed separate requests for the annulment and suspension of ADC-9, issued in respect of the Carnic Massif (underground). On January 30, 2014 the Suceava Tribunal admitted the plaintiffs' request for the suspension of ADC-9. RMGC and others submitted an appeal against this decision which was rejected on April 15, 2014 and cannot be appealed further.

On October 27, 2015, RMGC submitted a request to the Buzau Tribunal to withdraw as an intervening party from the aforementioned claim for the annulment of ADC-9 pending before it. On September 13, 2016, the Buzau Tribunal determined that the proceedings in the case should recommence and subsequently accepted RMGC's request to withdraw from the proceedings. The next hearing is scheduled for June 5, 2018.

Legal Proceedings relating to Local Council Decisions

In July 2014, three NGOs submitted a claim to the Cluj Tribunal seeking the revocation of two decisions of the local council of Roșia Montană, namely LCDs 45 and 46/2002 ("**LCDs 45 and 46**"), which approved the PUG for Roșia Montană and the 2002 Industrial Area PUZ. On November 26, 2015, the Cluj Tribunal ordered the revocation of LCDs 45 and 46. On May 9, 2016, the local council of Roșia Montană's appeal against the decision of the Cluj Tribunal was rejected by Cluj Court of Appeal, a decision which cannot be further appealed. The annulment of LCDs 45 and 46 brought about the invalidation of the urbanism documentations approved thereby, namely the 2002 Roșia Montană PUG and the 2002 Industrial Area PUZ.

Legal Proceedings relating to Urbanism Certificates

Since 2004, RMGC has obtained six separate urbanism certificates with respect to the Project (each of which were initially valid for a period of 24 months), the most recent being UC-98 which was issued on April 25, 2016 and expired on April 25, 2018.

Notwithstanding the fact that urbanism certificates should not be the subject of administrative disputes (for annulment or suspension), all six of the urbanism certificates obtained in relation to the Project have been challenged in the Romanian courts by NGOs, amongst others.

On October 18, 2016, the Prefect of Alba County Council initiated proceedings before the Alba Tribunal against RMGC and Alba County Council seeking the annulment of UC-98 due to the revocation of LCDs 45 and 46. On February 8, 2017, the Alba Tribunal rejected the claim for the annulment of UC-98, a decision which was not appealed and is now final.

Other Legal Proceedings relating to RMGC

Challenges to the VAT Assessment

As described Part II above, in August 2017, RMGC filed both an administrative challenge before the Romanian tax authorities against the VAT Assessment and also a request for a stay of enforcement of the VAT Assessment before the Alba Iulia Court of Appeal.

Recapitalization of RMGC

Romanian Company Law requires a company to maintain a net asset value of not less than half of its share capital. Due to the repeated delays in the development of the Project and the continued funding of RMGC by the Gabriel Group by way of inter-company loans, RMGC has had to undertake adjustments to its share capital on a number of occasions in recent years in order to rectify the under-capitalizations identified by its audited financial statements.

Mandatory statutory share capital increases of RMGC, as required under Romanian company law, have been implemented in 2004, 2009 and 2013.

Pursuant to the recapitalizations undertaken in 2004 and 2009, Gabriel Resources (Jersey) Ltd., the direct majority shareholder of RMGC, advanced loans, totaling US\$39.5 million, to Minvest to facilitate its subscription for its allocation of shares in the capital of RMGC. These loans, remain outstanding at December 31, 2016, are non-interest bearing and according to their terms are to be repaid when RMGC distributes dividends to its shareholders. The subscription to RMGC share capital by Gabriel Resources (Jersey) Ltd. has been effected through the capitalization of existing intercompany debt.

For the 2013 share capital increase, Minvest RM failed to subscribe for its allocation of shares in the capital of RMGC and refused to accept a loan from Gabriel Resources (Jersey) Ltd. to fulfil its subscription obligations. In these circumstances, in January 2014, Gabriel Resources (Jersey) Ltd. agreed to transfer to Minvest RM, for nil consideration, a proportion of the shares subscribed by it in December 2013, with a face value of \$20.4 million, in order to preserve the shareholders' respective holdings in RMGC.

During the course of 2015-2017, RMGC convened board and shareholder meetings to address the undercapitalization identified in the 2014 and 2015 audited financial statements of RMGC and together with Gabriel Resources (Jersey) Ltd. proposed several solutions to the Ministry of Economy and Minvest RM to resolve the issue. Unfortunately, Minvest RM again indicated to RMGC and Gabriel Resources (Jersey) Ltd. that it would not be willing to subscribe for its allocation of shares in the capital of RMGC or to accept a further loan from Gabriel Resources (Jersey) Ltd. to fulfil its subscription obligations and the Ministry of Economy failed to engage in consultations or authorise Minvest RM to pursue any of the proposed solutions or to allow Minvest RM to participate as a shareholder in the recapitalization of RMGC. The aforementioned undercapitalization remains unresolved as at the date of this document.

Kadok Investigation

In November 2013, RMGC was informed of an investigation by the Ploiesti Public Prosecutor's Office ("PPPO") into alleged tax evasion and money laundering on the part of the principals/key shareholder(s) of a group of companies including Kadok Interpret LLC ("**Kadok Group**"), which was subsequently extended to 90 other companies, including RMGC which had had a short-term arms-length commercial relationship with the Kadok Group in 2012. The Kadok Group is unrelated to the Company.

It is the Company's understanding that following the indictment of the Kadok Group on March 7, 2014, the PPPO investigation was bifurcated and registered under a new case file for further investigation of RMGC and other companies for alleged tax evasion and accessory to money laundering.

RMGC has cooperated fully with the PPPO and provided evidence to the PPPO of its legitimate business dealings with the Kadok Group, including evidence of the receipt of goods from the Kadok Group and the payment for such goods by RMGC. As at the date of this document the Company is unaware of the status or justification for the continued PPPO investigation.

PART VI RISK FACTORS

This section describes existing and future material risks to the business of the Gabriel Group. The risks described below are not exhaustive. Additional risks and uncertainties not currently known to the Company, or those that it currently deems to be immaterial, may become material and adversely affect the Gabriel Group's business. The realization of any of these risks, whether in whole or in part, may materially and adversely affect the Gabriel Group's business, financial condition, results of operations and/or the market price of Gabriel's securities.

ICSID Arbitration

The resources necessary in pursuing the ICSID Arbitration are substantial and the amount of costs, fees and other expenses and commitments payable in connection with the ICSID Arbitration may differ materially from Management's expectations. Based on the case specific nature of arbitration and the inherent uncertainty in the actions of the Respondent, or the process, timing or outcome of the ICSID Arbitration, there can be no assurances that the ICSID Arbitration will advance in a customary or predictable manner or be completed or settled within any specific or reasonable period of time.

There is no assurance that the Claimants will be successful in establishing Romania's liability in the ICSID Arbitration or, if successful, will collect an award of compensation from the Respondent in the amount requested or at all. Failure to prevail in the ICSID Arbitration or to obtain adequate compensation for the loss in value of the Gabriel Group's investment would materially adversely affect the Gabriel Group.

The pursuit by the Company of the ICSID Arbitration may also lead to further investigations and assessments against RMGC by the Romanian State.

Need for Additional Funding

Further funding is required by the Company to continue as a going concern and to pursue the ICSID Arbitration to its conclusion, and for general working capital requirements. The Company will likely require additional funding in 2018 or early 2019.

Historically the Company has been financed through the issuance of its common shares, other equity based securities and convertible debt. Although Gabriel has been successful in the past in obtaining financing, the Company has limited access to financial resources as a direct result of the dispute concerning the Project and the core focus upon the ICSID Arbitration. There is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all.

While, as disclosed above, the Company has initiated a process to sell its long lead-time equipment which could, if completed, provide the Company with a reduced cost base and/or additional working capital, there are, however, no assurances regarding the success or otherwise of such a sale process or that any proceeds may be realized from the sale of equipment. The timing of the receipt of any such sales proceeds is also uncertain.

Refinancing of Existing Securities

The Company may need or desire to refinance all or a portion of the issued and outstanding Convertible Notes at the date of this document. There can be no assurance that the Company will be able to refinance any of its indebtedness or incur additional indebtedness.

Political and Economic Uncertainty in Romania

Gabriel's material operations, property rights and other interests are located in Romania. As such, the Company's activities are subject to a number of country specific risks over which it has no control. These risks may include risks related to social, political, economic, legal and fiscal instability and changes of Romanian laws and regulations affecting 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.

Mineral Tenure Rights

As described in Part II, RMGC is the titleholder of the License, an exploitation concession license issued by the Romanian State in June 1999 with respect to the mineral resources and reserves at Roşia Montană, Romania. The License has an initial duration of 20 years and may be extended for additional five-year periods as may be needed to ensure rational exploitation of the mineral resources and reserves identified and approved by NAMR. The License expires in June 2019 and an application for renewal is required to be filed no less than 90 days prior to the expiry. Although RMGC retains "nominal ownership" of the License, the acts and omissions of the Romanian State have prevented RMGC from realizing any benefits of such ownership and thus have deprived the License entirely of its value.

Pursuant to an exploration concession license issued by the Romanian State in May 1999 relating to the Rodu-Frasin and Tarniţa deposits located in the vicinity of Roşia Montană, RMGC acquired, following the completion of extensive exploration at Bucium which identified two feasible deposits, a direct and exclusive legal right to obtain exploitation licenses for such deposits. However, in violation of RMGC's legal rights and of Romania's legal obligations, Romania has failed for the last 10 years to act on RMGC's applications for exploitation licenses for Rodu-Frasin and Tarniţa.

Legal Proceedings

Gabriel has been party (directly and through RMGC) to a number of legal challenges in Romania and, in the course of its business, may from time to time become involved in the defence and initiation of legal claims, arbitration and other legal proceedings.

Due to the inherent uncertainties of the judicial process in Romania, the nature and results of any such legal proceedings cannot be predicted with any certainty. In addition, such claims, arbitration and other legal proceedings can be lengthy and involve the incurrence of substantial costs and resources by the Company. The initiation, pursuit and/or outcome of any particular 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.

UNESCO World Heritage List

As described in Part V, the Ministry of Culture submitted the Nomination File for the inclusion of the “Roşia Montană Mining Cultural Landscape” on the UNESCO World Heritage List on January 4, 2017. The Company understands that the World Heritage Committee will assess the Nomination File and adopt a decision on the nomination of the Roşia Montană Mining Cultural Landscape for inscription on the World Heritage List at its 42nd session in July 2018. The inclusion of Roşia Montană on the UNESCO World Heritage List would have a material adverse impact on the Company’s business, assets and financial condition insofar as it would limit severely the terms upon which any mining in the Project area could be permitted and thus whether an amicable resolution of the dispute with the Romanian State could be reached.

Dependence on Management and Key Personnel

The Gabriel Group is dependent on a relatively small number of key directors, officers and employees. Loss of any one of those persons could have an adverse effect on it. Retaining qualified and experienced personnel is critical to the Company’s success. However, there can be no assurance that the Gabriel Group will be successful in so doing.

Furthermore, the loss of key employees, in particular those who possess important historical knowledge related to the Project which could be relevant to the ICSID Arbitration, could have a material adverse effect on the outcome of the ICSID Arbitration and future operations of the Gabriel Group.

Minvest Mine Closure Plan

In May 2006, Minvest permanently ceased all of its mining operations at Roşia 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 Gabriel’s development plans for Roşia Montană in order to avoid any conflict between the Romanian State’s closure activities and Gabriel’s development activities. A state-owned company under the coordination of the Ministry of Economy, S.C. CONVERSMIN S.A., has responsibility for the mine closure plan.

There can be no assurance that the activities contemplated by such mine closure plan will be implemented in a timely fashion, and no such action has been undertaken to date. 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 and the indemnification of Gabriel from such liabilities will be fulfilled by, or be enforceable against, such entity.

Potential Dilution to 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 securities including, but not limited to, its common stock, share purchase warrants or some form of convertible security. The effect of additional issuances of equity securities will result in dilution to existing shareholders.

The conversion and/or exercise (as applicable) of the Company's outstanding Convertible Notes and Warrants could result in the issuance of a significant number of Common Shares causing significant dilution to the ownership of existing shareholders. Unless and until the Company successfully permits the Project or collects an arbitral award, if any, or acquires and/or develops other operating properties which provide positive cash flow, the Company's ability to meet its obligations as they fall due or redeem in whole or part or otherwise restructure the Convertible Notes 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.

Continued Listing of the Company's Common Shares

The continued listing of the Company's Common Shares on the Exchange is conditional upon its ability to meet the applicable continued listing requirements of the Exchange. In the event that Gabriel is not able to maintain a listing of its Common Shares on the Exchange or any substitute exchange, it may be extremely difficult or impossible for shareholders to sell their Common Shares. If the Company is delisted from the Exchange but obtains a substitute listing for the Common Shares, the Common Shares may have less liquidity and more price volatility than experienced on the Exchange. Shareholders may not be able to sell their Common Shares on any such substitute exchange in the quantities, at the times, or at the prices that could potentially be available on a more liquid trading market. As a result of these factors, if the Common Shares are delisted from the Exchange, the price of the Common Shares may decline and the Company's ability to obtain financing in the future could be materially impaired.

Compliance with Anti-Corruption Laws

Gabriel is subject to various anti-corruption laws and regulations including, but not limited to, the Canadian Corruption of Foreign Public Officials Act 1999 and the UK Bribery Act 2010. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. Gabriel's primary operations are located in Romania, a country which, according to Transparency International, is perceived as having fairly high levels of corruption relative to the rest of Europe (Romania ranks 59th out of 180 countries in terms of corruption, according to a 2017 index published by Transparency International). Gabriel cannot predict the nature, scope or effect of future anti-corruption regulatory requirements to which Gabriel's operations might be subject or the manner in which existing laws might be administered or interpreted.

Failure to comply with the applicable legislation and other similar foreign laws could expose Gabriel and/or its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect Gabriel's business, financial condition and results of operations. Likewise, any investigation of any potential violations of the applicable anti-corruption legislation by UK, Canadian or foreign authorities could also have an adverse impact on Gabriel's ability to develop the Project or its business, financial condition and results of operations.

As a consequence of these legal and regulatory requirements, Gabriel has instituted policies and procedures with regard to business ethics, which have been designed to ensure that Gabriel and its employees comply with applicable anti-corruption laws and regulations. However, there can be no assurance or guarantee that such efforts have been and will be completely effective in ensuring Gabriel's compliance, and the compliance of its employees, consultants, contractors and other agents, with all applicable anti-corruption laws and regulations.

Insurance and Uninsurable Risks

Gabriel maintains insurance to protect it 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.

General 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 favourable to the Company. As a consequence, global financial conditions could adversely impact the Company's financial status and share price.

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 of the Company will be subject to market trends generally and there may be significant fluctuations in the price of the Company's Common Shares.

Currency Fluctuations

The Company's reporting currency is the Canadian dollar, which is exposed to fluctuations against other currencies. The Company's primary operations are located in the Romania and many of its expenditures and obligations are denominated in RON. In addition the Company has and/or will have expenditures and obligations denominated in other currencies including, but not limited to, Canadian dollars, US dollars, EUROS and United Kingdom pounds sterling ("GBP"). The Company 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, EUROS, 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.

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 International Financial Reporting Standards. 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 audited 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 and continues to analyze its 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.

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 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.

**PART VII
CAPITAL STRUCTURE, DIVIDENDS, MARKET FOR SECURITIES
AND PRIOR SALES**

Description of Capital Structure

Share Capital

Authorized and Issued Shares

The authorized capital of Gabriel consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares, issuable in series, of which 384,452,780 Common Shares and no preferred shares are issued and outstanding as at the date of this Annual Information Form.

Common Shares

The holders of Common Shares are entitled to one vote per Common Share at all meetings of shareholders of Gabriel, to receive dividends as and when declared by the directors, and to receive a pro rata share of the remaining property and assets of Gabriel in the event of liquidation, dissolution or winding up of Gabriel. The Common Shares have no pre-emptive, redemption, purchase or conversion rights. There are no sinking fund provisions in relation to the Common Shares and they are not liable to further calls or to assessment by Gabriel.

The Yukon Business Corporations Act (“YBCA”) provides that the rights and provisions attached to any class of shares may not be modified, amended or varied unless consented to by special resolution passed by a majority of not less than two-thirds of the votes cast in person or by proxy by holders of shares of that class.

Preferred Shares

The preferred shares as a class rank senior to the Common Shares as to the payment of dividends and the distribution of property and assets on the liquidation, dissolution or winding-up of Gabriel. Holders of preferred shares are not entitled to any voting rights as a class except as may be provided under the YBCA and except that the directors of Gabriel are empowered to attach to any series voting rights relating to the election of directors on a default in payment of dividends.

Other Securities

Convertible Notes

Pursuant to the private placements completed by the Company during the course of 2014 and 2016, the Company has issued in aggregate \$95,625,000 of 0.025% convertible, subordinated, unsecured notes.

The Convertible Notes, which mature on June 30, 2021, have a face value of \$1,000, each bearing interest of 0.025% per annum, payable annually. Every \$1,000 principal amount of the Convertible Notes is convertible at any time prior to maturity, at the option of the holder, into Common Shares at a price of \$0.3105 per Common Share. At maturity, the Company has the ability to repay the Convertible Notes through issuing Common Shares.

Reference is made to the section entitled “*Risk Factors – Refinancing of Existing Securities*” in Part VI.

Arbitration Value Rights

Pursuant to the private placements completed by the Company during the course of 2014 and 2016, the Company has issued in aggregate 95,625 Arbitration Value Rights.

The Arbitration Value Rights entitle the holders, subject to certain limitations and exclusions, to a pro-rata share of 13.04% of any proceeds arising from the ICSID Arbitration, subject to a maximum aggregate entitlement of \$304.3 million among all holders of AVRs issued by the Company pursuant to such private placements.

Warrants

Pursuant to the private placements completed by the Company during the course of 2014 and 2016, the Company has issued in aggregate 111,536,250 Warrants, each Warrant entitling the holder thereof to purchase one additional Common Share at an exercise price of \$0.46 at any time prior to June 30, 2021.

Share-based and Other Incentive Plans

Share-based Incentive Plans

The Company operates three share-based incentive schemes for directors, executive officers, employees and consultants, namely an incentive stock option plan (“**Stock Option Plan**”), a deferred share unit plan (“**DSU Plan**”) and a restricted share unit plan (“**RSU Plan**”) (together the “**Incentive Plans**”).

In connection with its transition to the Exchange, Gabriel undertook that it would not issue any further incentive stock options (“**Stock Options**”), restricted share units (“**RSU**”) or deferred share units (“**DSUs**”) pursuant to the respective Incentive Plans until such plans had been reviewed and accepted by the Exchange and received shareholder approval, with the exception that directors who are required to take a percentage of their quarterly fees in DSUs or Stock Options would be permitted to continue to do so provided such instruments issued are within the combined limits of the Exchange policy. Accordingly, the Company intends to seek shareholder approval at its forthcoming annual general meeting for certain changes to its Incentive Plans to ensure compliance with the rules of the Exchange.

As at the date of this document, the maximum number of Common Shares which may be reserved for issuance under the Incentive Plans may not exceed 10% of the Common Shares of the Company issued and outstanding from time to time (“**Common Share Reserve Restriction**”).

Stock Options

Gabriel’s Stock Option Plan currently provides that Gabriel’s board of directors may grant Stock Options to directors, officers, employees and consultants of the Gabriel Group to purchase from Gabriel a designated number of authorized but unissued Common Shares. While individual exercise prices for Stock Options vary, the exercise price of the Stock Options in all cases equals the five-day volume weighted average closing price of the Common Shares on the TSX/Exchange prior to the date of the option grant. The majority of Stock Options vest on specific performance milestones or over three years and are typically exercisable over five or ten years from the date of issuance.

As at the date of this document, the maximum number of Common Shares which may be reserved for issuance under the Stock Option Plan is governed solely by the Common Share Reserve Restriction.

During the year ended December 31, 2017, 12,500 Stock Options were exercised by option holders and a total of 1,055,324 Stock Options were granted by the Company as follows:

Date of Grant	Number of Stock Options	Exercise Price per Stock Option
January 4, 2017	77,280	\$0.50
April 4, 2017	94,244	\$0.41
July 5, 2017	133,242	\$0.29
July 19, 2017	675,000	\$0.28
October 5, 2017	75,558	\$0.46

An additional grant of 101,684 Stock Options was made on January 5, 2018 at an exercise price of \$0.38 to certain non-executive directors in lieu of cash fees for services in the fourth quarter of 2017.

On April 5, 2018 a further grant of 138,435 Stock Options was made at an exercise price of \$0.33 to certain non-executive directors in lieu of cash fees for services in the first quarter of 2018. As at April 27, 2018, a total of 24,368,020 Stock Options were held by the Gabriel Group's directors, officers, employees and consultants.

Deferred Share Units

The Company's DSU Plan provides that Gabriel's board of directors may permit directors and specified executive officers of the Gabriel Group to (i) elect to receive a portion of their compensation, including annual retainers or meeting fees, in the form of DSUs in lieu of cash or (ii) receive DSUs otherwise from time to time in an amount as determined by the directors or a committee thereof in its sole discretion.

As at the date of this document, a fixed maximum of 5,000,000 DSUs may be issued under the DSU Plan, each DSU equivalent in value to one Common Share. Under the DSU Plan, DSUs are issued to the recipient based upon the value of the underlying Common Shares at the date of grant. Subject to certain exceptions applicable to officers only, upon retirement from the Board or cessation of employment, the recipient's DSUs are redeemed for cash based upon the then current price of the underlying Common Shares or, at the Board's discretion, for Common Shares.

During the year ended December 31, 2017, a total of 467,718 DSUs were issued by the Company as follows:

Date of Grant	Number of DSUs
January 5, 2017	72,625
April 4, 2017	88,566
July 4, 2017	127,491
July 19, 2017	80,000
October 5, 2017	99,036

An additional grant of 111,347 DSUs was made on January 4, 2018 to certain non-executive directors of the Company in lieu of director cash fees for services in the fourth quarter of 2017.

On April 5, 2018 a further grant of 98,296 DSUs was made to certain non-executive directors in lieu of cash fees for services in the first quarter of 2018. As of April 27, 2018, a total of 2,962,474 DSUs have been granted by Gabriel and remain capable of redemption by certain of its directors and officers. Taking into account prior settlement or forfeiture of DSUs issued under the DSU Plan, there remain 338,561 DSUs issuable at that date.

Restricted Share Units

Gabriel's RSU Plan provides that Gabriel's board of directors may grant to directors, officers, employees and consultants of the Gabriel Group, compensation, including retainers, fees or employment earnings or bonuses, in the form of RSUs representing Common Shares in lieu of cash.

As at the date of this document, a maximum of 2,500,000 RSUs may be issued under the RSU Plan, each RSU equivalent in value to one Common Share, and the maximum number of RSUs issuable is restored to the extent that RSUs previously issued expire or are settled for cash, cancelled or forfeited and such restoration is limited by the Common Share Reserve Restriction. RSUs are issued under the RSU Plan to the recipients based upon the value of the underlying Common Shares at the date of grant. RSUs may have a term of up to five years and vesting conditions at the discretion of the board of directors, set at the date of the grant. Upon vesting, the recipient's RSUs must be settled for an equivalent number of Common Shares and/or cash (based upon the then current price of the underlying Common Shares) within an expiry period between vesting and settlement which is set, subject to the term of the RSU and otherwise in the discretion of the board of directors, at the date of the grant.

During the year ended December 31, 2017, a total of 2,552,547 RSUs were issued by the Company as follows:

Date of Grant	Number of RSUs
April 10, 2017	1,318,200
April 27, 2017	593,190
July 4, 2017	494,325
December 19, 2017	146,832

During the year ended December 31, 2017, no RSUs were settled for cash. On December 19, 2017, the RSUs issued in the year were modified with the net result that 403,799 RSUs were cancelled.

As of April 27, 2018, a total of 2,148,748 RSUs have been granted by Gabriel and remain, subject to vesting conditions, capable of settlement by certain of its officers and employees.

Key Employee Engagement Plan

In December 2015, the Board, following the recommendation of the Compensation Committee, took the initiative to adopt a key employee engagement plan ("**KEEP**") to support the ICSID Arbitration process. The KEEP is a long term arbitration-related incentive program, to be used as both a retention and incentive measure for the long-term participation of directors, key management, employees and other expert contributors ("**Beneficiaries**") in pursuing the ICSID Arbitration to a successful conclusion. The structure of the KEEP follows consideration of other such programs initiated by mining companies that have already progressed through a similar arbitration process, tailored to Gabriel's circumstances, and is intended to reward the Beneficiaries for their past and future contributions to enable the Company to present a compelling ICSID Arbitration claim.

In July 2016, the Claimants established a trust to provide a legal form for the implementation of the KEEP. The trust provides that, subject to specified definitions, terms and conditions, the Claimants pay, or procure the payment, to the trust following receipt of the gross proceeds (less certain deductions and applicable taxes) of any award from the ICSID Arbitration, cash equal to: (i) 7.5% of the first US\$500 million of the proceeds; and (ii) 2.5% of any amount of proceeds in excess of US\$500 million.

The trust agreement sets out factors to be taken into account by the trustees in determining the amount of distributions to individual Beneficiaries. Subject to certain limitations and mandatory minimum payment requirements in certain circumstances, the trustees have broad discretion (in the allocation to Beneficiaries of any monies paid into the trust by the Claimants) to recognise the contribution of each individual Beneficiary.

Dividends

Gabriel has not paid any dividends on its Common Shares since its incorporation, nor has it any present intention of paying dividends for the foreseeable future.

Market for Securities

Gabriel's Common Shares are listed and posted for trading on the Exchange under the symbol GBU. Gabriel's Common Shares were listed on the TSX on September 29, 2000 until January 31, 2018 when trading ceased on the TSX and transferred to the Exchange. The following table sets forth the high and low sales prices and volume of trading of the Common Shares of Gabriel on the TSX for the most recently completed financial year.

Month – 2017	High (\$)	Low (\$)	Volume
January	0.59	0.46	791,540
February	0.50	0.41	818,270
March	0.48	0.32	1,411,390
April	0.41	0.35	285,360
May	0.41	0.33	2,065,890
June	0.36	0.27	883,100
July	0.33	0.26	643,010
August	0.38	0.27	1,961,160
September	0.40	0.30	1,924,090
October	0.35	0.29	1,127,370
November	0.45	0.31	1,455,420
December	0.43	0.31	1,074,730

Save as disclosed in this Annual Information Form, no other securities of Gabriel were issued during 2017.

PART VIII

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out the name, municipality of residence, position held with the Company and principal occupation for the past five years of each of the directors and executive officers of the Company. The notes to the table disclose the members of each committee of the Board.

Name and Municipality of Residence	Principal Occupations During Past Five Years	Position with Company
Richard Brown Newbury, Berkshire UK	Richard Brown is the Chief Commercial Officer and Corporate Secretary of Gabriel with responsibility for its commercial operations and regulatory compliance. Mr. Brown joined Gabriel in March 2011 following over 18 years in corporate advisory positions specialising in public company mandates, capital markets and regulatory advice, notably at the London Stock Exchange, KPMG and more recently the mining focused investment bank, Ambrian Partners Limited, where he was Head of Corporate Finance for 4 years and thereafter the Chief Operating Officer.	Chief Commercial Officer since March 9, 2011 and Corporate Secretary since June 16, 2011
Dag Cramer London, UK	Dag Cramer is the CEO of Norn Verdandi Limited, a company providing financial advisory services. Mr. Cramer worked for Anglo American PLC as a management trainee commencing in 1989 followed by three years as executive assistant to the Deputy Chairman and CFO. His subsequent senior roles within that group included responsibility for the group's treasury operations as well as its investment activities and risk management activities after its listing in London.	Director since June 21, 2012

Name and Municipality of Residence	Principal Occupations During Past Five Years	Position with Company
Dr. Alfred Gusenbauer Vienna, Austria	Dr. Alfred Gusenbauer is the former Federal Chancellor of Austria and was a member of the European Council. Dr. Gusenbauer holds a PhD in political science from the University of Vienna. In addition to a long career in politics in Austria and Europe, he also works in academia as a Professor-at-Large at Brown University and is a Visiting Professor at the Institute for Global Law and Policy at Harvard University. Dr. Gusenbauer is currently the CEO of Gusenbauer Projektentwicklung and Beteiligung GmbH and Chairman of STRABAG SE, Signa Prime Selection AG and Cudos Capital AG.	Director since June 18, 2010
Jonathan Henry Basingstoke, Hampshire UK	Jonathan Henry is the President and Chief Executive Officer of Gabriel. Mr. Henry has over 20 years' experience in the mining industry, successfully executing on exploration, development, operational and M&A activities. Formerly, Mr. Henry was the CEO of Avocet Mining, a London listed gold mining company with assets in West Africa and formerly in South East Asia. Mr. Henry served as Avocet's Finance Director from 2002 until becoming the CEO in 2006, a position he held until May 31, 2010. Mr. Henry is also a non-executive director and Chair of the Compensation Committee of Ormonde Mining plc, an AIM listed tungsten development company with assets in Spain, and a non-executive director and Chair of the Audit Committee of Ashanti Gold Corp., a TSX Venture-listed, gold-focused exploration and development company with projects in Ghana and Mali.	President and Chief Executive Officer since June 7, 2010 and Director since June 1, 2010
Keith R. Hulley Laguna Beach, California USA	Keith Hulley is the current Chairman of the Board of Gabriel, is the former Interim CEO of Gabriel and has been a member of the Board since 2006. Previously, Mr Hulley served seven years successively as President, Chief Executive Officer and Executive Chairman of Apex Silver Mines before retiring in 2009. Mr. Hulley has more than 50 years of experience in the mining business which, in addition to the above, includes board and senior executive experience at Western Mining Holdings Limited Corp., and former directorships at Luna Gold Corp., Red Tiger Mining Inc. and Ecometals Limited.	Director since February 13, 2006

Name and Municipality of Residence	Principal Occupations During Past Five Years	Position with Company
David Kay New York USA	David Kay is a partner and the portfolio manager of the Tenor International & Commercial Arbitration Fund. Mr. Kay joined Tenor in October 2009. He served as a Senior Associate in the Restructuring and Recapitalization Group and Investment Banking at Jefferies & Company, where he was responsible for analyzing and facilitating corporate restructurings, with emphasis on advising corporate clients and their creditors in large, multifaceted transactions. Mr. Kay served at Akin Gump Strauss Hauer & Feld as an Attorney in the Financial Restructuring Group and focused on advising creditor's committees and bondholder committees in complex corporate restructurings, both out of court and in Chapter 11. He is the former Chairman of the Board at Empower Energies, Inc. and has been a director of Crystallex International Corporation since June 25, 2012 and Eco Oro Minerals Corp since July 26, 2016. Mr. Kay graduated from the Fordham University School of Law with a J.D. with honors and from the University of Pennsylvania with a B.A.	Director since July 29, 2016
Wayne Kirk ⁽¹⁾⁽²⁾ Orcas, Washington USA	Wayne Kirk has over 35 years of experience as a corporate attorney, including nine years' experience as Vice President, General Counsel and Corporate Secretary of Homestake Mining Company, and over 12 years of experience as a director of publicly held companies. Mr. Kirk is also a director and Chairman of the Corporate Governance and Nominating Committee of Nickel Creek Platinum Corp. and a director and Chairman of the Corporate Governance and Nominating Committee and Compensation Committee of Electrum Ltd., a privately-held gold exploration company, and a director and Chairman of the Compensation and Nominating Committee of Sunshine Silver Mining & Refining Corporation, a privately held silver exploration and development company. Mr. Kirk holds a law degree (magna cum laude) from Harvard University and a B.A. (with honors) in Economics from University of California, Berkeley, and has been a member of the California Bar since 1969.	Director since June 19, 2008

Name and Municipality of Residence	Principal Occupations During Past Five Years	Position with Company
William Natbony ⁽¹⁾ New York, New York USA	William Natbony is the former CEO and Executive Chairman of Tigris Group Inc., a diversified family office focused on natural resource investments. Prior to joining Tigris, Mr. Natbony was a senior partner at the international law firm of Katten Muchin Rosenman LLP and was listed in Leading Lawyers in America, New York Super Lawyers and Best Lawyers in America. Mr. Natbony currently holds directorships at Electrum Ltd., a privately-held gold exploration company, Sunshine Silver Mining & Refining Corporation, a privately-held silver exploration and development company, Caelum Biosciences, Inc., a privately-held clinical-stage biopharmaceutical company, and Panthera Corp. and the Orianne Society, charities that support wildlife conservation. Mr. Natbony holds a J.D. and LL.M. (in Taxation) from New York University School of Law and has been a member of the New York Bar since 1976.	Director since June 28, 2016
David Peat ⁽¹⁾ Fernandina Beach, Florida, USA	David Peat has over 30 years of experience in financial leadership in support of mining companies. He is a director and Chairman of the Audit Committee of Electrum Special Acquisition Corporation, and a director and Chairman of the Audit Committee of Sunshine Silver Mining & Refining Corporation, a privately held silver exploration and development company. Mr. Peat was Vice President and Chief Financial Officer of Frontera Copper Corporation from 2006 through 2009, Vice President and Global Controller of Newmont Mining Corporation from 2002 through 2004, and Vice President of Finance and Chief Financial Officer of Homestake Mining Company from 1999 through 2002. Mr. Peat received a Bachelor of Commerce, Honours in Business Administration from the University of Windsor in 1976 and a Bachelor of Arts, Economics from the University of Western Ontario in 1975. Mr. Peat has been a member of the Chartered Professional Accountants of Ontario since 1978.	Director since June 1, 2010

Name and Municipality of Residence	Principal Occupations During Past Five Years	Position with Company
Walter Segsworth ⁽²⁾ West Vancouver, British Columbia, Canada	Walter Segsworth has over 40 years of experience in mining in Canada and overseas and has served as a senior officer of several mining companies including Westmin Resources, where he was President and CEO, and Homestake Mining Company, where he was President and COO. Mr. Segsworth is currently lead independent director of Pan American Silver, and a director and Chair of Sabina Gold & Silver Corporation and Happy Creek Minerals Ltd. Mr. Segsworth is past Chairman of both the Mining Associations of British Columbia (BC) and Canada and was named BC's Mining Person of the year in 1996. He received his bachelor of science in mining engineering from Michigan Technological University.	Director since June 1, 2010
Janice Stairs ⁽²⁾ Halifax, Nova Scotia, Canada	Janice Stairs has over 30 years' experience working with companies involved in the resource sector. Ms. Stairs is currently General Counsel to Namibia Rare Earths Inc., a TSX Venture Exchange listed explorer focused in Namibia. Prior to joining Namibia Rare Earths in September 2011, Ms. Stairs was General Counsel to Endeavour Mining Corporation, a position she assumed in September 2010 after Endeavour acquired Etruscan Resources Inc. where Ms. Stairs had held the positions of Vice President and General Counsel since 2004. Prior to 2004, Ms. Stairs was a partner with the law firm of McInnes Cooper (formerly Patterson Palmer) located in Halifax, Nova Scotia and she continues to act as counsel to the firm. Ms. Stairs practiced law in private practice for almost 20 years specializing in corporate finance, securities and resource-related issues for private and public companies. Ms. Stairs is a director of Trilogy Metals Inc. (formerly NovaCopper Inc.) and Marathon Gold Corporation. Ms. Stairs holds a law degree from Dalhousie University and a Masters in Business Administration from Queens University, both in Canada.	Director since June 21, 2017

Name and Municipality of Residence	Principal Occupations During Past Five Years	Position with Company
Max Vaughan Quarndon, Derbyshire UK	Max Vaughan is the Chief Financial Officer of Gabriel. Prior to joining Gabriel, Mr. Vaughan spent 13 years in financial advisory and investment banking focused exclusively on the mining and metals sector. Mr. Vaughan was Managing Director of Ogmores Capital from 2009, a mining and metals financial advisory business, and prior to this was Managing Director at RBS Global Banking & Markets specialising in structured finance. Mr. Vaughan is a member of the Institute of Chartered Accountants in England and Wales and holds an MBA from London Business School.	Chief Financial Officer since March 9, 2011

The information as to residence and principal occupation(s) is based on information furnished to the Company by the respective directors and executive officers.

Notes:

- (1) Member of the Audit Committee.
- (2) Member of Corporate Governance and Compensation Committee.

Each of the directors of Gabriel has been a director since the last annual meeting of Gabriel. All of the directors' respective terms will expire at the next annual general meeting of Gabriel.

As of April 27, 2018, directors and executive officers of Gabriel own or control approximately 75,603 Common Shares representing approximately 0.02% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

General

To Gabriel's knowledge and except as disclosed below, no director is or has been in the last 10 years a director, chief executive officer or chief financial officer of any company that: (a) was subject to an order that was issued while the nominee was acting in that capacity, or (b) was subject to an order that was issued after the nominee ceased to act in that capacity and which resulted from an event that occurred while that person was acting in that capacity. For the purposes of the foregoing, "order" means (i) a cease trade order, (ii) an order similar to a cease trade order, or (iii) an order that denied the relevant company access to any exemption under securities legislation, which was in effect for a period of more than 30 consecutive days

To Gabriel's knowledge and except as disclosed below, no director: (a) is or has been in the last 10 years a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has in the last 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Specific Disclosures

Mr. Hulley, the Chairman of the Board, was a director and Chairman of Apex Silver Mines Limited (“**Apex**”) from October 2004 until March 2009, and on January 12, 2009 Apex filed a voluntary petition for reorganization relief under the United States Bankruptcy Code. On March 24, 2009 the Joint Plan of Reorganization filed by Apex and its wholly owned subsidiary became effective and Apex emerged from its reorganization proceedings.

On May 12, 2010, Century Mining Corp. (“**CMC**”) (TSX-V: CMM), of which Mr. Hulley was a director until January 3, 2011, was issued with a cease trade order (“**CTO**”) as a consequence of failing to file its audited financial statements for the year ended December 31, 2009 within the time periods prescribed by applicable securities laws. CMC’s audited financial statements for the year ended December 31, 2009 were subsequently filed and trading of CMC shares resumed on May 25, 2010.

Mr. Hulley was a director of Ecometals Limited (“**Ecometals**”), a company formerly listed on the Exchange, which was operating under a CTO, issued by the British Columbia Securities Commission on October 2, 2013. The CTO was issued against Ecometals for failing to file its audited financial statements for the year ended March 31, 2013 and subsequent financial statements, due to insufficient funds to commission its external auditors.

Mr. Kirk was a director of Great Basin Gold Ltd. (“**GBG**”) until he resigned such directorship in January 2012. In September, 2012, GBG filed for creditor protection under the Companies’ Creditors Arrangement Act in Canada (“**CCAA**”). GBG’s principal South African subsidiary, Southgold Exploration (Pty) Ltd., also filed for protection under the South African Companies Act business rescue procedures. GBG’s subsidiary Rodeo Creek Gold Inc., and certain of its affiliates, entered US Bankruptcy Code Chapter 11 restructuring proceedings in Nevada in February 2013. GBG subsequently delisted its securities from the TSX, Johannesburg Stock Exchange and NYSE MKT.

Mr. Kay has been a director of Crystallex International Corporation (“**Crystallex**”), a company formerly listed on the TSX and the NYSE AMEX, since June 2012. On December 23, 2011, Crystallex voluntarily applied for and obtained an order (“**Initial Order**”) from the Ontario Superior Court of Justice (Commercial List) granting protection under the CCAA. Crystallex sought protection under the CCAA as it was unable to pay \$100,000,000 of senior unsecured notes which became due on December 23, 2011. On December 28, 2011, Crystallex obtained an order under Chapter 15 of the United States Bankruptcy Code from the United States Bankruptcy Court for the District of Delaware. The Initial Order provided for a general stay of proceedings for an initial period of 30 days and has been subsequently extended several times.

On April 13, 2012, the Ontario Securities Commission issued a CTO against Crystallex under National Policy 12-203 for failing to file by March 30, 2012 its audited financial statements and other annual disclosure documents, required by Canadian securities laws in respect of Crystallex’s financial year ended December 31, 2011.

On December 12, 2012, the Division of Enforcement of the U.S. Securities and Exchange Commission (the “**SEC**”) advised Crystallex that it was reviewing the Crystallex’s registration in view of the Crystallex’s failure to comply with the timelines for certain of its filings under the Securities Exchange Act of 1934 (“**Securities Act**”). Crystallex subsequently reached a settlement with the SEC on May 1, 2013 consenting to the revocation of its registration under the Securities Act.

The foregoing information, not being within the knowledge of Gabriel, has been furnished by the respective directors and executive officers of Gabriel individually as of April 27, 2018.

Conflicts of Interest

Gabriel's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which Gabriel may participate, the directors of Gabriel may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of Gabriel's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the Company making the assignment. In accordance with the laws of the Yukon Territory, the directors of Gabriel are required to act honestly, in good faith and in the best interests of Gabriel. In determining whether or not Gabriel will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which Gabriel may be exposed and its financial position at that time.

The directors and officers of Gabriel are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and Gabriel will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the YBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of Gabriel are not aware of any such conflicts of interests.

PART IX AUDIT COMMITTEE

Audit Committee Charter

A copy of the Audit Committee Charter is attached as a Schedule to this Annual Information Form.

Membership and Experience

The Audit Committee presently consists of three directors, Mr. Peat, Mr. Kirk and Mr. Natbony, each of whom is independent in accordance with the definition of independence of National Instrument 52-110 and is financially literate.

Mr. Peat, the Chairman of the Audit Committee, has over 30 years of experience in financial leadership in support of mining companies. He is a director and Chairman of the Audit Committee of Electrum Special Acquisition Corporation, and a director and Chairman of the Audit Committee of Sunshine Silver Mining & Refining Corporation, a privately held silver exploration and development company. Mr. Peat was Vice President and Chief Financial Officer of Frontera Copper Corporation from 2006 through 2009, Vice President and Global Controller of Newmont Mining Corporation from 2002 through 2004, and Vice President of Finance and Chief Financial Officer of Homestake Mining Company from 1999 through 2002. Mr. Peat received a Bachelor of Commerce, Honours in Business Administration from the University of Windsor in 1976 and a Bachelor of Arts, Economics from the University of Western Ontario in 1975. Mr. Peat has been a member of the Chartered Professional Accountants of Ontario since 1978.

Mr. Kirk, a member of the Audit Committee, has over 35 years of experience as a corporate attorney, including nine years' experience as Vice President, General Counsel and Corporate Secretary of Homestake Mining Company, and over 13 years of experience as a director of publicly held companies. At various times during the past 13 years, Mr. Kirk has been a member of the Audit Committees of Anoroaq Resources Corporation, Great Basin Gold Ltd, Luna Gold Corp., Northern Dynasty Minerals Ltd, and Taseko Mines Limited. Mr. Kirk is currently a director, a member of the Audit Committee and Chairman of the Corporate Governance and Nominating Committee of Nickel Creek Platinum Corp. and a director, a member of the Audit Committee and Chairman of the Corporate Governance and Nominating Committee and Compensation Committee of Electrum Ltd., a privately-held gold exploration company, and a director, a member of the Audit Committee and Chairman of the Compensation and Nominating Committee of Sunshine Silver Mining & Refining Corporation, a privately held silver exploration and development company. Mr. Kirk holds a law degree (magna cum laude) from Harvard University and a BA (with honors) in Economics from University of California, Berkeley, and has been a member of the California Bar since 1969.

Mr. Natbony, a member of the Audit Committee, is the former CEO and Executive Chairman of Tigris Group Inc., a diversified family office focused on natural resource investments. Prior to joining Tigris, Mr. Natbony was a senior partner at the international law firm of Katten Muchin Rosenman LLP and was listed in Leading Lawyers in America, New York Super Lawyers and Best Lawyers in America. Mr. Natbony currently holds directorships at Electrum Ltd., a privately-held gold exploration company, Sunshine Silver Mining & Refining Corporation, a privately-held silver exploration and development company, Caelum Biosciences, Inc., a privately-held clinical-stage biopharmaceutical company where he serves on the Audit Committee, and Panthera Corp. and the Orianne Society (where he serves on the Finance, Audit and Committee Committee), charities that support wildlife conservation. Mr. Natbony holds a J.D. and LL.M. (in Taxation) from New York University School of Law and has been a member of the New York Bar since 1976.

Audit Committee Policies and Procedures

Pre-Approval Policies & Procedures

The Audit Committee is responsible for the pre-approval of all audit, audit-related and non-audit services provided by the independent auditor. The Chairman of the Audit Committee is responsible for proper implementation of and compliance with this policy. The Audit Committee has delegated to the Chairman the authority to pre-approve all services not previously approved, up to \$25,000 and to report these to the Audit Committee as a whole at the next Audit Committee meeting.

External Auditors Service Fees

All fees billed by PricewaterhouseCoopers LLP (“**Auditors**”) Gabriel’s external auditors, during the two most recently completed financial years are as follows:

	Year ended December 31, 2017	Year ended December 31, 2016
Audit Fees		
PricewaterhouseCoopers LLP	\$156,000	\$172,000
Audit-Related Fees		
PricewaterhouseCoopers LLP	\$54,000	\$75,000
Tax and Other Fees		
PricewaterhouseCoopers LLP	\$6,500	\$6,500
All Other Fees		
PricewaterhouseCoopers LLP	\$7,000	\$4,000
Total		
PricewaterhouseCoopers LLP	\$223,500	\$257,500

Audit Fees: All services performed by the Auditors in connection with the review of annual consolidated financial statements of the Gabriel Group, including services performed to comply with International Financial Reporting Standards (“**IFRS**”).

Audit Related Fees: All services performed by the Auditors in connection with: (i) the review of quarterly financial statements and Management discussion and analysis (“**MD&A**”) in accordance with generally accepted standards for a review; (ii) review of annual financial statements of Gabriel’s wholly or majority owned, offshore subsidiaries; (iv) internal control reviews; and (v) such other services as may be designated by the Committee from time to time as Audit Related Services.

Tax and Other Fees: All services performed by the Auditors which are not Audit Services or Audit Related Services including, without limitation: (i) services in connection with tax planning, compliance and advice; and (ii) such other services as may be designated by the Committee from time to time as Tax and Other Services.

All Other Fees: All other services performed by the Auditors.

PART X ADDITIONAL INFORMATION

Legal Proceedings and Regulatory Actions

Save as set out in this Annual Information Form and to the knowledge of Gabriel, there are currently no outstanding material legal or regulatory proceedings involving Gabriel.

In addition, there were no: (i) penalties or sanctions imposed against Gabriel by a court relating to securities legislation or by a securities regulatory authority during Gabriel's most recently completed financial year; (ii) other penalties or sanctions imposed by a court or regulatory body against Gabriel that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements Gabriel entered into with a court relating to securities legislation or with a securities regulatory authority during our most recently completed financial year.

Interests of Management and Others in Material Transactions

Save as disclosed below or as otherwise disclosed in this Annual Information Form, no director, officer or shareholder who beneficially owns, controls or directs, either directly or indirectly, more than 10% of the Common Shares of Gabriel, nor any associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction, which in either case has materially affected or would materially affect Gabriel, during the three most recently completed financial years or during the current financial year.

On May 3, 2016 the Company provided specific details of its previously announced proposed private placement to raise \$20 million and the proposed restructuring of certain existing securities. The Company confirmed that it had entered into subscription agreements with certain existing shareholders pursuant to which the Company intended to raise \$20 million by way of a non-brokered private placement (the "**Private Placement**"). In addition, the Company announced it intended to enter into arrangements with certain existing securityholders to amend certain terms of the securities held by such holders (the "**Restructuring**"). The Private Placement and Restructuring are together referred to in this material change report as the "**Transactions**". On May 11, 2016, Gabriel announced that it had closed the Transactions.

The Private Placement was subscribed by certain existing shareholders of the Company (together, the "**Subscribers**"), including Electrum Group Holdings L.P. ("**Electrum**") and funds managed by The Baupost Group, L.L.C. ("**Baupost**"), who were deemed insiders as they each exercised control and direction over 10% or more of the issued and outstanding Common Shares of the Company immediately prior to the closing of the Private Placement. The Private Placement was negotiated on an arm's length basis with all Subscribers, notwithstanding the participation of these insiders.

Transfer Agents and Registrars

The transfer agent and registrar for the Common Shares of Gabriel is Computershare Investor Services Inc. at its principal offices in Toronto at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1.

Material Contracts

Except for contracts entered into in the ordinary course of business, Gabriel has not entered into any material contracts during the most recently completed financial year, or before the most recently completed financial year and which are still in full force and effect.

Interests of Experts

PricewaterhouseCoopers LLP (“PWC”), Chartered Professional Accountants, are Gabriel's auditors and such firm has prepared an opinion with respect to Gabriel's financial statements as at and for the financial year ended December 31, 2017. PWC have reported that they are independent of Gabriel in accordance with the rules of professional conduct of the Institute of Chartered Professional Accountants of Ontario.

As described above, an NI 43-101 Technical Report dated October 1, 2012 was prepared by SRK on the Project.

As of the date hereof, each of the aforementioned companies, and all directors, officers, partners and employees thereof, beneficially own, respectively, directly or indirectly, less than 1% of the securities of Gabriel and its associates and affiliates. In addition, no other director, officer, partner or employee of any of the aforementioned companies is currently expected to be elected, appointed or employed as a director, officer or employee of Gabriel or of any associates or affiliates of Gabriel.

Neither SRK nor any of its directors or employees involved the work undertaken by SRK own any interest in Gabriel and its associates and affiliates.

Availability of Additional Information

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Gabriel's securities, securities authorized for issuance under security based compensation plans and interests of insiders in material transactions, where applicable, is contained in Gabriel's Management Information Circular in respect of its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is available in Gabriel's audited consolidated financial statements, together with the auditors' report thereon, and Gabriel's Management discussion and analysis for its most recently completed financial year.

A copy of this Annual Information Form, Gabriel's Management Information Circular for its most recent annual or special meeting, management discussion and analysis and the financial statements (including any interim statements from the past financial year) may be obtained upon request made to the Corporate Secretary of Gabriel. A reasonable fee for copying may be charged if the request is made by a person who is not a registered security holder of Gabriel. These documents are also available free of charge through the SEDAR at www.sedar.com and on the Company's website www.gabrielresources.com.

PART XI GLOSSARY OF MINING TERMS

The following is a glossary of certain mining terms used in this Annual Information Form.

adit	A horizontal or nearly horizontal tunnel driven from the surface to access a mine.
Ag	The symbol for silver (<i>Argentium</i>) on the Periodic Table.
Au	The symbol for gold (<i>Aurum</i>) on the Periodic Table.
ball milling	Utilization of a steel cylinder filled with steel balls into which crushed ore is fed. The ball mill is rotated, causing the balls to cascade and grind the ore.
breccia	A coarse grained rock composed of angular broken fragments held together by mineral cement or in a fine-grained matrix.
colluvial	A loose deposit of rock debris accumulated through the action of rainwash or gravity at the base of a gently sloping cliff or hill.
Cretaceous	The period of geological time from 142 to 65.5 million years ago which marks the end of the Mesozoic era.
cross-cut	A horizontally driven tunnel that cuts across the strike of the mineralisation.
dacite	A fine-grained extrusive volcanic rock, usually light grey in appearance.
deposit	A natural occurrence of a useful mineral, in sufficient extent and degree of concentration to invite exploitation.
diamond drilling (DD)	A rock drilling method using a rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of the long hollow rods through which water is pumped to the cutting face. The drill cuts a circular channel around a core which can be recovered to provide a more or less continuous and complete columnar sample of the rock penetrated.
drive	A horizontal or inclined tunnel which is parallel to the strike of the mineralisation.
electrowinning	A process of recovering gold from solution by means of electrolytic chemical reaction.
elution	The process of extracting one material from another by washing with a solvent to remove adsorbed material from an adsorbent.
EPCM	Engineering, Procurement, Construction, Management.
epithermal	Primary vein-like deposits formed at shallow depths from the circulation of mineral rich warm solutions.
g/t	Grams per tonne.
grade	The relative quantity or the percentage of mineral or metal content in a deposit.

hydrothermal	A term pertaining to hot water, especially with respect to its action in dissolving and re-depositing minerals within the Earth's crust.
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
intrusive	A body of igneous rock formed by magma penetrating or intruding into or between other rocks, but solidifying before reaching the surface.
kriging	A geostatistical technique used in the estimation of mineral resources that enables the estimation of the values of spatially distributed variables such as grade and the probable error associated with the estimates. The method recognizes that samples are not independent and that spatial continuity between samples exists.
masl	Metres above sea level.
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
Mesozoic	The period of geological time from 250 to 65.5 million years ago which is subdivided into the Triassic, Jurassic and Cretaceous periods.
Mineral Reserve	The economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Mineral Resource	A concentration or occurrence of diamonds, natural solid inorganic material or natural fossilized organic material including base and precious metals, coal and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
mineralisation	Rock containing an undetermined amount of a specific mineral of economic interest.
Miocene	The period of geological time from 23.8 to 5.32 million years ago.
Mtpa	Millions of tonnes per annum.
open-pit mine	An excavation for removing rocks and minerals which is open to the surface.
orebody	A mass of rock that contains sufficient minerals with economically important elements, typically metals, that can be economically extracted.
phreatic surface	The location where the pore water pressure is under atmospheric conditions. This surface normally coincides with the water table.
porphyry	Hard igneous rock containing large conspicuous crystals in a dark, fine-grained ground matrix.
ppm	Parts per million.
Probable Mineral Reserve	The economically mineable part of a Indicated Mineral Resource, and in some circumstances a Measured Mineral Resource, demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
Proven Mineral Reserve	The economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
refractory	Ore that resists the action of chemical reagents in the normal treatment processes and which may require pressure leaching or other means to effect the full recovery of the valuable minerals
reverse circulation drilling (RC)	A drilling method using a tricone bit, during which rock cuttings are pushed to the surface through an outer tube by liquid and/or air pressure moving through an inner tube.
room and pillar mining	A method of mining flat-lying ore deposits in which the mined-out areas, or rooms, are separated by pillars of rock left in-situ of approximately the same size.

SAG milling	Semi-autogenous grinding (SAG) - a method of grinding rock into fine powder whereby the grinding media consist of larger chunks of rocks and steel balls.
stockwork	Mineralised rock comprised of a system of irregular veins and/or veinlets. The geometry and complexity of the mineralisation means that it can only be extracted by removal of the stockwork as a whole.
stope	An underground excavation from which ore is extracted.
strike	The course or bearing of a mineral deposit (or any structural surface) as it intersects the horizontal plane.
tailings	The waste material resulting from the processing and treatment of ore to remove the valuable content.

**SCHEDULE TO ANNUAL INFORMATION FORM FOR THE YEAR ENDED
DECEMBER 31, 2017**

GABRIEL RESOURCES LTD.

Audit Committee Charter

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Gabriel Resources Ltd. (“**Gabriel**”).

1 PURPOSE

- 1.1 The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:
- financial reporting and disclosure requirements;
 - ensuring that an effective risk management and financial control framework has been implemented and tested by senior Management of Gabriel; and
 - external and internal audit processes.

2 COMPOSITION AND MEMBERSHIP

- 2.1 The Board will appoint the members (“**Members**”) of the Committee after the annual general meeting of shareholders of Gabriel. The Members will be appointed to hold office until the next annual general meeting of shareholders of Gabriel or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director.
- 2.2 The Committee will consist of at least three directors who meet the criteria for independence and financial literacy established by applicable laws and the rules of the stock exchange upon which Gabriel’s securities are listed, including Multilateral Instrument 52-110 - Audit Committees. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.
- 2.3 The Board will appoint one of the Members to act as the Chairman of the Committee. The corporate secretary of Gabriel (the “**Corporate Secretary**”) will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Corporate Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

3 MEETINGS

- 3.1 Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.

- 3.2 At the request of the external auditors of Gabriel, the Chief Executive Officer or the Chief Financial Officer of Gabriel, or any member of the Committee, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- 3.3 The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, then the Members present may select one of their number to act as Chairman of the meeting.
- 3.4 Two Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.
- 3.5 The Committee may invite such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without Management at each meeting of the Committee.
- 3.6 In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Corporate Secretary, will prepare and distribute to the Members and others, as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Gabriel to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

4 DUTIES AND RESPONSIBILITIES

- 4.1 The duties and responsibilities of the Committee as they relate to the following matters are to:

Financial Reporting and Disclosure

- 4.2 Review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly unaudited financial statements, Management discussion and analysis, financial reports, guidance with respect to earnings per share, and any public release of financial information through news release or otherwise. The Board may delegate the authority to approve any of the foregoing to the Committee except the approval of the audited annual financial statements, the auditor's report thereon and the related management's discussion and analysis.
- 4.3 Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectus, annual information form, annual report to shareholders, Management information circular, material change disclosure of a financial nature, and similar disclosure documents.
- 4.4 Review with senior Management of Gabriel and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS"), all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Gabriel's financial position and the results of its operations in accordance with IFRS, as applicable.

- 4.5 Periodically review Gabriel's corporate disclosure policy and recommend any proposed changes to the Board for consideration.
- 4.6 Review the minutes from meetings of the disclosure committee, established pursuant to Gabriel's corporate disclosure policy, since the last meeting of the Committee.

Internal Controls and Audit

- 4.7 Review and assess the adequacy and effectiveness of Gabriel's system of internal control and management information systems through discussions with senior Management and the external auditor to ensure that Gabriel maintains:
 - (a) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Gabriel's transactions;
 - (b) effective internal control systems; and
 - (c) adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of Gabriel (and its subsidiaries) at any particular time.
- 4.8 Satisfy itself that senior Management has established adequate procedures for the review of Gabriel's disclosure of financial information extracted or derived from Gabriel's financial records.
- 4.9 Satisfy itself that senior Management has periodically assessed the adequacy of internal controls, systems and procedures in order to ensure compliance with regulatory requirements and recommendations.
- 4.10 Review and discuss Gabriel's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.
- 4.11 Review and assess, and in the Committee's discretion, make recommendations to the Board regarding the adequacy of Gabriel's risk management policies and procedures in respect of identification of Gabriel's principal risks and implementation of appropriate systems to manage such risks, including an assessment of the adequacy of insurance coverage maintained by Gabriel.
- 4.12 Review and assess periodically, and in the Committee's discretion make recommendations to the Board regarding, Gabriel's investment policy.

External Audit

- 4.13 Recommend to the Board a firm of external auditors to be engaged by Gabriel.
- 4.14 Ensure that the external auditors report directly to the Committee on a regular basis.
- 4.15 Review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards.

- 4.16 Review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors.
- 4.17 Review the audit plan of the external auditors prior to the commencement of the audit.
- 4.18 Establish and maintain a direct line of communication with Gabriel's external and, as applicable, internal auditors.
- 4.19 Meet in camera with only the auditors, with only senior Management, and with only the members of the Committee.
- 4.20 Review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the external auditor's team.
- 4.21 Oversee the work of the external auditors with respect to preparing and issuing an audit report or performing other audit, review or attest services for Gabriel, including the resolution of issues between Management of Gabriel and the external auditors regarding financial disclosure.
- 4.22 Review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with senior Management of Gabriel, and the ramifications of their use as well as any other material changes, and all material written communication between senior Management and the auditors such as Management letters and schedule of unadjusted differences.
- 4.23 Discuss with the external auditors their perception of Gabriel's financial and accounting personnel, records and systems, the cooperation which the external auditors received during the course of their review, and availability of records, data and other requested information and any recommendations with respect thereto.
- 4.24 Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.
- 4.25 Review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

Associated Responsibilities

- 4.26 Monitor and periodically review the Whistle Blowing policy and associated procedures for:
 - (a) the receipt, retention and treatment of complaints received by Gabriel regarding accounting, internal accounting controls or auditing matters;
 - (b) the confidential, anonymous submission by directors, officers and employees of Gabriel or others of concerns regarding questionable accounting or auditing matters; and

- (c) any violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure, or violations of Gabriel's Code of Business Conduct & Ethics or governance policies.
- 4.27 Review and approve Gabriel's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditor of Gabriel.

Non-Audit Services

- 4.28 Pre-approve all non-audit services to be provided to Gabriel or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its Members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

Oversight Function

- 4.29 While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits and/or reviews or to determine that Gabriel's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of senior Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Gabriel, and are specifically not accountable or responsible for the day to day operation or performance of such activities.
- 4.30 Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Gabriel's financial information or public disclosure.

5 REPORTING

- 5.1 The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the Management information circular. On request, the Corporate Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

6 ACCESS TO INFORMATION AND AUTHORITY

- 6.1 The Committee will be granted unrestricted access to all information regarding Gabriel, and all directors, officers, employees, consultants and contractors will be directed to cooperate as requested by members. The Committee has the authority to retain, at Gabriel's expense, independent legal, financial and other advisors, consultants and experts to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

7 REVIEW OF CHARTER

- 7.1 The Committee will review and assess the adequacy of this Charter in each year and recommend any proposed changes to the Board for consideration.