



GABRIEL
Roșia Montană
IN PARTNERSHIP

PRESS RELEASE

FOR IMMEDIATE RELEASE

December 23, 2020

Closing of US\$5 Million Private Placement

Further to the news releases of December 3, 2020, and December 18, 2020, Gabriel Resources Ltd. (TSXV trading symbol GBU - “Gabriel” or the “Company”) is pleased to announce that it has completed closing on the final tranche of its previously announced non-brokered private placement (the “Private Placement”) of 25,326,972 units (the “Units”) of the Company at a price of \$0.26 per Unit (“Purchase Price”) for gross proceeds of US\$5 million (approximately \$6.6 million).

Each Unit consists of one common share (“Common Share”) of the Company (“New Shares”) and one half of one Common Share purchase warrant (each whole warrant a “New Warrant”). Each New Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.39, at any time prior to the date that is three (3) years following the closing of the Private Placement.

In the second and final closing of the Private Placement, a total of 1,742,800 Units were issued to raise gross proceeds of approximately US\$0.34 million (approximately \$0.45 million). The New Shares and New Warrants issued in the closing announced today are subject to a statutory 4-month hold period expiring April 24, 2021.

The proceeds from the Private Placement will be used by the Company to finance the costs of its continuing arbitration case against the Government of Romania before the World Bank’s International Centre for Settlement of Investment Disputes (“ICSID Arbitration”) and for general working capital requirements.

Securities Currently In Issue

As a result of the closing of the Private Placement the Company has the following securities in issue:

- 623,070,010 Common Shares issued and outstanding;
- 871,400 Common Share purchase warrants which are exercisable at a price of \$0.39 at any time prior to December 23, 2023;
- 11,792,086 Common Share purchase warrants which are exercisable at a price of \$0.39 at any time prior to December 18, 2023
- 5,225,970 Common Share purchase warrants which are exercisable at a price of \$0.645 at any time prior to September 13, 2024;
- 76,504,263 Common Share purchase warrants which are exercisable at a price of \$0.645 at any time prior to August 23, 2024;
- 25,723,372 Common Share purchase warrants which are exercisable at a price of \$0.49 at any time prior to January 15, 2024;
- 80,702,475 Common Share purchase warrants which are exercisable at a price of \$0.49 at any time prior to December 21, 2023;

- 103,867,820 Common Share purchase warrants which are exercisable at a price of \$0.46 at any time prior to June 30, 2021;
- \$90,862,000 of convertible subordinated unsecured notes, with an annual coupon of 0.025%, a conversion price of \$0.3105, and a maturity date of June 30, 2021. At maturity, the Company will have the ability to repay the notes through the issuance of Common Shares; and
- 95,625 arbitration value rights (“AVRs”), comprising:
 - 55,000 AVRs entitling the holders to a pro rata share of 7.5% of any proceeds arising from any monies received by the Company and/or any of its affiliates pursuant to any settlement or arbitral awards irrevocably made in its favour in relation to the ICSID Arbitration (“ICSID Award”), subject to a maximum aggregate entitlement of \$175 million among all holders of such AVRs; and
 - 40,625 AVRs entitling the holders to a pro rata share of 5.54% of any proceeds arising from any ICSID Award, subject to a maximum aggregate entitlement of \$129.3 million among all holders of such AVRs.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and accordingly may not be offered or sold within the United States or to “U.S. persons”, as such term is defined in Regulation S promulgated under the U.S. Securities Act (“U.S. Persons”), except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the Company’s securities to, or for the account of benefit of, persons in the United States or U.S. Persons.

The Private Placement was conditionally approved by the TSX Venture Exchange (the “Exchange”) on December 13, 2020. The Private Placement remains subject to final acceptance by the Exchange and the receipt of all other applicable approvals. Subject to the receipt of all regulatory approvals, including the approval of the Exchange, the Company will pay a cash finder’s fee of US\$5,000 in connection with the Private Placement in respect of the procurement of certain arm’s length subscribers.

Further detail regarding the Private Placement, including the participation of insiders, can be found in the news release issued by the Company on December 3, 2020, which is available on the Company’s website at www.gabrielresources.com and filed on SEDAR at www.sedar.com, and the material change report of the same date also filed on SEDAR.

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Further Information

About Gabriel

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

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

Forward-looking Statements

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

In this press release, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company’s actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: the ICSID Arbitration, actions by the Romanian Government, conditions or events impacting the Company’s ability to fund its operations (including but not limited to the completion of further funding noted above) or service its debt, exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company’s results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as “expects”, “is expected”, “is of the view”, “anticipates”, “believes”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible” or variations thereof or stating that certain actions, events, conditions or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

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

- the outbreak of the coronavirus (COVID-19) may affect the Company’s operations and/or the anticipated timeline for the ICSID Arbitration;
- the duration, required disclosure, costs, process and outcome of the ICSID Arbitration;
- the advancement of Romania’s nomination of the “Roşia Montană Mining Landscape” as a UNESCO World Heritage site;
- changes in the liquidity and capital resources of Gabriel, and/or the group of companies of which it is directly or indirectly parent;
- access to funding to support the Group’s continued ICSID Arbitration and/or operating activities in the future;
- equity dilution resulting from the conversion or exercise of new or existing securities in part or in whole to Common Shares;
- the ability of the Company to maintain a continued listing on the TSX Venture Exchange or any regulated public market for trading securities;
- the impact on business strategy and its implementation in Romania of: any allegations of historic acts of corruption, uncertain fiscal investigations; uncertain legal enforcement both for and against the Group and political and social instability;
- regulatory, political and economic risks associated with operating in a foreign jurisdiction including changes in laws, governments and legal regimes and interpretation of existing and future fiscal and other legislation;
- volatility of currency exchange rates; and
- the availability and continued participation in operational or other matters pertaining to the Group of certain key employees and consultants.

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

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