



## **Gabriel Resources Ltd.**

Notice of 2019 Annual General and Special Meeting of  
Shareholders

Management Information Circular

May 16, 2019



## INVITATION TO SHAREHOLDERS

May 16, 2019

Dear Shareholder,

It is my pleasure to invite you to attend the Annual General and Special Meeting of shareholders of Gabriel Resources Ltd. ("**Gabriel**"), which will be held on Thursday, June 20, 2019 at 11:30 a.m. (Pacific Time) at the offices of Stikeman Elliott LLP, 666 Burrard Street, Suite 1700, Vancouver, British Columbia V6C 2X8, Canada.

The items of business to be considered at this meeting are described in the Notice of Annual General and Special Meeting of shareholders of Gabriel and accompanying management information circular. We encourage you to vote, which can be done easily by following the instructions set out in the management information circular.

I thank you for your interest in Gabriel and I urge you to exercise your right to vote.

Sincerely,

*(Signed)*

Keith Hulley  
Chairman of the Board of Directors



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting of the shareholders of Gabriel Resources Ltd. ("**Company**") will be held at the offices of Stikeman Elliott LLP, 666 Burrard Street, Suite 1700, Vancouver, British Columbia V6C 2X8, on Thursday, June 20, 2019 at 11:30 a.m. (Pacific Time). The meeting will have the following purposes:

- (1) to receive the audited consolidated financial statements of the Company for the year ended December 31, 2018 together with the auditors' report thereon;
- (2) to elect directors of the Company to hold office until the close of the next annual meeting;
- (3) to appoint the auditor of the Company to hold office until the close of the next annual meeting and to authorize the directors of the Company to fix its remuneration;
- (4) to consider and, if appropriate, to pass an ordinary resolution approving the continuation of the incentive stock option plan of the Company; and
- (5) to transact such other business as may be brought properly before the meeting or any continuation of the meeting after an adjournment or postponement.

The accompanying management information circular provides detailed information relating to the matters to be addressed at the meeting and forms part of this notice. The board of directors of the Company has fixed the close of business on May 16, 2019 as the record date to determine which shareholders are entitled to receive notice of and to vote at the meeting, or any postponement or adjournment thereof.

Shareholders are encouraged to vote in advance by completing the enclosed form of proxy. Detailed instructions on how to complete and return proxies are provided on pages 1 to 5 of the accompanying management information circular. To be effective, the completed form of proxy must be received by the Company's transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, Canada, prior to 11:30 a.m. (Pacific Time) on June 18, 2019.

### BY ORDER OF THE BOARD OF DIRECTORS

*(Signed)*

Simon Lusty  
*Corporate Secretary*

DATED May 16, 2019

**If you are a non-registered shareholder and you have received these materials through your broker or through another intermediary, please complete and return the voting instruction form or other authorization in accordance with the instructions provided to you by your broker or by such other intermediary. Failure to do so may result in your shares not being eligible to be voted at the meeting.**



GABRIEL  
*Rozia Montană*  
IN PARTNERSHIP

**GABRIEL RESOURCES LTD.**

**MANAGEMENT INFORMATION CIRCULAR**

**May 16, 2019**

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## PART I

### GENERAL INFORMATION

#### GENERAL

It is anticipated that copies of this management information circular ("**Circular**"), the Notice of Meeting, and accompanying form of proxy will be distributed to shareholders on or about May 24, 2019.

Unless otherwise indicated, the information in this Circular is given as at May 16, 2019, all dollar references in this Circular are to Canadian dollars, and all references to financial results are based on the audited consolidated financial statements of Gabriel Resources Ltd. ("**Gabriel**" or the "**Company**") prepared in accordance with International Financial Reporting Standards.

Information in this Circular as to the Shares beneficially owned, controlled or directed by certain shareholders is not within the knowledge of the Company and, accordingly, has been obtained by the Company from publicly-disclosed information and/or furnished by such shareholders.

#### SOLICITATION OF PROXIES

The information contained in this Circular is furnished in connection with the solicitation of proxies from holders of common shares of Gabriel ("**Shares**"). These proxies will be used at the Annual General and Special Meeting of shareholders of the Company ("**Meeting**") to be held on Thursday, June 20, 2019 at 11:30 a.m. (Pacific Time) at the offices of Stikeman Elliott LLP, 666 Burrard Street, Suite 1700, Vancouver, British Columbia V6C 2X8, or any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Meeting. It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited personally or by telephone by the Company. **The solicitation of proxies by this Circular is being made by or on behalf of the management of the Company and the cost of the solicitation of proxies will be borne by the Company.**

#### VOTING INSTRUCTIONS

##### Who may vote?

You are entitled to vote at the Meeting (or any adjournment thereof) if you are a holder of Shares as of the close of business on May 16, 2019, the record date for the Meeting ("**Record Date**"). Each Share is entitled to one vote.

##### What is being voted on at the Meeting?

You will be voting on:

- the election of directors of the Company, to hold office until the close of the next annual meeting;
- the appointment of PricewaterhouseCoopers LLP as auditor of the Company until the close of the next annual meeting and authorization of the directors to fix its remuneration; and
- the approval of the continuation of the incentive stock option plan of the Company.

A simple majority of votes (50% plus one vote) cast at the Meeting in person or by proxy is required to approve the auditor appointment and the continuation of the incentive stock option plan. With respect to the election of directors, see section entitled "*Majority Voting for Directors*" below.

## How to Vote

How you vote depends on whether you are a registered shareholder or a non-registered shareholder.

### Registered Shareholders

You are a registered shareholder if your Shares are held in your name and you have a Share certificate or if you hold your Shares through the Direct Registration System. Registered shareholders may vote their Shares by one of the following methods:

- Attendance at the Meeting - If you plan to attend the Meeting and vote your Shares in person your vote will be recorded and counted at the Meeting. You do not need to complete and return the form of proxy. Please register with a representative of Computershare Investor Services Inc. ("**Computershare**"), the transfer agent, upon arrival at the Meeting; or
- Appointment of another person - If you are unable to attend the meeting, or if your Shares are registered in the name of a corporation, your Shares may still be counted at the Meeting by authorizing another individual, a so-called "*proxyholder*", to attend the Meeting and vote your Shares (see section entitled "*Voting by Proxy*" below).

### Voting by Proxy

#### *Appointment of Proxies*

You can use the enclosed form of proxy, or any other legal form of proxy, to appoint a proxyholder.

The persons named in the enclosed form of proxy are representatives of management of the Company. **You have the right to appoint another person (who need not be a shareholder) to represent you at the Meeting. You may appoint another person by inserting that person's name in the blank space set out in the form of proxy provided or by completing another legal form of proxy.** By properly completing and returning a form of proxy, you are authorizing the individual named in the form to attend the Meeting and to vote your Shares.

To be valid, a form of proxy must be completed, signed, dated and deposited with Computershare: (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, Canada; (ii) by hand delivery to the aforementioned address; or (iii) by fax to 1-416-263-9524 or toll-free within North America 1-866-249-7775, **no later than 11:30 a.m. (Pacific Time) on Tuesday, June 18, 2019** or, if the Meeting is postponed or adjourned, at a time and on a day other than a Saturday, Sunday or holiday which is at least 24 hours before the time of such reconvened meeting.

If the Shares are registered in more than one name, all those in whose names the Shares are registered must sign the form of proxy. If the Shares are registered in the name of your corporation or any name other than yours, you may be required to provide documentation that proves you are authorized to sign the form of proxy.

**NOTE:** It is important to ensure that any other person you appoint is attending the Meeting and is aware that his or her appointment to vote your Shares has been made. All proxyholders should, upon arrival at the Meeting, present themselves to a representative of Computershare.

#### *Exercise of Discretion by Proxies*

The Shares represented by your form of proxy must be voted or withheld from voting in accordance with your instruction on the form and, if you specify a choice with respect to any matter to be acted upon, your Shares will be voted accordingly. If you have not specified how to vote on a particular matter, if any amendments are proposed to any matter, or if other matters are properly brought before the Meeting, then, in each case, your proxyholder can vote your Shares as your proxyholder sees fit.

**If you complete and return your form of proxy properly appointing representatives of management as your proxy but do not specify how you wish the votes to be cast, your Shares will be voted as follows:**

- **FOR** the election of those nominees for director as set out in this Circular;
- **FOR** the appointment of PricewaterhouseCoopers LLP as auditor and the authorization of the directors to fix the auditor's remuneration; and
- **FOR** the approval of the continuation of the incentive stock option plan of the Company.

As of the date of this Circular, the management of the Company does not intend to present any other business at the Meeting and is not aware of any amendment, variation or other matter expected to come before the Meeting.

### **Non-Registered Shareholders**

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most of Gabriel's shareholders are "*non-registered*" shareholders. You are a non-registered (or beneficial) shareholder if your Shares are registered in the name of:

- an intermediary such as a bank, a trust company, a securities broker, a trustee or other nominee ("**Intermediary**"); or
- a clearing agency such as the Canadian Depository for Securities Limited ("**CDS**"), of which the Intermediary is a participant.

Most shareholders of the Company are non-registered shareholders because the Shares they own are not registered in their names but are instead registered in the name of an Intermediary.

There are two kinds of non-registered shareholders: those who object to their Intermediary disclosing ownership information about themselves to Gabriel, referred to as objecting beneficial owners ("**OBOs**"), and those who do not object to the Company knowing who they are, referred to as non-objecting beneficial owners ("**NOBOs**"). Subject to the provisions of National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuers ("**NI 54-101**"), issuers can request and obtain a list of their NOBOs from Intermediaries via their transfer agents and use the NOBO list for distribution of proxy-related materials directly to NOBOs.

### *Non-Objecting Beneficial Owners*

The Company has decided to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy related materials to its NOBOs who have not waived the right to receive them. By choosing to send these materials to you directly, the Company (and not the Intermediary holding Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result, NOBOs can expect to receive a voting instruction form ("**VIF**"), together with the Notice of Meeting, this Circular, and related documents from Computershare (the "**Meeting Materials**"). These VIFs are to be completed and returned to Computershare in accordance with the instructions provided by Computershare. In this regard, Computershare is required to follow the voting instructions properly received from NOBOs.

Computershare will tabulate the results of the VIFs received from NOBOs. Should a NOBO wish to vote at the Meeting in person, the NOBO must insert the name of the NOBO in the space provided on the VIF, and attend the Meeting and vote in person. **NOBOs should carefully follow the instructions of Computershare, including those regarding when and where to complete the VIFs that are to be returned to Computershare.**

NOBOs who wish to change their vote must contact Computershare to arrange to change their vote in sufficient time in advance of the Meeting.

## *Objecting Beneficial Owners*

In accordance with the requirements of NI 54-101, we have distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless, in the case of certain proxy-related materials, the OBO has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to OBOs. With those Meeting Materials, Intermediaries or their service companies should provide OBOs with a "request for voting instruction form" which, when properly completed and signed by such OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit OBOs to direct the voting of the Shares that they beneficially own. Should an OBO wish to vote at the Meeting in person, the OBO should follow the procedure in the request for voting instructions provided by the Company on behalf of the Intermediary and request a form of legal proxy which will grant the OBO the right to attend the Meeting and vote in person.

OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered. The Company will pay for Intermediaries to forward the Meeting Materials to OBOs under NI 54-101. **In any event, OBOs should carefully follow the instructions of their Intermediaries and their service companies, as the case may be.**

OBOs who wish to change their vote must arrange for their respective Intermediaries to change their vote in sufficient time in advance of the Meeting.

## **Revocation of a Proxy or Voting Instruction**

If you are a registered shareholder and have returned a form of proxy, you may revoke it by:

- (i) completing and signing another form of proxy bearing a later date, and delivering it to Computershare Investor Services Inc., Proxy Department at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 (Fax: +1-416-263-9524 or toll-free within North America 1-866-249-7775) by no later than 11:30 a.m. (Pacific Time) on Tuesday, June 18, 2019 or, if the Meeting is postponed or adjourned, at a time and on a day other than a Saturday, Sunday or holiday which is at least 24 hours before the time of such reconvened meeting.; or
- (ii) delivering a written statement signed by you (or by someone you have authorized properly to act on your behalf) stating that you wish to revoke your proxy to:
  - (a) the Corporate Secretary of Gabriel Resources Ltd. at the registered office of the Company (Suite 200 - 204 Lambert Street, Whitehorse, Yukon Y1A 1Z4, Canada) at any time up to and including 11:30 a.m. (Pacific Time) on the last business day prior to the Meeting, or the business day preceding the day to which the Meeting is adjourned; or
  - (b) to the Chairman of the Meeting prior to the commencement of the Meeting or any postponement or adjournment of the Meeting; or
- (iii) following any other procedure that is permitted by law.

If you are a non-registered shareholder and wish to revoke your VIF or proxy form, you should contact Computershare or your Intermediary (as described above).

## **Further Questions**

If you have a question regarding the Meeting, please contact Computershare at 1-800-564-6253 (toll free within North America) or +1-514-982-7555 (international direct dial) or visit the website at [www.computershare.com](http://www.computershare.com).

## VOTING SECURITIES

Gabriel is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares, issuable in series. On May 16, 2019, the Company had 491,167,460 Shares issued and outstanding.

The Shares trade on the TSX Venture Exchange ("**Exchange**") under the symbol "GBU". Prior to February 1, 2018, the Shares had traded on the Toronto Stock Exchange ("**TSX**").

## PRINCIPAL HOLDERS OF VOTING SECURITIES

To the knowledge of the directors and officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company as of the date of this Circular, other than as set out below:

<i>Name and Address</i>	<i>Number of Shares</i>	<i>Percentage of Outstanding Shares<sup>(1)</sup></i>
<b>Electrum<sup>(2)</sup></b> 535 Madison Avenue, 12 <sup>th</sup> Floor, New York, NY 10022	76,593,015	15.6%
<b>The Baupost Group, LLC<sup>(3)</sup></b> 10 St. James Avenue, Suite 1700, Boston, MA 02116	73,015,459	14.9%
<b>BSG Capital Markets PCC Limited<sup>(4)</sup></b> Frances House, Sir William Place, St Peter Port, Guernsey, GY1 1GX	64,693,818	13.2%
<b>Newmont Canada Limited<sup>(5)</sup></b> Suite 1900, Box 2005, 20 Eglinton Avenue West, Toronto, Ontario, M4R 1K8	50,724,702	10.3%

Notes:

- (1) Percentage is based on 491,167,460 Shares issued and outstanding as at May 16, 2019.
- (2) As reported to the Company, the number of Shares indicated includes (i) 72,593,015 common shares owned by Electrum Global Holdings L.P. ("EGH") and (ii) 4,000,000 common shares owned by GRAT Holdings LLC ("Holdings"). In addition, EGH holds warrants to purchase an additional 23,857,786 common shares and has the right to acquire 29,852,620 common shares upon conversion of convertible notes issued by the Company. EGH is the owner of, and has control over, Leopard Holdings LLC, which, in turn, has direct and/or indirect control over TEG Global GP Ltd., the sole general partner of EGH, and The Electrum Group LLC ("TEG Services"), the investment adviser to EGH. TEG Services possesses voting and investment discretion with respect to the securities held by EGH.
- (3) According to a report filed on SEDAR under National Instrument 62-103 ("NI 62-103") on January 9, 2019 The Baupost Group, LLC beneficially owned or exercised control or direction over the number of Shares indicated.
- (4) According to a report filed on SEDAR under NI 62-103 on December 18, 2009, as amended to reflect the exercise of certain warrants in June 2011 granted to BSG Capital Markets PCC Limited pursuant to a private placement concluded in December 2009, and following of its participation in the private placement completed in December 2018, BSG Capital Markets PCC Limited beneficially owned or exercised control or direction over the number of Shares indicated.
- (5) According to a report filed on SEDAR under NI 62-103 on June 4, 2008, Newmont Canada Limited beneficially owned or exercised control or direction over the number of Shares indicated.

## PART II

### BUSINESS OF THE MEETING

#### FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The audited consolidated financial statements of the Company for the year ended December 31, 2018 ("**Financial Statements**") and the report of the auditor thereon will be placed before the Meeting. Approval of the shareholders is **not** required in relation to the Financial Statements.

#### ELECTION OF DIRECTORS

##### Number of Directors

The articles of the Company provide for the Board of Directors of the Company ("**Board**" or "**Board of Directors**") to consist of a minimum of three and a maximum of twenty-one directors.

Currently, the Board is comprised of ten directors. Mr. Natbony, who was re-elected at the Company's 2018 annual meeting, has advised the Company that he does not intend to stand for re-election as a director at the Meeting. Management and the Board wish to record their sincere appreciation of the contribution of Mr. Natbony during his tenure on the Board. The Board has determined to put forward the remaining nine directors of the Company, together with one further nominee for election as a new director, Mr. Ali Erfan. Accordingly, the nominees proposed for election as directors are:

*Dag Cramer*

*Wayne Kirk*

*Ali Erfan*

*David Peat*

*Dr. Alfred Gusenbauer*

*Walter Segsworth*

*Keith Hulley*

*Janice Stairs*

*David Kay*

*Dragos Tanase*

All of the proposed nominees other than Mr. Erfan are currently directors of Gabriel and, save for Mr. Tanase, were elected to their present term as directors by the shareholders at the annual meeting of the Company held on June 14, 2018. Mr. Tanase was appointed to the Board in August 2018. The term of office of each of the present directors expires at the close of the Meeting. For further information on the proposed nominees for election as directors, see "*Nominees for Election to the Board*" in Part III of this Circular.

Each nominee has confirmed his or her eligibility and willingness to serve as a director if elected and, in the opinion of the Board and management, the proposed nominees are qualified to act as directors of the Company. The term of office of each director is from the date of the meeting at which he or she is elected or appointed until the close of the next annual meeting of shareholders or until a successor is elected or appointed or such director resigns.

***Management and the Board recommend that shareholders vote FOR the election of the named nominees.***

Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote **FOR** the election of the proposed nominees. Management does not expect that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion unless the form of proxy specifies the Shares are to be withheld from voting in the election of directors.

## Majority Voting for Directors

The Board has adopted a policy requiring that any nominee for director who receives a greater number of “*withhold*” votes than votes “*for*” his or her election as a director shall submit his or her resignation to the Corporate Governance and Compensation Committee of the Board (“**CGC Committee**”) for consideration promptly following the Meeting. This policy applies only to uncontested elections, meaning elections where the number of nominees for directors is equal to the number of directors to be elected. The CGC Committee shall consider the resignation and shall provide a recommendation to the Board.

The Board will consider the recommendation of the CGC Committee and determine whether to accept the resignation within 90 days of the applicable Meeting. A news release will be issued by Gabriel announcing the Board’s determination, a copy of which will be sent to the Exchange. The Board will accept the resignation absent exceptional circumstances. If the Board does not accept the resignation, the news release will fully state the reasons for the decision. A director who tenders his or her resignation will not participate in any meetings to consider whether the resignation shall be accepted.

Shareholders should note that, as a result of the majority voting policy, a “*withhold*” vote is effectively the same as a vote against a director nominee in an uncontested election.

## APPOINTMENT OF AUDITOR

Management and the Board propose that PricewaterhouseCoopers LLP (“**PWC**”) be appointed as Gabriel’s auditor until the close of the next annual meeting. It is also proposed that the remuneration to be paid to the auditor of the Company be fixed by the Board. PWC has been Gabriel’s auditor for more than five years.

Fees payable to PWC in 2018 and 2017 are detailed below.

	<i>Year ended December 31, 2018</i>	<i>Year ended December 31, 2017</i>
	<i>(\$)</i>	<i>(\$)</i>
<b>Audit Fees<sup>(1)</sup></b>	159,000	156,000
<b>Audit-Related Fees<sup>(2)</sup></b>	52,000	54,000
<b>Tax and Other Fees<sup>(3)</sup></b>	8,000	6,500
<b>All Other Fees<sup>(4)</sup></b>	2,000	7,000
<b>Total</b>	<b>221,000</b>	<b>223,500</b>

Notes:

- (1) All services performed by PWC in connection with the review of annual audited consolidated financial statements of Gabriel, including services performed to comply with International Financial Reporting Standards.
- (2) All Audit-Related Fees were paid for professional services rendered by PWC for (i) review of the quarterly financial statements of Gabriel 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; (iii) internal control reviews; and (iv) such other services as may be designated by the Audit Committee from time to time as Audit Related Services.
- (3) All services performed by PWC 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 Audit Committee from time to time as Tax and Other Services.
- (4) All other services performed by PWC.

The Audit Committee is responsible for the pre-approval of all audit, audit-related, tax related and other services provided by the Company’s appointed external auditor.

***The Board recommends that shareholders vote FOR the re-appointment of PWC as the Company’s auditor.***

Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote **FOR** this appointment.

## APPROVAL OF INCENTIVE STOCK OPTION PLAN

Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving the continuation of the existing incentive stock option plan (the "**Option Plan**") of the Company.

Pursuant to the Option Plan, incentive stock options to acquire Shares (an "**Option**") may be granted to a director, officer, employee or consultant of Gabriel or any of its subsidiary companies ("**Gabriel Group**") and the Company accordingly reserves Shares for issuance under outstanding Options. Pursuant to the policies of the Exchange, the Company is required to obtain shareholder approval of the Option Plan each year because the Option Plan is a rolling-maximum option plan whereby the maximum number of Shares that may be reserved for issuance and which can be purchased upon the exercise of all Options granted under the Option Plan is fixed at 10% of the issued and outstanding Shares (calculated on a non-diluted basis) from time to time. As a result, should the Company issue additional Shares in the future, the number of Options to acquire Shares issuable under the Option Plan will increase accordingly. The Option Plan was last approved by shareholders on June 14, 2018.

A summary of the Option Plan is set out under the section entitled "*Compensation Discussion and Analysis – Components of Executive Compensation*" in Part V of this Circular and the section entitled "*Summary of Existing Share-Based Compensation Plans*" in Part B of Appendix II of this Circular.

### ***Option Plan Resolution***

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, the following resolution to approve the Option Plan:

**"RESOLVED THAT:**

- 1. the incentive stock option plan of the Company, as set out in Part C of Appendix II to the Management Information Circular of the Company dated May 16, 2019, (the "Stock Option Plan") be and it is hereby re-approved;*
- 2. the Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities or the TSX Venture Exchange without requiring further approval of the shareholders of the Company; and*
- 3. any director or officer is hereby authorized to execute and deliver all such deeds, documents and other writings and perform such acts as may be necessary in order to give effect to foregoing resolution and the board of directors of the Company from time to time, is hereby authorized to grant options in the capital stock of the Company in accordance with the provisions of the Stock Option Plan and the policies of the TSX Venture Exchange."*

In order to be passed, the resolution requires approval by more than 50% of the votes cast by shareholders, either present in person or represented by proxy, at the Meeting.

***The Board recommends that shareholders vote FOR the continuation of the Option Plan.***

Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote **FOR** the approval of this resolution.

## OTHER BUSINESS

As of the date of this Circular, management does not intend to present any other business at the Meeting and is not aware of any amendment, variation or other matter expected to come before the Meeting. However, if any other matters are properly brought before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote on such matters in accordance with their best judgment.

## PART III

### NOMINEES FOR ELECTION TO THE BOARD

#### NOMINEES FOR ELECTION

The following tables set out, amongst other information, the name and biographical information of each nominee for election to the Board, including (i) present principal occupation; (ii) those principal occupations and public company directorships held during the past five years; and (iii) whether or not the nominee has been determined by the Board to be independent under Canadian securities laws. The tables also set out the number of Shares, deferred share units (“**DSUs**”), restricted share units (“**RSUs**”) and outstanding Options held by the nominees for each of the last three financial years, and the reported accounting value of securities held as at December 31 in each of those respective financial years. DSUs and RSUs are collectively referred to as “**Share-based awards**” in this Circular.

The information included within the tables is presented on the following basis of preparation:

- A. The Board is responsible for determining whether or not each director is independent. In determining independence, the Board took into consideration, amongst other matters, the definition of independence in National Instrument 58-101 - Disclosure of Corporate Governance Practices. See the section entitled “*Independence of Board Members*” in Part VI of this Circular.
- B. Areas of expertise reflect the skills matrix self-assessment information set out under the section entitled “*Skills Matrix*” in Part VI of this Circular, and reflects a subset of the skills for each director.
- C. The information as to residence, age, principal occupation and number of Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of Gabriel, has been provided by the respective nominee.
- D. For a description of the Company’s policy on minimum ownership expectations of directors, see the section entitled “*Directors’ Share Ownership Requirements*” in Part IV of this Circular.
- E. The tables set out the attendance record of each nominee for election to the Board at meetings of the Board or its Committees during 2018.

Explanatory notes (1)-(8) referenced within the tables are set out at the end of the following tables in this Part III of the Circular.

<b>Dag Cramer</b> Age: 56 Mauritius  Director since June 2012  <b>Non-independent</b>  <b>Areas of experience / expertise:</b> <ul style="list-style-type: none"><li>▪ Strategic leadership and management</li><li>▪ Corporate finance</li><li>▪ Financial literacy</li><li>▪ Industry knowledge</li><li>▪ Corporate governance</li><li>▪ Government relations</li><li>▪ European experience</li></ul>	Dag Cramer is the CEO of Norn Verdandi Limited, a company providing financial advisory services and also CEO of BSG Capital Markets Limited. 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.				
	Securities Held				
	As at December 31	Shares <sup>(1)</sup>	DSUs <sup>(2)</sup>	Total Shares and DSUs held <sup>(3)</sup>	Total Value of Shares and DSUs <sup>(4)</sup>
	2018	nil	429,694	429,694	\$146,096
	2017	nil	342,233	342,233	\$143,738
	2016	nil	277,524	277,524	\$147,088
	As at December 31	Options and Value of Options <sup>(5)</sup>		Total Value of Equity <sup>(6)</sup>	
	2018	375,000	\$6,750	\$152,846	
	2017	375,000	\$12,000	\$155,738	
	2016	375,000	\$9,750	\$156,838	
	Gabriel Board and Board Committees			2018 Meeting Attendance <sup>(7)</sup>	
	Board of Directors			6 of 7	86%
	2018 Annual Meeting Voting Results				
	Votes in Favour			Votes Withheld	
	167,570,453		93.17%	12,281,761	6.83%
	Current public company directorships <sup>(8)</sup>			Current board committee memberships	
	None			None	
	Other public company directorships within the last five years			Other public company board committees	
	None			None	

<p><b>Ali Erfan</b> Age: 54 Monaco</p> <p>Proposed Director <b>Non-Independent</b></p> <p><b>Areas of experience / expertise:</b></p> <ul style="list-style-type: none"> <li>▪ Strategic leadership and management</li> <li>▪ Corporate governance</li> <li>▪ Human resources and executive compensation</li> <li>▪ Financial literacy</li> <li>▪ Industry knowledge</li> <li>▪ Corporate governance</li> <li>▪ Government / political experience</li> <li>▪ European experience</li> </ul>	<p>Ali Erfan brings over 20 years of experience in senior roles in the venture capital and private equity industry, including as senior partner at 3i Group, Plc. Mr. Erfan currently serves as a board member and Vice Chairman of The Electrum Group as well as several Electrum Group portfolio companies. Mr. Erfan has advised the Company through consultancy services provided by Ajami Associates Limited since 2008. Mr. Erfan may be called upon by the Company to provide similar advisory services in the future. Mr. Erfan also currently serves as a non-executive director of Reebonz Holding Limited, a NASDAQ listed company and serves as a director of a number of other private companies. He was a founding board member of Leor Energy and in his early career, he was a technology entrepreneur.</p> <p>Mr. Erfan has an MBA from the London Business School and a BA and an MA in Politics, Philosophy and Economics from Oxford University. He is also a Fellow of the Kauffman Foundation for Venture Capital.</p>			
	<b>Securities Held (see note)</b>			
	<b>As at December 31</b>	<b>Shares<sup>(1)</sup></b>	<b>DSUs<sup>(2)</sup></b>	<b>Total Shares and DSUs held<sup>(3)</sup></b>
	2018	nil	nil	nil
	2017	nil	nil	nil
	2016	nil	nil	nil
	<b>As at December 31</b>	<b>Options and Value of Options<sup>(5)</sup></b>		<b>Total Value of Equity<sup>(6)</sup></b>
	2018	5,075,000	\$4,500	\$4,500
	2017	5,075,000	\$10,500	\$10,500
	2016	5,000,000	nil	nil
	<b>Gabriel Board and Board Committees</b>			<b>2018 Meeting Attendance<sup>(7)</sup></b>
	Board of Directors			N/A
	<b>2018 Annual Meeting Voting Results</b>			
	<b>Votes in Favour</b>		<b>Votes Withheld</b>	
	N/A	N/A	N/A	N/A
	<b>Current public company directorships<sup>(8)</sup></b>			<b>Current board committee memberships</b>
	Reebonz Holding Limited			None
	<b>Other public company directorships within the last five years</b>			<b>Other public company board committees</b>
	Draper Oakwood Technology Acquisition, Inc.			None

**Note:** Options referenced above were issued to Ajami Associates Ltd as part of a consulting arrangement with the Company. Ajami is a company owned by a discretionary trust of which Mr. Erfan is one of several potential beneficiaries. Mr Erfan is not a trustee or otherwise involved in an administrative capacity with the trust.

<b>Dr. Alfred Gusenbauer</b> Age: 59 Austria  Director since June 2010  <b>Independent</b>  <b>Areas of experience / expertise:</b> <ul style="list-style-type: none"> <li>▪ Government / political experience</li> <li>▪ Strategic leadership and management</li> <li>▪ Environmental / sustainable development</li> <li>▪ European experience</li> <li>▪ Corporate governance</li> </ul>	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.			
	<b>Securities Held</b>			
	<b>As at December 31</b>	<b>Shares<sup>(1)</sup></b>	<b>DSUs<sup>(2)</sup></b>	<b>Total Shares and DSUs held<sup>(3)</sup></b>
	2018	nil	429,694	429,694
	2017	nil	342,233	342,233
	2016	nil	277,524	277,524
	<b>As at December 31</b>	<b>Options and Value of Options<sup>(5)</sup></b>		<b>Total Value of Equity<sup>(6)</sup></b>
	2018	375,000	\$6,750	\$152,846
	2017	375,000	\$12,000	\$155,738
	2016	375,000	\$9,750	\$156,838
	<b>Gabriel Board and Board Committees</b>			<b>2018 Meeting Attendance<sup>(7)</sup></b>
	Board of Directors			5 of 7      71%
	<b>2018 Annual Meeting Voting Results</b>			
	<b>Votes in Favour</b>		<b>Votes Withheld</b>	
	166,675,248	92.67%	13,176,966	7.33%
	<b>Current public company directorships<sup>(10)</sup></b>			<b>Current board committee memberships</b>
	STRABAG SE			Chairman of the Supervisory Board Audit Committee (chair)
	<b>Other public company directorships within the last five years</b>			<b>Other public company board committees</b>
	None			None

<b>Keith Hulley</b> Age: 79 USA  Director since February 2006  <b>Independent</b>  <b>Areas of experience / expertise:</b> <ul style="list-style-type: none"> <li>▪ Strategic leadership and management</li> <li>▪ Industry knowledge</li> <li>▪ Mining, exploration and operations</li> <li>▪ Corporate governance</li> <li>▪ Environmental / sustainable development</li> <li>▪ Human resources and executive compensation</li> </ul>	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.			
	<b>Securities Held</b>			
	<b>As at December 31</b>	<b>Shares<sup>(1)</sup></b>	<b>DSUs<sup>(2)</sup></b>	<b>Total Shares and DSUs held<sup>(3)</sup></b>
	2018	nil	399,721	399,721
	2017	nil	399,721	399,721
	2016	nil	291,873	291,873
	<b>As at December 31</b>	<b>Options and Value of Options<sup>(5)</sup></b>		<b>Total Value of Equity<sup>(6)</sup></b>
	2018	587,653	\$10,552	\$146,457
	2017	375,000	\$12,000	\$179,883
	2016	375,000	\$9,750	\$164,443
	<b>Gabriel Board and Board Committees</b>		<b>2018 Meeting Attendance<sup>(7)</sup></b>	
	Board of Directors (chair)		7 of 7	100%
	<b>2018 Annual Meeting Voting Results</b>			
	<b>Votes in Favour</b>		<b>Votes Withheld</b>	
	179,797,581	99.97%	54,633	0.03%
	<b>Current public company directorships<sup>(8)</sup></b>		<b>Current board committee memberships</b>	
	None		None	
	<b>Other public company directorships within the last five years</b>		<b>Other public company board committees</b>	
	Century Mining Corp.		Interim President and CEO	
	Luna Gold Corp.		Chairman of the Board Corporate Responsibility Committee	
	Ecometals Limited		Audit Committee (chair)	
	Red Tiger Mining Inc.		Audit Committee Operating Committee	

<p><b>David Kay</b> Age: 39 USA</p> <p>Director since July 2016</p> <p><b>Non-independent</b></p> <p><b>Areas of experience / expertise:</b></p> <ul style="list-style-type: none"> <li>▪ Strategic leadership and management</li> <li>▪ Legal expertise</li> <li>▪ Corporate governance</li> <li>▪ Environmental / sustainable development</li> <li>▪ Human resources and executive compensation</li> </ul>	<p>David Kay is a partner and the portfolio manager of the Tenor International &amp; 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 &amp; 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 &amp; 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 formerly served as the 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.</p>			
	<b>Securities Held</b>			
	<b>As at December 31</b>	<b>Shares<sup>(1)</sup></b>	<b>DSUs<sup>(2)</sup></b>	<b>Total Shares and DSUs held<sup>(3)</sup></b>
	2018	nil	nil	nil
	2017	nil	nil	nil
	2016	nil	nil	nil
	<b>As at December 31</b>	<b>Options and Value of Options<sup>(5)</sup></b>		<b>Total Value of Equity<sup>(6)</sup></b>
	2018	nil	nil	nil
	2017	nil	nil	nil
	2016	nil	nil	nil
	<b>Gabriel Board and Board Committees</b>		<b>2018 Meeting Attendance<sup>(7)</sup></b>	
	Board of Directors		6 of 7	86%
	Arbitration Committee		2 of 2	100%
	<b>2018 Annual Meeting Voting Results</b>			
	<b>Votes in Favour</b>		<b>Votes Withheld</b>	
	179,795,054	99.97%	57,160	0.03%
	<b>Current public company directorships<sup>(8)</sup></b>		<b>Current board committee memberships</b>	
	Eco Oro Minerals Corp		Compensation Committee	
	Crystallex International Corporation		None	
	<b>Other public company directorships within the last five years</b>		<b>Other public company board committees</b>	
	None		None	

<p><b>Wayne Kirk</b> Age: 75 USA</p> <p>Director since June 2008</p> <p><b>Independent</b></p> <p><b>Areas of experience / expertise:</b></p> <ul style="list-style-type: none"> <li>▪ Legal expertise</li> <li>▪ Corporate governance</li> <li>▪ Human resources and executive compensation</li> <li>▪ Financial literacy</li> <li>▪ Industry knowledge</li> </ul>	<p>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 14 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., 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 &amp; 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.</p>			
	<b>Securities Held</b>			
	<b>As at December 31</b>	<b>Shares<sup>(1)</sup></b>	<b>DSUs<sup>(2)</sup></b>	<b>Total Shares and DSUs held<sup>(3)</sup></b>
	2018	45,603	461,444	507,047
	2017	45,603	358,192	403,795
	2016	45,603	282,698	328,301
	<b>As at December 31</b>	<b>Options and Value of Options<sup>(5)</sup></b>		<b>Total Value of Shares and DSUs<sup>(4)</sup></b>
	2018	450,000	\$11,250	\$172,396
	2017	450,000	\$22,500	\$169,594
	2016	375,000	\$9,750	\$174,000
	<b>Total Value of Equity<sup>(6)</sup></b>			
	2018	450,000	\$11,250	\$183,646
	2017	450,000	\$22,500	\$192,094
	2016	375,000	\$9,750	\$183,750
	<b>Gabriel Board and Board Committees</b>			<b>2018 Meeting Attendance<sup>(7)</sup></b>
	Board of Directors			6 of 7 86%
	CGC Committee (chair)			5 of 6 83%
	Audit Committee			4 of 4 100%
	Arbitration Committee			2 of 2 100%
	<b>2018 Annual Meeting Voting Results</b>			
	<b>Votes in Favour</b>		<b>Votes Withheld</b>	
	179,808,881	99.98%	43,333	0.02%
	<b>Current public company directorships<sup>(8)</sup></b>			<b>Current board committee memberships</b>
	Nickel Creek Platinum Corp.			Corporate Governance & Nominating Committee (chair) Audit Committee
	<b>Other public company directorships within the last five years</b>			<b>Other public company board committees</b>
	Taseko Mines Limited			Nominating and Governance Committee (chair) Audit Committee Investment Committee
	Luna Gold Corp.			Compensation and Corporate Governance Committee (chair) Audit Committee
	Northern Dynasty Minerals Ltd.			Nominating and Governance Committee (chair) Audit Committee

<b>David Peat</b> Age: 66 USA  Director since June 2010  <b>Independent</b>  <b>Areas of experience / expertise:</b> <ul style="list-style-type: none"> <li>Financial expertise</li> <li>Corporate governance</li> <li>Human resources and executive compensation</li> <li>Industry knowledge</li> </ul>	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 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.			
	<b>Securities Held</b>			
	<b>As at December 31</b>	<b>Shares<sup>(1)</sup></b>	<b>DSUs<sup>(2)</sup></b>	<b>Total Shares and DSUs held<sup>(3)</sup></b>
	2018	nil	474,530	474,530
	2017	nil	363,179	363,179
	2016	nil	284,315	284,315
	<b>As at December 31</b>	<b>Options and Value of Options<sup>(5)</sup></b>		<b>Total Value of Equity<sup>(6)</sup></b>
	2018	375,000	\$6,750	\$168,090
	2017	375,000	\$12,000	\$164,535
	2016	375,000	\$9,750	\$160,437
	<b>Gabriel Board and Board Committees</b>		<b>2018 Meeting Attendance<sup>(7)</sup></b>	
	Board of Directors		7 of 7	100%
	Audit Committee (chair)		4 of 4	100%
	<b>2018 Annual Meeting Voting Results</b>			
	<b>Votes in Favour</b>		<b>Votes Withheld</b>	
	179,792,281	99.97%	59,933	0.03%
	<b>Current public company directorships<sup>(8)</sup></b>		<b>Current board committee memberships</b>	
	None		None	
	<b>Other public company directorships within the last five years</b>		<b>Other public company board committees</b>	
	Electrum Special Acquisition Corporation		Audit Committee (chair)	
	Fortune Bay Corp.		Audit Committee (chair)	
	AQM Copper Inc.		Audit Committee (chair)	

<b>Walter Segsworth</b> Age: 70 Canada  Director since June 2010  <b>Independent</b>  <b>Areas of experience / expertise:</b> <ul style="list-style-type: none"> <li>▪ Mining, exploration and operations</li> <li>▪ Industry knowledge</li> <li>▪ Strategic leadership and management</li> <li>▪ Environmental / sustainable development</li> <li>▪ Corporate governance</li> <li>▪ Human resources and executive compensation</li> </ul>	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.				
	<b>Securities Held</b>				
	<b>As at December 31</b>	<b>Shares<sup>(1)</sup></b>	<b>DSUs<sup>(2)</sup></b>	<b>Total Shares and DSUs held<sup>(3)</sup></b>	<b>Total Value of Shares and DSUs<sup>(4)</sup></b>
	2018	5,000	352,272	375,272	\$121,473
	2017	5,000	352,272	357,272	\$150,054
	2016	5,000	352,272	357,272	\$189,355
	<b>As at December 31</b>	<b>Options and Value of Options<sup>(5)</sup></b>		<b>Total Value of Equity<sup>(6)</sup></b>	
	2018	865,224	\$14,069	\$135,542	
	2017	646,671	\$23,166	\$173,220	
	2016	444,307	\$10,909	\$200,264	
	<b>Gabriel Board and Board Committees</b>			<b>2018 Meeting Attendance<sup>(7)</sup></b>	
	Board of Directors			5 of 7	71%
	CGC Committee			6 of 6	100%
	<b>2018 Annual Meeting Voting Results</b>				
	<b>Votes in Favour</b>		<b>Votes Withheld</b>		
	179,812,781	99.98%	39,433	0.02%	
	<b>Current public company directorships<sup>(8)</sup></b>			<b>Current board committee memberships</b>	
	Pan American Silver Corp.			Lead Independent Director Human Resources and Compensation Committee (chair) Health, Safety and Environment Committee	
	Sabina Gold & Silver Corporation			Chair Compensation Committee (chair) Health, Safety & Environmental Committee	
	Happy Creek Minerals Ltd.			Chair	
	<b>Other public company directorships within the last five years</b>			<b>Other public company board committees</b>	
	Roxgold Inc.			Compensation Committee Technical Committee	

<b>Janice Stairs</b> Age: 59 Canada  Director since June 2017  <b>Independent</b>  <b>Areas of experience / expertise:</b> <ul style="list-style-type: none"> <li>▪ Strategic leadership and management</li> <li>▪ Legal expertise</li> <li>▪ Corporate governance</li> <li>▪ Industry Knowledge</li> <li>▪ Human resources and executive compensation</li> </ul>	Janice Stairs has over 30 years' experience working with companies involved in the resource sector. Ms. Stairs is currently General Counsel to Namibia Critical Metals Inc., a TSX Venture Exchange listed explorer focused in Namibia. Prior to joining Namibia Critical Metals Inc. 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 holds a law degree from Dalhousie University and a Masters in Business Administration from Queens University, both in Canada.			
	<b>Securities Held</b>			
	<b>As at December 31</b>	<b>Shares<sup>(1)</sup></b>	<b>DSUs<sup>(2)</sup></b>	<b>Total Shares and DSUs held<sup>(3)</sup></b>
	2018	nil	216,959	216,959
	2017	nil	114,816	114,816
	2016	nil	nil	nil
	<b>As at December 31</b>	<b>Options and Value of Options<sup>(5)</sup></b>		<b>Total Value of Equity<sup>(6)</sup></b>
	2018	150,000	\$6,750	\$80,516
	2017	75,000	\$10,500	\$58,723
	2016	nil	nil	nil
	<b>Gabriel Board and Board Committees</b>		<b>2018 Meeting Attendance<sup>(7)</sup></b>	
	Board of Directors		7 of 7	100%
	CGC Committee		6 of 6	100%
	Arbitration Committee		2 of 2	100%
	<b>2018 Annual Meeting Voting Results</b>			
	<b>Votes in Favour</b>		<b>Votes Withheld</b>	
	179,805,054	99.97%	47,160	0.03%
	<b>Current public company directorships<sup>(8)</sup></b>		<b>Current board committee memberships</b>	
	Trilogy Metals Inc.		Compensation Committee Corporate Governance Committee (Chair)	
	Marathon Gold Corporation		Corporate Governance, Compensation & Nominating Committee	
	Namibia Critical Metals Inc.			
	<b>Other public company directorships within the last five years</b>		<b>Other public company board committees</b>	
	AuRico Metals Inc.		Nomination, Compensation and Corporate Governance Committee (Chair)	
	AuRico Gold Inc.		Nomination and Corporate Governance Committee	

<p><b>Dragos Tanase</b> Age: 45 Romania</p> <p>Director since August 2018</p> <p><b>Non-independent</b></p> <p><b>Areas of experience / expertise:</b></p> <ul style="list-style-type: none"> <li>▪ Strategic leadership and management</li> <li>▪ Financial literacy</li> <li>▪ Industry knowledge</li> <li>▪ Environmental / sustainable development</li> <li>▪ Human resources and executive compensation</li> <li>▪ European experience</li> </ul>	<p>Dragos Tanase is the President and Chief Executive Officer of Gabriel. Mr. Tănase was appointed to the Board on August 8, 2018. Mr. Tănase has been the Managing Director of SC Roșia Montană Gold Corporation SA (“<b>RMGC</b>”), the Company’s 80.69% owned Romanian subsidiary, for 10 years, a position which he continues to hold. Mr. Tănase joined RMGC in February 2008, coming from one of the largest telecom operators in Romania, UPC (a Liberty Global subsidiary). Within UPC, Mr. Tănase coordinated the acquisition and merger of over 40 cable operators over a period of 7 years, which combined employed a workforce of 3,600 people. Previously, Mr. Tănase - an expert in financial management - worked in financial and business consultancy, first at the Ministry of Finance and then with Arthur Andersen. In 1999, Mr Tanase was involved in performing a study to determine the feasibility of the 550 mines in operation at the time in Romania. Additionally, he participated as a consultant in major industrial privatisation projects.</p>			
	<b>Securities Held</b>			
	<b>As at December 31</b>	<b>Shares<sup>(1)</sup></b>	<b>DSUs<sup>(2)</sup></b>	<b>Total Shares and DSUs held<sup>(3)</sup></b>
	2018	nil	nil	nil
	2017	nil	nil	nil
	2016	nil	nil	nil
	<b>As at December 31</b>	<b>Options and Value of Options<sup>(5)</sup></b>		<b>Total Value of Equity<sup>(6)</sup></b>
	2018	1,850,000	\$9,000	\$9,000
	2017	2,175,000	\$10,000	\$10,000
	2016	1,747,000	\$40,000	\$40,000
	<b>Gabriel Board and Board Committees</b>		<b>2018 Meeting Attendance<sup>(7)</sup></b>	
	Board of Directors		2 of 2	100%
	<b>2018 Annual Meeting Voting Results</b>			
	<b>Votes in Favour</b>		<b>Votes Withheld</b>	
	N/A	N/A	N/A	N/A
	<b>Current public company directorships<sup>(8)</sup></b>		<b>Current board committee memberships</b>	
	None		None	
	<b>Other public company directorships within the last five years</b>		<b>Other public company board committees</b>	
	None		None	

Notes:

- (1) Common shareholdings include the number of Shares, excluding fractional amounts, beneficially owned, or controlled or directed, directly or indirectly, by the director as at December 31 of the year reported. As at May 16, 2019, there had been no other changes to the share ownership of the directors from December 31, 2018.
- (2) The numbers in this column reflect the DSUs granted to the directors. DSUs are not voting securities but are included in this table for information purposes and refer to the number of DSUs for each director as at December 31 of the year reported. All DSUs were granted pursuant to the Company's deferred share unit plan. See the section entitled "*Individual Non-Executive Director Compensation*" in Part IV of this Circular and the section entitled "*Summary of Existing Share-Based Compensation Plans*" in Part B of Appendix II of this Circular. Effective from July 1, 2016, directors receive 50% of their directors' fees in DSUs (or can elect to take that proportion in Options) and have the right to elect to receive additional parts or all of their fees in DSUs and/or Options. An aggregate of 130,870 DSUs were issued on January 10, 2019 in lieu of directors fees. The tables above include the January 10, 2019 DSU grants within the 2018 year as they relate to services provided in the fourth quarter of 2018 and similarly include 111,347 DSU grants made on January 5, 2018 within the 2017 year as they relate to services provided in the fourth quarter of 2017 and include 72,625 DSU grants made on January 4, 2017 within the 2016 year as they relate to services provided in the fourth quarter of 2016.
- (3) Total number of Shares and DSUs as at December 31 of the year reported.
- (4) Total value reflects the number of Shares and DSUs held by the director as at December 31 of the year reported multiplied by the closing price on the TSX or Exchange (as applicable) of a Share on December 31 of the year reported (December 31, 2018 (\$0.34), December 31, 2017 (\$0.42) and December 31, 2016 (\$0.53)).
- (5) Directors' Options are not voting securities but have been included in this table for information purposes. The number of Options for each director is as at December 31 of the year reported. The value of Options for a year reported reflects the 'in-the-money' amount of the Options (the difference between the closing price on the TSX or Exchange (as applicable) of a Share on December 31 for the year reported (December 31, 2018 (\$0.34), December 31, 2017 (\$0.42) and December 31, 2016 (\$0.53)) and the exercise price of the Option) held as at December 31 of the year reported. On January 10, 2019 an aggregate of 131,029 Options were issued in lieu of directors fees at an exercise price of \$0.34 per Option and are included in the tables above as they relate to services provided in the fourth quarter of 2018. Similarly 101,684 Options were issued on January 5, 2018 at an exercise price of \$0.38 per Option and included within the 2017 year in the tables above and 77,280 Options were issued on January 4, 2017 at an exercise price of \$0.50 per Option and included within the 2016 year in the tables above as they relate to services provided in the fourth quarter of 2017 and 2016 respectively.
- (6) Total value reflects the value of all Shares, DSUs, and Options held as at December 31 of the year reported calculated in accordance with footnotes (4) and (5).
- (7) The tables set out the attendance record of each nominee for election to the Board at meetings of the Board or its Committees during 2018 (as applicable). In circumstances when the director joined the Board during the year, the attendance record is determined only with respect to the number of meetings held during his or her tenure. Mr. Hulley, as Non-Executive Chairman of the Board, attends all Committee meetings on a non-compensated basis. Mr. Tanase also attends all Committee meetings on a non-compensated basis. See also the sections entitled "*Meetings of the Board and Standing Committees of the Board*" and "*Standing Committees of the Board*" in Part VI of this Circular.
- (8) The information in respect of "*Current public company directorships*" reflects positions held by the directors on the boards of other publicly traded companies in Canada (or the equivalent in jurisdictions outside of Canada).

## CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

### General

To Gabriel's knowledge and except as disclosed below, no nominee for director is or has been in the last ten (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 nominee for director: (a) is or has been in the last ten (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 ten (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

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 TSX Venture 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. 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 Companies’ Creditors Arrangement Act (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. The Initial Order provided for a general stay of proceedings for 30 days; however, subsequent court orders extended the stay until November 6, 2019.

On April 13, 2012, the Ontario Securities Commission (“**OSC**”) issued a temporary CTO against Crystallex under National Policy 12-203 for failing to file its audited financial statements and other annual disclosure documents by March 30, 2012 as required by Canadian securities laws in respect of Crystallex’s financial year ended December 31, 2011. The CTO prohibited trading of Crystallex’s securities, other than trades made pursuant to debtor-in-possession financing as approved by the Ontario Superior Court of Justice (Commercial List) in connection with the CCAA proceedings and trades for nominal consideration to realize tax losses. Subsequently, the OSC, together with the securities regulatory authorities in British Columbia and Quebec, issued permanent cease trade orders against Crystallex.

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 Exchange Act**”). Crystallex subsequently reached a settlement with the SEC on May 1, 2013 consenting to the revocation of its registration under the Securities Exchange Act.

## PART IV

### DIRECTOR COMPENSATION FOR 2018

#### OBJECTIVES OF DIRECTOR COMPENSATION

The main objective of Gabriel's director compensation program is to attract and retain directors with a broad range of skills and knowledge relevant to the Company's operations, and the ability to successfully carry out the Board's mandate. Directors are required to devote significant time and energy to the performance of their duties, including preparing for and attending Board meetings, participating on committees and ensuring that they stay informed about the Company's business, Romania (as the country in which its principal assets are located), developments affecting the global mining industry and more recently process and trends in international arbitration, as well as their legal and regulatory obligations as stewards of a publicly traded company on the Exchange. In order to attract and retain directors who meet these expectations, the Board believes that it must offer a competitive compensation package.

The CGC Committee meets as necessary in order to review and receive any recommendations from its Chairman and, as deemed necessary, from compensation consultants with regard to the adequacy and form of directors' compensation.

#### DIRECTOR COMPENSATION STRUCTURE

Total compensation for non-executive directors, being those directors other than the President and CEO ("**non-executive directors**"), consists of annual retainers, payable quarterly in arrears, an annual equity award provided in the form of Options and a one-time grant of 80,000 DSUs to new directors, and, in respect of the Audit Committee, meeting fees. Mr. Kay has elected not to receive compensation for his services as a non-executive director.

#### Annual Retainers and Meeting Fees

The following table shows the annual retainer and meeting fees paid to the non-executive directors for the year ended December 31, 2018:

<i>Type of Service</i>	<i>Director Designation<sup>(1)</sup></i>	<i>Annual Retainer (\$)</i>	<i>Meeting Fee (\$)</i>
Chair of the Board <sup>(2)</sup>	Non-Executive	95,000	—
Member of the Board	Non-Executive	54,000	—
Chair of the Audit Committee	Non-Executive	11,250	—
Members of the Audit Committee <sup>(3)</sup>	Non-Executive	—	875
Chair of the CGC Committee	Non-Executive	6,250	—
Chair of the Arbitration Committee <sup>(4)</sup>	Non-Executive	10,000	—

Notes:

- (1) During the year ended December 31, 2018, all directors were considered non-executive directors, except Mr. Henry who served as President and CEO of Gabriel until July 2018 and Mr. Tanase who currently serves as President and CEO of Gabriel. Messrs. Henry and Tanase did not receive compensation related to their activities as a director, as they received compensation as President and CEO of Gabriel (see "Compensation Discussion and Analysis – Compensation of Named Executive Officers" in Part V).
- (2) Following the resignation of Mr. Henry as President & Chief Executive Officer on July 10, 2018, Mr. Hulley was appointed as interim CEO of the Company until Mr. Tanase's appointment as CEO on August 8, 2018. Pursuant to his appointment as interim CEO, in addition to his annual retainer as Chairman of the Board, Mr. Hulley was paid an initial sum of \$40,000 and a weekly fee of \$10,000.
- (3) The meeting fee payable to members of the Audit Committee is only payable in respect of the four scheduled meetings of the Audit Committee in each year.
- (4) The Arbitration Committee was constituted by the Board on March 14, 2018.

With effect from July 1, 2016, in consideration of measures necessary to reduce the cost base of the Company, and in the expectation that the time demands on directors would be reduced as a result of the Company's change in focus primarily from activities associated with mining to engagement in international bi-lateral investment treaty arbitration, the Board resolved to (i) reduce the annual retainers and meeting fees due to non-executive directors and (ii) provide that non-executive directors are required to receive at least fifty per cent of their director fees payable in DSUs or Options. It was also determined that non-executive directors would be entitled to elect to receive up to 100% of their annual retainers and meeting fees in DSUs or Options in lieu of cash. Certain non-executive directors subsequently elected to receive all of their director fees payable in Options.

In June 2018, the CGC Committee re-evaluated the compensation payable to the non-executive directors in the context of a limited review of compensation payable at similar entities within the mining sector and the time demands in carrying out their duties experienced since July 2016. The CGC Committee determined that the 2016 assumption of a reduced workload with the Company's focus on the its arbitration claim against Romania had proved to be flawed and concluded that time demands on the non-executive directors in connection with the ongoing arbitration process as well as the ongoing operation of Gabriel had not been reduced. Accordingly, the CGC Committee proposed to the Board that the adjustments to the compensation arrangements for the non-executive directors adopted in 2016 be reversed or amended with effect from July 1, 2018 as set out below (excluding Mr. Kay, who elected not to receive compensation for his services as a non-executive director):

- The annual retainer fee for the Chairman of the Board and each non-executive director be increased to the 2016 levels of \$110,000 and \$60,000 respectively;
- The annual fees for the Chairs of the Audit Committee and Arbitration Committee be increased to \$15,000 and the annual fee for the Chair of the CGC Committee be increased to \$7,500;
- The Audit Committee meeting fee (applicable to 4 meetings per annum) be increased to \$1,000 per meeting;
- All non-executive director fees to remain payable 50% in cash and 50% in DSUs or, at the election of the non-executive director, in Options, with the further alternative to take 100% of the non-executive director fees in DSUs or Options;
- Options taken in lieu of cash or DSUs are to vest immediately;
- Retention of a one-off award of 80,000 DSUs to each new non-executive director, and an annual grant of 75,000 Options to each non-executive director following his or her election at the annual general meeting of the Company; and
- All non-executive directors to be made "Category A" Beneficiaries of the KEEP (as defined below).

On June 14, 2018, the Board resolved to approve and adopt the above-noted recommendations of the CGC Committee.

## **Non-Executive Directors' Equity Awards**

### *Share-based Awards*

In March 2014, following a decision to enhance equity ownership at Board level, the Board instituted a policy pursuant to which non-executive directors received 80,000 DSUs as additional compensation further to the conclusions of an independent benchmarking report on Chairman's and non-executive director's compensation compared to the Company's peers.

In December 2014, the Board determined that, as of January 2, 2015, a further award of 80,000 DSUs to each non-executive director should be made on that date and annually thereafter in order to maintain compensation at a level needed to achieve the Board's goals to attract and maintain the highest quality non-executive directors. No vesting conditions are attached to such DSUs, however DSUs can only be redeemed after termination of service on the Board.

In June 2016, the Board determined to discontinue the policy of annual award of DSUs, but also determined to grant a one-time award of 80,000 DSUs to newly appointed non-executive directors thereafter. As described above, the Board determined to continue this one-time grant policy in June 2018.

### *Option-based Awards*

In June 2012, the Board adopted a policy pursuant to which non-executive directors would be entitled to receive an annual award of 75,000 Options immediately following the annual meeting of shareholders of the Company, with such Options vesting on a 1/36<sup>th</sup> per month schedule. In 2015, the Board adopted a policy that Options would have a 10 year life rather than the five year life previously used. In 2016, the Board determined that Options would thereafter vest in equal annual instalments on the first, second and third anniversaries of the grant date. Options issued prior to February 2018 have an exercise price based on the volume weighted closing share price on the TSX for the five trading days prior to the date of grant. Following the transfer to the Exchange in February 2018, the Option exercise price is based on the higher of the volume weighted closing share price on the Exchange for the five trading days prior to the date of grant and the closing share price on the Exchange for the trading day immediately prior to the date of grant. Also as described above, the Board determined in June 2018 to adjust the vesting policy as to Options taken in lieu of directors' fees so that such Options would vest immediately.

## **INDIVIDUAL NON-EXECUTIVE DIRECTOR COMPENSATION**

### **Non-Executive Director Compensation Table**

The following table provides information on the total compensation paid to the non-executive directors for the year ended December 31, 2018:

<i>Name</i>	<i>Cash Fees earned<sup>(1)</sup> (\$)</i>	<i>Share- based awards<sup>(2)</sup> (\$)</i>	<i>Option- based awards<sup>(3)</sup> (\$)</i>	<i>Non-equity incentive plan compensation (\$)</i>	<i>Pension value (\$)</i>	<i>All other compensation (\$)</i>	<i>Total (\$)</i>
Keith Hulley <sup>(4)</sup>	47,500	—	55,936	—	—	—	103,436
Dag Cramer	27,000	27,000	18,322	—	—	—	72,322
Dr. Alfred Gusenbauer	27,000	27,000	18,322	—	—	—	72,322
David Kay <sup>(5)</sup>	—	—	—	—	—	—	—
Wayne Kirk	31,875	31,875	18,322	—	—	—	82,072
William Natbony	28,750	—	56,917	—	—	—	85,667
David Peat	34,375	34,375	18,322	—	—	—	87,072
Walter Segsworth <sup>(6)</sup>	—	—	74,506	—	—	—	74,506
Janice Stairs	31,500	31,500	18,322	—	—	—	81,322
<b>Total compensation</b>	<b>228,000</b>	<b>151,750</b>	<b>278,969</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>658,719</b>

Notes:

- (1) Total cash fees earned by all members of the Board for annual retainers, meeting fees, and committee chair fees totalled \$228,000 for the financial year ended December 31, 2018 (2017: \$168,250).
- (2) Share-based awards represent the DSUs issued to non-executive directors in lieu of board fees due.
- (3) As per compensation policies set by the Board, incumbent non-executive directors elected to the Board are granted 75,000 Options issuable after each annual general meeting of shareholders pursuant to the Option Plan. In addition, non-executive directors may elect to take Options in lieu of directors' fees due. The table reflects all such Option-based awards using the grant date fair value, an estimate calculated using the Black-Scholes option pricing model. The Company selected the Black-Scholes model given its prevalence of use within North America.
- (4) The table reflects compensation to Mr. Hulley in his role as a non-executive director and does not include compensation of \$82,000 paid to Mr. Hulley for serving as interim CEO during the period July 11 to August 7, 2018.
- (5) Mr. Kay was appointed to the Board on July 29, 2016 and waived his right to receive compensation as a non-executive director on appointment.
- (6) Mr. Segsworth elected to take 100% of his annual retainer as a member of the Board in the form of Options.

## DIRECTORS' INCENTIVE PLAN AWARDS

### Incentive Plan Awards - Option-based Awards and Share-based Awards granted in 2018

The following table provides certain information about Option-based awards and Share-based awards granted to non-executive directors during 2018.

<i>Name and position</i>	<i>Type of compensation security</i>	<i>Number of compensation securities, number of underlying securities.</i>	<i>Date of issue or grant</i>	<i>Option exercise price (\$)</i>	<i>Closing price of security or underlying security on date of grant (\$)</i>	<i>Closing price of security or underlying security at year end (\$)</i>	<i>Expiry date</i>
Keith Hulley	Options	110,483	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
	Options	75,000	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
	Options	48,788	5-Apr-2018	0.33	0.33	0.34	5-Apr-2028
	DSUs	26,316	5-Jan-2018	n/a	0.38	0.34	n/a
Dag Cramer	Options	75,000	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
	DSUs	46,552	24-Dec-2018	n/a	0.29	0.34	n/a
	DSUs	18,182	5-Apr -2018	n/a	0.33	0.34	n/a
	DSUs	15,789	5-Jan-2018	n/a	0.38	0.34	n/a
Dr. Alfred Gusenbauer	Options	75,000	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
	DSUs	46,552	24-Dec-2018	n/a	0.29	0.34	n/a
	DSUs	18,182	5-Apr -2018	n/a	0.33	0.34	n/a
	DSUs	15,789	5-Jan-2018	n/a	0.38	0.34	n/a
Wayne Kirk	Options	75,000	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
	DSUs	54,957	24-Dec-2018	n/a	0.29	0.34	n/a
	DSUs	21,212	5-Apr -2018	n/a	0.33	0.34	n/a
	DSUs	18,421	5-Jan-2018	n/a	0.38	0.34	n/a
William Natbony	Options	67,174	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
	Options	75,000	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
	Options	31,102	5-Apr-2018	0.33	0.33	0.34	5-Apr-2028
	Options	50,842	5-Jan-2018	0.38	0.38	0.34	5-Jan-2028
David Peat	Options	75,000	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
	DSUs	59,268	24-Dec-2018	n/a	0.29	0.34	n/a
	DSUs	22,159	5-Apr -2018	n/a	0.33	0.34	n/a
	DSUs	19,243	5-Jan-2018	n/a	0.38	0.34	n/a
Walter Segsworth	Options	113,420	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
	Options	75,000	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
	Options	58,545	5-Apr-2018	0.33	0.33	0.34	5-Apr-2028
	Options	50,842	5-Jan-2018	0.38	0.38	0.34	5-Jan-2028
Janice Stairs	Options	75,000	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
	DSUs	55,173	24-Dec-2018	n/a	0.29	0.34	n/a
	DSUs	18,561	5-Apr -2018	n/a	0.33	0.34	n/a
	DSUs	15,789	5-Jan-2018	n/a	0.38	0.34	n/a
David Kay		—	—	—	—	—	—

As the table represents awards granted in 2018, it includes DSUs and Options issued in January 2018 which relate to non-executive fees due for services in the fourth quarter of 2017, and does not include DSUs granted in January 2019 that relate to non-executive fees due for services in the fourth quarter of 2018.

No Option-based awards or Share-based awards were exercised by any non-executive directors during 2018.

## Incentive Plan Awards - Outstanding Option-based and Share-based Awards

The following table provides certain information about Option-based awards and Share-based awards (DSUs) outstanding for non-executive directors as of December 31, 2018.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying options	Option Exercise Price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of DSUs that have not Vested <sup>(2)</sup>	Market or payout value of Share-based awards that have not Vested <sup>(2)(3)</sup> (\$)	Market or payout value of vested Share-based awards not paid out or distributed <sup>(3)</sup> (\$)
Keith Hulley	53,382	0.34	10-Jan-29	—	—	—	135,905
	185,483	0.31	24-Dec-28	5,564			
	48,788	0.33	5-Apr-28	488			
	75,000	0.28	19-Jul-27	4,500			
	75,000	0.65	11-Aug-26	—			
	75,000	0.40	10-Aug-25	—			
	75,000	0.95	18-Jun-19	—			
Dag Cramer	75,000	0.31	24-Dec-28	2,250	22,727	7,727	138,369
	75,000	0.28	19-Jul-27	4,500			
	75,000	0.65	11-Aug-26	—			
	75,000	0.40	10-Aug-25	—			
	75,000	0.95	18-Jun-19	—			
Dr. Alfred Gusenbauer	75,000	0.31	24-Dec-28	2,250	22,727	7,727	138,369
	75,000	0.28	19-Jul-27	4,500			
	75,000	0.65	11-Aug-26	—			
	75,000	0.40	10-Aug-25	—			
	75,000	0.95	18-Jun-19	—			
Wayne Kirk	75,000	0.31	24-Dec-28	2,250	27,083	9,208	147,683
	150,000	0.28	19-Jul-27	21,000			
	75,000	0.65	11-Aug-26	—			
	75,000	0.40	10-Aug-25	—			
	75,000	0.95	18-Jun-19	—			
William Natbony	31,059	0.34	10-Jan-29	—	—	—	27,200
	142,174	0.31	24-Dec-28	4,265			
	31,102	0.33	5-Apr-28	311			
	50,842	0.38	5-Jan-28	—			
	37,779	0.46	5-Oct-27	—			
	75,000	0.28	19-Jul-27	4,500			
	66,621	0.29	5-Jul-27	3,331			
	47,122	0.41	4-Apr-27	—			
	38,640	0.50	4-Jan-27	—			
	30,667	0.63	5-Oct-26	11-Aug-26			
	75,000	0.65	11-Aug-26	—			
David Peat	75,000	0.31	24-Dec-28	2,250	29,924	10,174	151,166
	75,000	0.28	19-Jul-27	4,500			
	75,000	0.65	11-Aug-26	—			
	75,000	0.40	10-Aug-25	—			
	75,000	0.95	18-Jun-19	—			

<i>Name</i>	<i>Option-based Awards</i>				<i>Share-based Awards</i>		
	<i>Number of securities underlying options</i>	<i>Option Exercise Price (\$)</i>	<i>Option expiration date</i>	<i>Value of unexercised in-the-money options<sup>(1)</sup> (\$)</i>	<i>Number of DSUs that have not Vested<sup>(2)</sup></i>	<i>Market or payout value of Share-based awards that have not Vested<sup>(2)(3)</sup> (\$)</i>	<i>Market or payout value of vested Share-based awards not paid out or distributed<sup>(3)</sup> (\$)</i>
Walter Segsworth	46,588	0.34	10-Jan-29	—	—	—	119,773
	188,420	0.31	24-Dec-28	5,653			
	58,545	0.33	5-Apr-28	585			
	50,842	0.38	5-Jan-28	—			
	39,779	0.46	05-Oct-27	—			
	75,000	0.28	19-Jul-27	4,500			
	66,621	0.29	5-Jul-27	3,331			
	47,122	0.41	4-Apr-27	—			
	38,640	0.50	4-Jan-27	—			
	30,667	0.63	3-Oct-26	—			
	75,000	0.65	11-Aug-26	—			
	75,000	0.40	10-Aug-25	—			
	75,000	0.95	18-Jun-19	—			
Janice Stairs	75,000	0.31	24-Dec-29	2,250	28,409	9,659	64,107
	75,000	0.28	19-Jul-27	4,500			
David Kay	—	—	—	—	—	—	

Notes:

- (1) The values expressed in this column are based on the difference between the market value of the securities underlying the instruments at December 31, 2018, being \$0.34, and the exercise price of the Option. Options issued on January 10, 2019 are included in this table as they relate to compensation for services during 2018.
- (2) Pursuant to the terms of the DSU Plan and individual grants, all DSUs vest upon the date of grant but only become redeemable upon a non-executive director ceasing to hold the position as a director of Gabriel. DSUs granted on January 10, 2019 vested on the date of grant, but are included in this table as unvested at December 31, 2018 since they were not in issue at that date, notwithstanding that they relate to compensation for services during 2018.
- (3) The values expressed in this column are based on the market value of the securities underlying the instruments as at December 31, 2018, being \$0.34.

## Incentive Plan Awards - Value Vested or Earned during the Year

The following table provides information regarding the value vested or earned of Option-based awards and Share-based awards (DSUs) for each non-executive director during the financial year ended December 31, 2018.

<i>Name</i>	<i>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</i>	<i>Share-based awards – Value vested during the year<sup>(2)</sup> (\$)</i>	<i>Non-equity incentive plan compensation – Value earned during the year (\$)</i>	<i>Total value vested/earned during the year (\$)</i>
Keith Hulley	750	10,000	—	10,750
Dag Cramer	750	25,500	—	26,250
Dr. Alfred Gusenbauer	750	25,500	—	26,250
Wayne Kirk	1,500	29,937	—	31,437
William Natbony	1,194	—	—	1,194
David Peat	750	31,813	—	32,563
Walter Segsworth	1,194	—	—	1,194
Janice Stairs	750	28,125	—	28,875
David Kay	—	—	—	—

Notes:

- (1) Option-based awards – Value vested during the year represents the aggregate dollar value that would have been realized in 2018 if Options had been exercised on the applicable vesting date. The value was determined by calculating the difference between the closing price on the TSX or Exchange (as applicable), in Canadian dollars, of the Shares underlying the Options on the vesting date and the exercise price of the Options, times the number of Options vested.

- (2) Share-based awards – Value vested during the year represents the value of DSUs issued during the year as of the grant date. The redemption price for DSUs is nil, hence the value vested during the year represents the market price of the underlying securities upon date of grant of the DSUs. The DSUs granted on January 5, 2018 are included in this table as, although the DSUs were granted for services provided prior to the grant date, they vested in 2018. The value vested of DSUs granted on January 10, 2019, which were for services provided during the year ended December 31, 2018, are not included in this table as they did not vest until the grant date.

## **KEEP PARTICIPATION**

In recognition of their efforts and contribution in respect of the ongoing international bi-lateral investment treaty arbitration, all directors except Mr. Kay (who had previously elected not to receive compensation as a non-executive director) were added as participants in the key employee engagement plan (“**KEEP**”) in 2018. A description of the KEEP program is set out in this Circular in Part V, Compensation Objectives and Philosophy. The ability of such non-executive directors to receive payment from the KEEP trust, if any, is at the total discretion of the KEEP Trustees.

## **DIRECTORS’ SHARE OWNERSHIP REQUIREMENTS**

As described in Part VI of this Circular, the Board has not established guidelines with respect to minimum share ownership requirements by directors of the Company.

## **INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS**

Other than as disclosed below, none of the directors, executive officers or senior officers of Gabriel, persons who served as directors, executive officers or senior officers at any time during 2018, or their respective associates, were at any time during the year indebted to Gabriel or its subsidiaries, either in connection with the purchase of Gabriel securities or otherwise.

In June 2018, the Company entered into a facility agreement with SC Total Business Land SRL (“**TBL**”), a Romanian limited liability company controlled by certain current and former employees of Gabriel’s indirectly majority-owned subsidiary, SC Roşia Montană Gold Corporation SA (“**RMGC**”), pursuant to which the Company agreed to lend in aggregate \$0.9 million to TBL. The Company made the loan available to TBL as part of its ongoing efforts to reduce the cost base of the Gabriel Group and to mitigate the adverse impacts of the down-scaling of its corporate activities in Romania by assisting affected individuals with alternative forms of employment or sustainable livelihood opportunities. The loan is repayable in May 2028 and accrues interest at a rate of 1% per annum and is secured by a mortgage over certain assets of the borrower and personal guarantees in favour of the Company by the principals of TBL. Mr. Tanase owns 20% of the share capital of TBL. As at December 31, 2018, TBL had drawn down the full amount of the loan.

## PART V

### COMPENSATION DISCUSSION AND ANALYSIS

#### COMPENSATION PHILOSOPHY AND OBJECTIVES

##### Introduction

For many years, Gabriel was focused principally on the exploration and development of the Roşia Montană gold and silver project in Romania (the “**Project**”). The Project, one of the largest undeveloped gold deposits in Europe, is situated in 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 exploitation concession license for the Project (“**License**”) is held by 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 Group’s fulfilment of its legal obligations and its development of the Project as a high-quality, sustainable and environmentally-responsible mining project, using best available techniques, Romania has blocked and prevented implementation of the Project without due process and without compensation, effectively depriving the Group entirely of the value of its investments.

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 Romanian Government has 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 presiding tribunal for the ICSID Arbitration (“**Tribunal**”) was originally constituted on June 21, 2016.

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.

The key milestones to-date in the ICSID Arbitration process are given below:

- 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 22, 2018, the Respondent filed its counter-memorial (“**Counter-Memorial**”) in response to the Memorial.
- On May 25, 2018, the Respondent filed a supplementary jurisdictional objection with ICSID (“**Jurisdictional Challenge**”) challenging the jurisdiction of the Tribunal to hear the claims presented by Gabriel Jersey;
- On November 2, 2018, the Claimants submitted their reply (“**Reply**”) to the Counter-Memorial and the Jurisdictional Challenge; and
- On February 28, 2019, the Claimants and the Respondent filed their comments on an *amicus curiae* submission submitted to the Tribunal by certain non-governmental organizations (or “non-disputing parties”) who have opposed the Project for many years.

The latest procedural calendar for the ICSID Arbitration prescribes the following key dates:

- Romania is to file its response to the Reply (“**Rejoinder**”) and its reply on the Jurisdictional Challenge by May 24, 2019;
- Gabriel is to file its surrejoinder on the Jurisdictional Challenge by June 28, 2019; and
- The Tribunal will hold a hearing on the merits of the claim from December 2 to 13, 2019 in Washington, D.C.

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

The principal activities of the Gabriel Group during the course of the year ended December 31, 2018 are summarised below in the section “*Measuring Individual Performance*”.

### **Compensation Objectives and Philosophy**

In recent years the ICSID Arbitration has become the core focus of the Company, notwithstanding the fact that the Company remains open to engagement with the Romanian authorities in order to achieve an amicable resolution of the dispute.

The critical needs of the Company require significant cost control while motivating the remaining Management and employees to focus on the work necessary to deliver a successful outcome in the ICSID Arbitration and subsequent enforcement of any award, which may be a number of years away. This objective is as important for 2019 as it was for 2018 as the treasury of the Company was, and continues to be, diminished by the significant costs involved with the ICSID Arbitration.

As described below in the section “*Measuring Individual Performance*”, both the ICSID Arbitration and actions of the Romania State have been resource consuming and unpredictable over a number of years in the context of events arising or actions necessary for Gabriel to protect its core assets. This situation has continued to date and is expected to continue throughout the year as Romania responds to the Claimants filing of its Reply to the Counter-Memorial and both parties to the ICSID Arbitration prepare for the oral hearings before the Tribunal in December 2019.

The core objectives of the Company's executive compensation program are two-fold: firstly, to retain and motivate fact witnesses from RMGC and other executives who have the skills to manage the ICSID Arbitration process and who possess important historical knowledge relevant to the ICSID Arbitration and, secondly, to retain and motivate executives with an appropriate blend of skills and experience required to ensure that operationally existing licenses and permits remain in good standing whilst Gabriel also retains its public company status.

As in prior years, in 2018 there was an overriding need to ensure the motivation of key personnel at a time when the Company was necessarily focused on cost control, including achieving the objective to secure further finance as treasury balances reduced significantly, and in Romania where RMGC continued to face legal, fiscal and political difficulties. Although funding was secured in late 2018, the need for additional funding to continue the arbitration and manage issues in Romania will continue through 2019 and beyond. In that context, the Company will again need to balance (i) the expectations of returns for shareholders from the ICSID Arbitration, with (ii) motivating Management and employees to protect the assets of the Gabriel Group whilst navigating the uncharted territory of the ICSID Arbitration and the unpredictable actions of the Romanian State.

Accordingly, Gabriel must ensure that its executive compensation objectives are designed to motivate and retain executives with relevant skills and experience to optimize the chances of success in the ICSID Arbitration against a backdrop of (a) high risk and uncertainty in the development and conclusion of the ICSID Arbitration, (b) the continued lack of engagement by Romania, indicating that there may be little or no possibility that the future development of the Project will come to pass, and (c) the limited prospect of any meaningful long term future role with Gabriel once the oral hearings of December 2019 and any post hearing submissions are concluded.

The KEEP is an arbitration-related incentive program initiated in 2015, to be used as both a retention and incentive measure for the long-term participation of non-executive directors, executive management, employees of the Gabriel Group and other expert contributors (“**Beneficiaries**”) in pursuing the ICSID Arbitration to a successful conclusion. The structure of the KEEP is intended to reward the Beneficiaries for their past and future contributions to enable the Company to present a compelling and vigorous 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.

## NAMED EXECUTIVE OFFICERS

This compensation discussion and analysis describes Gabriel’s compensation policies and practices for the President and Chief Executive Officer (“**CEO**”) and the Chief Financial Officer (“**CFO**”), and the Chief Commercial Officer (“**CCO**”), being the other most highly compensated executive officer of the Gabriel Group, each being a Named Executive Officer (“**NEO**”) as such term is defined in Form 51-102F6V under National Instrument 51-102.

In 2018, the NEOs were:

<i>Name</i>	<i>Title</i>
Dragos Tanase.....	President & Chief Executive Officer
Jonathan Henry.....	Managing Director, RMGC <sup>(1)</sup>
Max Vaughan.....	Former President & Chief Executive Officer <sup>(2)</sup>
Richard Brown.....	Chief Financial Officer <sup>(3)</sup>
	Chief Commercial Officer <sup>(3)</sup>

Notes:

- (1) Mr. Tanase was appointed as President & Chief Executive Officer of the Company on August 8, 2018. Mr. Tanase has been the Managing Director of RMGC for 10 years, a position which he continues to hold.
- (2) Mr. Henry resigned as President & Chief Executive Officer of the Company on July 10, 2018. Settlement expenses of \$3.5 million were paid to Mr. Henry in July 2018, which included compensation for the forfeiture of all Options, RSUs and DSUs held by Mr. Henry at the time of his leaving the Company. Mr. Henry continues to act as a consultant to the Company in connection with the ongoing ICSID Arbitration case.
- (3) The existing employment agreements for Messrs. Brown and Vaughan are with Gabriel’s wholly owned UK subsidiary, RM Gold (Services) Ltd. (“RMGS”). Mr. Vaughan became part time in his role as Chief Financial Officer of the Company from October 2017 and recently confirmed his intention to resign from RMGS. Mr. Brown has agreed to undertake the duties and responsibilities of the Chief Financial Officer role and the Board has formally appointed him to that position effective from June 1, 2019. Mr. Vaughan has agreed to continue to act as a consultant in connection with the ongoing ICSID Arbitration case.

## COMPENSATION REVIEW PROCESS

### Composition and Role of Corporate Governance and Compensation Committee

#### *Composition*

The members of the CGC Committee are Wayne Kirk (Chair), Walter Segsworth and Janice Stairs, each of whom is an independent director of Gabriel. In determining the composition of the CGC Committee, the Board looks to the past and current experience of each director and strives to include a range of skills and experience to ensure that the CGC Committee is comprised of directors who are knowledgeable about public company governance and compensation matters.

All of the current members of the CGC Committee have direct experience relevant to executive compensation either through their compensation committee experience or their executive experience in other companies. They bring a broad base of skills and experience that contribute to their suitability to make informed and independent decisions on the Company's compensation policies and practices, including extensive industry knowledge, human resource management, compensation design experience and financial experience.

#### *Role of the CGC Committee*

The Board has adopted a formal charter for the CGC Committee, which provides that one of the primary purposes of the CGC Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the selection, retention and compensation of senior executives. The CGC Committee ensures that the Company has an executive compensation approach that is both motivational and competitive while meeting the goals and objectives of the Company. For a description of the CGC Committee charter, see the section entitled "*Standing Committees of the Board – CGC Committee* " in Part VI of this Circular.

The CGC Committee is involved in setting and reviewing executive compensation in the following ways:

- It reviews, annually or as appropriate, the Company's compensation framework to ensure that it is designed to meet the Company's compensation philosophy and objectives but does not encourage excessive risk-taking by executives and other employees, including appropriate review of the relative weighting of fixed and "at risk" compensation.
- It periodically reviews executive compensation practices among the Company's comparator group to benchmark Gabriel's executive compensation practices, including base salaries and applicable targets for short-term and long-term incentive awards to executives.
- It evaluates annually the CEO's performance, which takes into consideration the CEO's annual objectives as may have been established by the Board and input the CGC Committee has received from other Board members with respect to the CEO's performance and, based on such evaluation, makes recommendations to the Board for approval of the CEO's compensation.
- It evaluates annually the recommendations of the CEO with respect to the compensation of other senior executives who report directly to the CEO, including any performance objectives and, based upon such evaluation, makes recommendations to the Board for approval of the compensation of such other senior executives.
- It evaluates and recommends to the Board the Company's short, medium and long term incentive compensation plans and other compensation policies and programs and benefits that may apply to the senior executive group.

#### *Meetings of the CGC Committee*

The CGC Committee met six times during the year ended December 31, 2018.

- On March 13, 2018, the CGC Committee met to consider, *inter alia*, the form of a Board performance questionnaire for 2018 to evaluate the function of the Board and to consider certain proposed amendments to the Corporation's incentive plans to align the plans with the policies of the Exchange.
- On March 29, 2018, the CGC Committee met to consider the proposed nominees for election at the 2018 annual general meeting of the Company.
- On May 8, 2018, the CGC Committee met to consider, *inter alia*, certain proposals to adjust the compensation for the non-executive directors, proposed amendments to the Corporation's incentive plans and to recommend nominees for election at the 2018 annual general meeting of the Company, as well as other governance related matters.

- On June 11, 2018, the CGC Committee met to consider, *inter alia*, certain proposals to adjust the compensation for the non-executive directors, the proposed appointments of the Chairman and officers of the Company and certain adjustments to the contract of the Company's Group General Counsel.
- On July 9, 2018, the CGC Committee met to review and recommend for adoption amendments to the guidelines, mandates, charters and policies of the Company.
- On November 8, 2018, the CGC Committee met to consider a proposal to extend the term of certain Options granted to a consultant of the Company.

### **Managing Compensation-Related Risk**

The CGC Committee is responsible for the risk oversight of its compensation policies and practices and the implementation of Gabriel's key compensation plans to ensure that they do not promote excessive risk-taking. The exceedingly lengthy and structured, but unpredictable, process undertaken in respect of the ICSID Arbitration, an inherently legally guided procedure which is led by a timeline and orders from an independent Tribunal and the published ICSID Arbitration Rules, is an effective mitigant to risk-taking in Management decisions or reliance on short term results. In addition, as appropriate, Gabriel may use the following practices to discourage or mitigate excessive risk-taking:

- **Compensation objectives:** Gabriel formalizes compensation objectives as necessary to help guide compensation decisions within an effective short, medium and long-term timeframe, as appropriate.
- **Base salary portion:** with the ICSID Arbitration now being the core focus of the Company, the base salary portion of compensation is designed to provide a competitive and attractive income so that executives are motivated to maintain a long term perspective and remain with the Company under circumstances where a successful outcome in the ICSID Arbitration is likely to be a number of years away, and do not feel persuaded to pursue other opportunities or pressured to focus on short term accomplishments that do not necessarily further that ultimate objective.
- **Variable compensation mix:** for certain of the NEOs, a portion of target total direct compensation is delivered through variable compensation (short, medium and long term incentives). This mix is aimed at providing a strong pay-for-performance relationship, while providing a competitive base level of compensation through salary.
- **Capping of short-term incentive payments:** annual short-term incentive payments are capped for senior executives at 70% of base salary, with exceptions at the discretion of the CGC Committee and the approval of the Board.
- **Performance goals:** any performance goals used to determine the amount of an executive's bonus are measures that the CGC Committee believes will further the drive for long-term shareholder value and encourage success and retention without encouraging excessive risk-taking to achieve short-term results.
- **Application of discretion:** existing compensation programs allow for discretionary assessment of performance by the CGC Committee and the Board to ensure pay aligns with perceived and actual performance.
- **Review of incentive programs:** Gabriel reviews and sets performance milestones or other measures and targets where possible to be aligned with plans for the business (including progress of the ICSID Arbitration) to ensure continued relevance and applicability of the performance incentive compensation.
- **External independent compensation advisor:** as and when required, Gabriel and the CGC Committee have separately engaged outside compensation consultants who are knowledgeable regarding various compensation policies and their associated risks.

- **Anti-hedging policy:** Gabriel prohibits officers and directors from hedging stock-ownership and equity-based compensation in the Company.

As a result of the CGC Committee's review of Gabriel's compensation plans, it has concluded that base salary and "at risk" incentives are appropriately balanced and that there are no identified risks arising from Gabriel's compensation programs which are reasonably likely to have a material adverse effect on Gabriel. Notwithstanding, in light of the core focus of the ICSID Arbitration, other business requirements and governance considerations, Gabriel may conduct a further review of its compensation strategy, including the compensation philosophy and program design, from time to time.

### **Role of Compensation Consultants**

When the CGC Committee considers it necessary or advisable, it may retain, at the Company's expense, outside consultants or advisors to assist or advise it on any matter within its mandate. The CGC Committee has the sole authority to retain and terminate any such consultants or advisors. In prior years the CGC Committee has engaged consultants to provide market data on executive and director compensation and a technical analysis of the market data in light of the Company's compensation plans and practices. No fees were paid to such consultants in 2017 or 2018.

### **COMPONENTS OF EXECUTIVE COMPENSATION**

Gabriel's executive compensation program is comprised of three core components:

- (i) base salary;
- (ii) short-term incentives, in the form of annual bonuses of (a) cash and/or (b) RSUs; and
- (iii) medium-term and long-term incentive plan compensation made up of RSUs, DSUs, and Option-based awards.

The CGC Committee annually reviews the various elements of compensation to ensure that any awards are aligned with the goals of Gabriel and each executive officer, as well as Gabriel's compensation objectives and philosophy.

A portion of each executive's total direct compensation is variable or "at-risk". This "at-risk" portion of total direct compensation includes the short, medium and long-term incentives which may be awarded on a periodic basis and which are linked to performance. If the individual's or the Company's performance is below the standard expected, or other specific matters incline the CGC Committee not to make awards, the portion of "at-risk" compensation will decrease and conversely, if the individual's or Company's performance is strong, the portion of "at-risk" compensation will increase. Such a program meets the goal of aligning the interest of management with the interest of the shareholders through the following elements:

- The grant of Options and Share-based awards such as RSUs and DSUs; if the price of a Share increases or decreases over time, both executives and shareholders will be similarly impacted.
- Providing for vesting of Options and RSUs over time and/or on achievement of performance objectives; this acts to retain executives and provides an incentive for management to achieve recognizable milestones so as to benefit from any associated increase in the price of the Shares over time, rather than focusing on short-term increases.

### **Base Salary**

Base salary is the principal fixed component of pay, and is intended to compensate executive officers for fulfilling their duties and, where appropriate, to assist in the attraction and retention of key executives.

The amount payable to executive officers as base salary is determined primarily by the current and anticipated future contribution of the executive officers and, as noted above, to motivate those officers to maintain a long term perspective and remain with the Company under circumstances where a successful outcome in the ICSID Arbitration is likely to be a number of years away.

Base salaries are reviewed and, as appropriate in the context of the progression of the Company's objectives and the potential outlook for the Company, adjusted annually. Both the CEO's salary and the salaries for those executives reporting directly to the CEO are approved by the CGC Committee and the Board.

Despite strong individual performances in the face of adverse circumstances, in light of the ICSID Arbitration initiation, the implementation of significant cost reduction measures, and a decreasing share price, no changes to the annual salaries of the NEOs were approved for 2015 or 2016. Following negotiation and execution of employment contract amendment agreements, as described in the management information circular issued in May 2018, increases to the annual salaries of Mr. Henry and Mr. Brown were agreed effective January 1, 2017, Mr. Vaughan became part-time in his role as CFO with a consequent reduction to his annual salary effective October 1, 2017 and an increase in salary was agreed for Mr. Tanase with effect from January 1, 2018.

In addition, salary adjustments for 2018 were approved in respect of a small number of non-NEO UK employees and a pool of employees in Romania.

As previously noted, in July 2018, Mr. Henry resigned as President and Chief Executive Officer of Gabriel and Mr. Tanase was appointed to that role in August 2018. Mr. Tanase continues in his existing role as the Managing Director of RMGC, a position he has held for 10 years. Upon his appointment as President and Chief Executive Officer of Gabriel, Mr. Tanase's base salary (including his compensation as Managing Director of RMGC) was set at an annual rate of \$571,360, payable in Romanian Lei. Effective as of January 1, 2019, Mr. Tanase's base salary was increased to an annual rate of \$628,500.

Also effective as of January 1, 2019, in recognition of Mr. Brown's increased responsibilities following the move of Mr. Vaughan to a part time basis and reduced salary in the fourth quarter of 2017, and including his assuming the role of Chief Financial Officer given the intention of Mr. Vaughan to resign that office, Mr. Brown's base salary was increased to £300,000.

The table below reflects the base salaries due to each NEO at the beginning of 2017, 2018 and 2019.

<i>Name</i>	<i>2017 Base Salary<sup>(1)</sup> (\$)</i>	<i>2018 Base Salary<sup>(1)</sup> (\$)</i>	<i>2019 Base Salary (\$)</i>	<i>Change from 2018 (%)</i>
Dragos Tanase	323,489	419,434	628,500	50
Richard Brown	417,790	432,311	518,762	20
Max Vaughan	323,787	172,921	172,921	-
Jonathan Henry	735,311	760,868	-	-

Notes:

- (1) Messrs. Vaughan and Brown are based in the UK and receive their salaries in GBP. Mr. Tanase is based in Romania and receives his salary in RON. For comparison purposes the exchange rate used to convert base salaries to CAD for 2019 is the same as the conversion rates for 2018 (C\$1 = GBP 0.5783 and C\$1 = RON 3.0425). The exchange rate used to convert base salaries to CAD for 2017 was C\$1 = GBP 0.5984 and C\$1 = RON 3.1225.

Base salaries provide each NEO with compensation that is not "at risk". The CGC Committee is satisfied that the Company's current executive compensation policy and level of compensation with respect to base salary satisfies the goal of retaining key talent.

### Short Term Incentives

NEOs and other key employees of the Gabriel Group are also eligible for short term incentive payments, in the form of annual bonus awards, which are designed to recognize and reward contribution towards the achievement of Gabriel's strategic objectives, as well as the achievement of predetermined personal objectives.

Save as described below, there is no written policy with respect to short-term incentive payments and the recommendation and payment of such incentives is at the discretion of the CGC Committee and the Board, although certain individual employment contracts have stated target bonus levels.

As described above, the CGC Committee evaluates the performance of the CEO and recommends the incentive bonus level for the CEO to the Board for approval. With respect to the other NEOs, the CEO evaluates the performance of such individuals and recommends the incentive bonus to the CGC Committee for its evaluation and recommendation to the Board. The Board exercises its discretion in determining the aggregate amount of bonuses awarded to all executive officers.

Bonuses of the NEOs, when awarded, may be calculated as a percentage of annual base salary, or awarded as an absolute sum, and are determined on the basis of both corporate and individual performance.

### *Short Term Incentive Targets*

Individual performance objectives allow for the differentiation of payouts based on individual roles, targets and overall contributions. Ordinarily, both individual and corporate performance components are compared to a set of specific annual objectives that are pre-determined and, in the case of the CEO, approved by the Board and, in the case of the other NEOs, recommended by the CEO in conjunction with the CGC Committee and approved by the Board.

Short-term incentive payments are at the discretion of the Board and therefore no minimum bonus is payable to any NEO. The following table outlines the target incentive opportunity for the NEOs for the year ended December 31, 2018:

<i>Position</i>	<i>Incentive Bonus Range as a % of Base Salary</i>	
	<i>Target</i>	<i>Maximum</i>
President and CEO	35	70
Chief Financial Officer	35	70
Chief Commercial Officer	35	70

### **Measuring Individual Performance**

Compensation decisions are typically made using a decision process that involves the CEO, the CGC Committee and the Board. Compensation decisions are based on corporate and individual performance, where appropriate against set individual performance objectives.

Members of the Board annually consider and approve a formal assessment of the CEO's performance in the year, and recommendations for the next year's compensation of the CEO, from the Chairman of the Board. The Chairman typically reviews his assessment with the CGC Committee, and makes recommendations to the Board for final approval.

Typically, the CEO provides the CGC Committee with annual performance assessments for each of the executives who directly report to him, and also provides compensation recommendations. The CGC Committee reviews the compensation recommendations for such direct reports of the CEO, taking into account the various factors noted below, and makes recommendations to the Board for final approval.

Specifically, in assessing individual performance in the context of making executive compensation recommendations, the CGC Committee and/or the Board consider the executive officer's:

- contributions to Gabriel's overall performance;
- individual performance relative to any pre-established goals;
- long-term performance and potential for future advancement or ability to assume roles of greater responsibility; and
- where appropriate and comparable, position against competitive market norms for similar roles.

Corporate objectives achieved during 2018 included those set out below:

- the advancement of the ICSID Arbitration, including review of Romania's Counter-Memorial, the preparatory work for the filing of the Reply involving securing and identifying evidence and expert and employee witness testimony to rebut the matters raised in the Counter-Memorial, and working with legal and valuation advisers to underpin the complex fact pattern in development of the Project together with the quantum of damages claimed in the Memorial;
- the continued assessment and protection of the Company's activities, including ensuring availability of the resources necessary to support the preservation of its core assets (being the License and the ICSID Arbitration) and rights relating thereto;
- the implementation of cost-saving measures, to align the cost base of the Gabriel Group with the status of the Project in Romania, such as completion of the sale of long lead-time equipment and the transfer of the remaining equipment to a single European storage site;
- carefully managing its cash resources, including securing additional financing - in the form of a non-brokered private placement transaction raising aggregate gross proceeds of \$26.3 million (the **"2018 Private Placement"**) - to ensure that the Gabriel Group remains financially strong and capable of maintaining its ability to successfully carry on its continued operating activities, including but not limited to the advancement of the ICSID Arbitration and, as far as possible, preserve its core assets;
- responding to the continuing acts of the Romanian State which, in the Company's view, have been intentionally abusive and initiated in an attempt to intimidate and harm RMGC and the Claimants in retaliation for the Claimants' filing of the ICSID Arbitration; and
- the protection of the Gabriel Group's rights and interests in Romania, including (i) so far as is reasonably practical and desirable, ensuring that existing licenses and permits remain in good standing; (ii) support to RMGC in respect of the ongoing abusive, illegal, and retaliatory behavior of the Romanian authorities; and (iii) compliance with legal or License requirements such as 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.

Given the current limitations on the Company's operations and the long-term nature of international arbitration claims, some of the foregoing corporate objectives inevitably span more than one calendar year, while others were achieved in less time.

Individual performance is typically reviewed against goals established within the primary area of responsibility for each executive officer, including strategic, financial, risk, compliance, legal and operational objectives. However, given the necessary focus upon the ICSID Arbitration and the uncertainties attendant to the ICSID Arbitration process, as well as the unpredictable actions of the Romanian State, core individual performance objectives for the CEO, CFO and CCO were adjudged by the Board to be difficult to qualify and quantify in the unique circumstances of the time. Therefore, the Board resolved to continue a policy (initiated in 2016) that no such individual performance targets be set for 2018 and any bonus awards for performance should be solely at the discretion of the Board.

### *2018 Performance*

On January 10, 2019, the Board met to discuss, *inter alia*, the annual performance review of the CEO and his direct reports for 2018, and to consider recommendations with respect to any award of 2018 annual bonuses, short-term and long-term incentives, as well as the level of base salary for 2019 for the senior management and other employees of the Company and RMGC.

The Board concluded that the Company remains in uncharted territory in respect of the ICSID Arbitration process and that it would be difficult, if not impossible, to set conventional performance targets for 2019, as was also the case for 2018. Furthermore, that it was important that Gabriel seeks to retain, in an appropriate capacity, the services of the personnel needed to support the ICSID Arbitration process and the employee witnesses who are critical to the claim, and that the uncertainties of the ICSID Arbitration process required that compensation for performance continue to be largely at the discretion of the Board.

The CEO was not involved in judging his own performance, but such performance was reviewed and evaluated solely by the Board. In the context of the corporate objectives achieved above and the individual roles of the NEOs in achieving such, the performance of each of the CFO and CCO was formally evaluated by the CEO, and discussed with and reviewed by the Board.

The Board's review included consideration of the status of the Project, the requirements to reduce and manage the cost-base of the business carefully, the reducing cash resources of the business, and the personal and professional pressures facing those executives involved in the filing of the Reply in the ICSID Arbitration and facing the actions of the Romanian State.

The following table reflects the base salary and performance based short term cash incentive payments paid / payable to the NEOs for the financial year ended December 31, 2018.

<i>Named Executive Officer</i>	<i>2018 Base Salary Paid<sup>(1)</sup> (\$)</i>	<i>2018 Incentive Bonus</i>	
		<i>Cash<sup>(1)</sup> (\$)</i>	<i>as a % of Base Salary</i>
Dragos Tanase <sup>(2)</sup>	466,513	330,326	70
Richard Brown <sup>(2)</sup>	432,302	294,737	70
Max Vaughan <sup>(3)</sup>	172,921	—	—
Jonathan Henry <sup>(4)</sup>	390,652	—	—

Notes:

- (1) The exchange rate used to convert base salaries and incentive bonuses to CAD for 2018 is C\$1 = GBP 0.5783 and C\$1 = RON 3.0425.
- (2) Cash bonuses for 2018 were awarded to Messrs. Tanase and Brown in January 2019 and payable in the first quarter of 2019. The bonus as a % of base salary was set using exchange rates prevailing at the time of the award and consequently the actual \$ values represented in the table differ slightly to the % of actual base salary paid in 2018.
- (3) Mr. Vaughan became part time in his role as CFO effective October 1, 2017. Mr. Vaughan was awarded no cash bonuses for 2018.
- (4) Mr. Henry was paid up to July 10, 2018.

## Medium-Term and Long-Term Incentives

Gabriel provides its executive officers with medium-term incentives in the form of RSUs awarded under its RSU Plan, and long term incentives in the form of Options and DSUs awarded under its Option Plan and DSU Plan, respectively.

These Option and Share-based award programs are an important element in the total compensation program of the Company and were designed to serve the following purposes: (i) the recognition of exceptional individual and corporate performance in the previous year; (ii) the retention of key executive management talent in the Company (a time vesting and/or performance milestone element is typically included as an incentive for the executive to remain with the Company); (iii) the alignment of executive interests with those of shareholders; and (iv) the mitigation of short-term risk-taking at the expense of long-term shareholder value.

All awards, other than the CEO's, are based on the recommendation of the CEO and all are at the discretion of the CGC Committee and the Board. Both the CGC Committee and the CEO look at previous grants as well as prior year performance when considering awards.

A summary of the key terms of each of Gabriel's equity-based compensation plans is set out in Appendix II together with details of the maximum number of securities currently authorized for issuance under such plans.

### ***Restricted Share Units***

At Gabriel's annual and special meeting on June 14, 2018, disinterested shareholders approved an amended and restated RSU Plan with a fixed number of 5,000,000 RSUs issuable, including the RSUs that were outstanding under the previous plan. Under Exchange rules, the RSU Plan does not require further shareholder approval unless certain amendments to the RSU Plan or RSUs issued under the RSU Plan are proposed, each as detailed in the RSU Plan. No such amendments are proposed.

Pursuant to the RSU Plan, the Board 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. The grant of an RSU entitles the recipient to the conditional right to elect to receive one Share for each RSU or an amount in cash, net of applicable taxes, subject to the conditions set out at the date of grant and in the RSU Plan.

No RSUs were granted to officers and employees of the Gabriel Group in 2018.

Since its inception on June 16, 2011, 199,544 Shares have been issued pursuant to the settlement of RSUs granted under the RSU Plan. As at May 16, 2019, 1,034,803 RSUs were issued and outstanding, representing approximately 0.21% of the total issued and outstanding Shares at that date.

RSUs are issued based upon the value of the underlying 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, set at the date of the grant. Upon vesting, the recipient's RSUs must be settled for an equivalent number of Shares or cash (based upon the price of the underlying Shares at the settlement date) within a settlement period set at the date of the grant. Accordingly, the value of the RSUs will fluctuate with variations in the market price of a Share.

### ***Options***

The Option Plan was originally approved by shareholders on June 14, 2001. At Gabriel's annual and special meeting on June 14, 2018, shareholders approved an amended and restated Option Plan and all unallocated Options, rights or other entitlements under the Option Plan.

Pursuant to the Option Plan, an Option may be granted to a director, officer, employee or consultant of the Gabriel Group. When Options have been granted, Shares reserved for issuance under an outstanding Option are referred to as allocated Options. Additional Shares that may be reserved for issuance pursuant to the Option Plan but are not subject to current Option grants are referred to as unallocated Options.

The Option Plan is a "rolling plan" that provides that the maximum number of Shares reserved for issuance under the Option Plan shall not exceed 10% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) from time to time. As a result, should the Company issue additional Shares in the future, the number of Shares issuable under the Option Plan will increase accordingly.

As described above, shareholders approved an amended and restated version of the Option Plan in June 2018. Under the policies of the Exchange the Company is required to seek shareholder approval for the Option Plan annually. No amendments requiring shareholder approval under the Option Plan have been made since June 2018 and no such amendments to the Option Plan are proposed at this time.

The Option Plan is administered by the Board, in consultation with the CGC Committee. Vesting provisions are at the discretion of the Board and, while Gabriel's commonly used practice has been to grant Options that vest at periodic intervals after the date of grant, the Board has also granted Options that vest upon the achievement of certain milestones and that are fully vested at the time of the grant. There is no policy with respect to any initial 'sign-on' grant of Options to executive officers, annual grants of Options (except to directors as described in "Director Compensation Structure" in Part IV), or the grant of Options upon the expiry of an initial grant of such options, although certain contractual commitments may apply. All grants of Options are at the discretion of the CGC Committee and Board based upon the application of subjective criteria.

During 2018, a total of 4,256,196 Options were awarded to directors, officers and employees of the Gabriel Group, comprising 3,725,000 Options granted prospectively in June 2018 and awarded in December 2018 following deferral of long term incentive compensation from 2017 and 531,196 Options granted in lieu of non-executive director fees as described in “Director Compensation Structure” in Part IV of this Circular. As part of the 2018 compensation review a further 5,000,000 Options were awarded in January 2019 and issued to officers and employees of the Gabriel Group.

As at May 16, 2019, there were 491,167,460 Shares outstanding, and accordingly 49,116,746 Shares capable of reserve for issuance under the Option Plan. Also at that date, as set out in the table in Appendix II Part A, an aggregate of 42,864,112 securities had been reserved by the Board of Directors for issuance under all of the Company’s equity based compensation arrangements, representing approximately 8.6% of the total issued and outstanding Shares at May 16, 2019.

Of the 42,864,112 securities reserved for issuance, 31,789,665 relate to potential awards under the Option Plan. 28,255,501 securities had been allocated to Options issued and outstanding to individuals and a further 3,534,164 Shares, representing approximately 0.72% of the total issued and outstanding Shares have been reserved for issuance in respect of future awards under the Option Plan as at May 16, 2019.

### ***Deferred Share Units***

The DSU Plan was originally approved by the shareholders on April 19, 2005. At Gabriel’s annual and special meeting on June 14, 2018, disinterested shareholders approved an amended and restated DSU Plan with a fixed number of 7,000,000 DSUs issuable, including the DSUs that were outstanding under the previous plan. Under Exchange rules, the DSU Plan does not require further shareholder approval unless certain amendments to the DSU Plan or DSUs issued under the DSU Plan are proposed, each as detailed in the DSU Plan. No such amendments are proposed at this time.

The DSU Plan provides that the Board may permit directors and executive officers of Gabriel to elect to receive a portion of their compensation (including initial ‘sign-on’ compensation, annual retainers, meeting fees or employment earnings or bonuses) or ad hoc awards in the form of DSUs in lieu of cash.

Under the DSU Plan, DSUs are issued to the recipient based upon the value of the underlying Shares at the date of grant. Upon retirement from the Board or cessation of employment (or on the date(s) determined for “Foreign Grantees” i.e., non-Canadian), the recipient’s DSUs are redeemed for cash or shares based upon the then current price of the underlying Shares. Accordingly, the value of the DSUs will fluctuate with variations in the market price of a Share.

The DSU Plan is administered by the Board, in consultation with the CGC Committee. To align the DSU Plan with the provisions of the RSU Plan, the Board recommended that an amendment was made such that if DSUs granted under the DSU Plan are redeemed for cash or otherwise cancelled without the issuance of Common Shares, then such number of DSUs shall automatically be again available for award under the DSU Plan. For the avoidance of doubt, the maximum number of DSUs which may be awarded under the DSU Plan, and the maximum number of Common Shares that may be issued upon redemption or cancellation of such DSUs, remains 7,000,000. The Exchange approved this change to the DSU Plan in January 2019.

Other than in lieu of directors fees, as described in Part IV of this Circular, no long term incentives were awarded in the form of DSUs to officers and employees of the Gabriel Group in 2018.

As of May 16, 2019, an aggregate of 726,009 Shares had been issued, since April 19, 2005, pursuant to the redemption of DSUs granted under the DSU Plan, representing approximately 0.15% of the total issued and outstanding Shares. Also as at May 16, 2019, 5,152,050 DSUs had been issued, of which 1,484,488 had been redeemed for cash or otherwise cancelled without the issuance of Common Shares and 2,941,553 were outstanding, representing approximately 0.69% of the total issued and outstanding Shares as at that date. An aggregate of 3,332,438 DSUs remain available for issuance under the DSU Plan, representing approximately 0.68% of the total issued and outstanding Shares.

## COMPENSATION OF NAMED EXECUTIVE OFFICERS

### Summary Compensation Table

The table set out below and the related footnotes provide compensation paid or payable information for performance in the two most recent financial years ended December 31, 2018 for each NEO measured by base salary, annual performance incentive payout, Share-based awards, Option-based awards, and all other compensation.

As the value of the Shares may rise or fall, the value of the Shares or the amount of the cash payment the NEO ultimately receives upon redemption of Share-based awards such RSUs may be materially different than the value disclosed in the Summary Compensation Table.

Save as set out below, Gabriel does not currently have a pension plan for any of its NEOs. All employees, including NEOs, are provided a standard employee benefit package, including health and life insurance benefits. Since 1 April 2017, RMGS has contributed to a workplace pension scheme for employees of RMGS in compliance with the United Kingdom's automatic enrolment pension legislation. The applicable legislation requires that all UK employers with one or more employees enrol into a workplace pension scheme to meet their duties under the United Kingdom's pensions act and sets out the minimum pension contributions for all employers and employees to pay. In the first year of its operation, RMGS contributed 1 per cent of the employee's qualifying earnings per annum to the pension scheme. This contribution increased to 2.5 per cent of the employee's qualifying earnings per annum with effect from April 2018 and to 4 per cent with effect from April 2019. In 2018 the contribution per eligible NEO was \$1,288. Employees have the right to opt out of this scheme.

Name and Principal Position	Year	Salary <sup>(1)</sup> (\$)	Share-based awards <sup>(2)</sup> (\$)	Option-based awards <sup>(3)</sup> (\$)	Non-equity incentive plan compensation		Pension values (\$)	All other compensation <sup>(5)</sup> (\$)	Total compensation (\$)
					Annual Incentive plans <sup>(4)</sup> (\$)	Long-term Incentive plans (\$)			
<b>Dragos Tanase<sup>(5)</sup></b> President & CEO / MD RMGC	<b>2018</b>	<b>466,513</b>	—	<b>377,758</b>	<b>330,326</b>	<b>n/a</b>	—	—	<b>1,174,597</b>
	2017	323,489	—	—	—	n/a	—	381,436	704,925
<b>Richard Brown<sup>(6)</sup></b> CCO	<b>2018</b>	<b>432,302</b>	—	<b>301,825</b>	<b>294,737</b>	<b>n/a</b>	<b>1,288</b>	—	<b>1,030,152</b>
	2017	417,780	226,784	—	236,654	n/a	490	—	881,708
<b>Max Vaughan<sup>(7)</sup></b> CFO	<b>2018</b>	<b>172,921</b>	—	<b>22,649</b>	—	<b>n/a</b>	<b>1,288</b>	—	<b>196,858</b>
	2017	323,780	187,844	—	48,192	n/a	490	—	560,306
<b>Jonathan Henry<sup>(8)</sup></b> Former President & CEO	<b>2018</b>	<b>390,652</b>	—	—	—	<b>n/a</b>	—	<b>3,501,966</b>	<b>3,892,618</b>
	2017	735,294	347,472	—	395,210	n/a	—	—	1,477,976
<b>Total compensation</b>	<b>2018</b>	<b>1,462,388</b>	—	<b>702,232</b>	<b>625,063</b>	<b>n/a</b>	<b>2,576</b>	<b>3,501,966</b>	<b>6,294,225</b>
	2017	1,800,343	762,100	—	680,056	n/a	980	381,436	3,624,915

- (1) The NEOs, with the exception of Mr Tanase, are based in the UK and receive their salaries in GBP. Mr Tanase is based in Romania and receives his salary in a combination of RON and GBP. The exchange rate used to convert GBP to CAD for 2018 was C\$1 = GBP 0.5783 (2017: 0.5984), and RON to CAD was C\$1 = RON 3.0425 (2017: 3.1225).
- (2) The figures shown reflect the grant date fair value of share-based awards granted to the NEOs for 2018 and 2017 pursuant to Gabriel's RSU Plan. Grant date fair value is determined by multiplying the number of RSUs by the average of the volume weighted closing share price on the TSX (or the Exchange, as applicable) for the five prior days to the date of grant. The RSUs are further described under the section entitled "Medium-Term and Long-Term Incentives" above.
- (3) The figures in this column reflect the grant date fair value of Options granted to NEOs during 2018 and 2017 pursuant to the Option Plan. There were no Options granted to NEOs during 2017. The grant date fair value is an estimate calculated using the Black-Scholes option pricing model. The Company selected the Black-Scholes model given its prevalence of use within North America.
- (4) The figures in this column represent the short-term incentive cash bonuses payable to the NEOs as further described under the section entitled "Short Term Incentives" above.

- (5) Mr. Tanase received Option-based awards in respect of performance in the period under review, reflected in the table, as follows:
- (i) On December 24, 2018, due to a deferral of long term incentive compensation from 2017, Mr. Tanase was awarded 300,000 Options at an exercise price of \$0.31 which vest 50% on the grant date and 50% on June 30, 2019.
- (ii) On January 10, 2019, following the compensation review for performance in 2018, Mr. Tanase was awarded 1,150,000 Options at an exercise price of \$0.36 which vest 50% on the grant date and 50% on the first anniversary of the grant date.
- Given the cash payments related to the contract amendment agreement executed with Mr. Tanase on January 3, 2018, noted as other compensation for 2017 in the table and described below, the Board exercised its discretion in determining that there be no award of any bonus for performance in 2017 for Mr. Tanase.
- Mr. Tanase executed an employment contract amendment agreement with RMGC on January 3, 2018 which provided for, amongst other terms and conditions, the following:
- (a) a reduction in severance due for termination of the existing employment contract by RMGC without cause to 18 months from 24 months;
- (b) elimination of a short term incentive bonus multiple applicable to the severance that would be payable for termination of the employment contract by RMGC without cause;
- (c) compensation payable to Mr. Tanase of 100% of base salary, payable in cash 25% on execution of the contract amendment agreement, 25% deferred to the earlier of achievement of a Board agreed milestone or June 30, 2018 and 50% on the earlier of the filing of the Reply or December 31, 2018; and
- (d) an increase of 10% in annual RON based salary, effective January 1, 2018.
- (6) Mr. Brown received Share-based and Option-based awards in respect of performance in the period under review, reflected in the table, as follows:
- (i) On December 19, 2017, Mr. Brown was awarded 597,478 RSUs details of which are included in the 2018 Management Information Circular.
- (ii) On December 24, 2018, due to a deferral of long term incentive compensation from 2017, Mr. Brown was awarded 500,000 Options at an exercise price of \$0.31 which vest 50% on the grant date and 50% on June 30, 2019.
- (iii) On January 10, 2019 following the compensation review for performance in 2018, Mr. Brown was awarded 700,000 Options at an exercise price of \$0.36 which vest 50% on the grant date and 50% on the first anniversary of the grant date.
- (7) Mr. Vaughan received Share-based and Option-based awards in respect of performance in the period under review, reflected in the table, as follows:
- (i) On December 19, 2017 Mr. Vaughan was awarded 494,325 RSUs details of which are included in the 2018 Management Information Circular.
- (ii) On December 24, 2018, due to a deferral of long term incentive compensation from 2017, Mr. Vaughan was awarded 100,000 Options at an exercise price of \$0.31 which vest 50% on the grant date and 50% on June 30, 2019.
- (8) Mr. Henry received Share-based awards in 2017 details of which are included in the 2018 Management Information Circular. Mr. Henry resigned as President & Chief Executive of the Company on July 10, 2018. A settlement amount of \$3.5 million was paid to Mr. Henry in July 2018, which included compensation for the forfeiture of all Options, RSUs and DSUs held by Mr. Henry at the time of his leaving the Company. Mr. Henry continues to act as a consultant to the Company in connection with the ongoing ICSID Arbitration case.

## INCENTIVE PLAN AWARDS

### Incentive Plan Awards - Option-based Awards and Share-based Awards granted in 2018

The following table provides certain information about the Option-based awards granted to each NEO during the 2018 calendar year.

<i>Name</i>	<i>Type of compensation security</i>	<i>Number of compensation securities, number of underlying securities</i>	<i>Date of issue or grant</i>	<i>Option exercise price (\$)</i>	<i>Closing price of security or underlying security on date of grant (\$)</i>	<i>Closing price of security or underlying security at year end (\$)</i>	<i>Expiry date</i>
Dragos Tanase	Options	300,000	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
Richard Brown	Options	500,000	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028
Max Vaughan	Options	100,000	24-Dec-2018	0.31	0.31	0.34	24-Dec-2028

No Share-based awards were granted to any NEO during 2018 and no Option-based awards or Share-based awards were exercised by any NEOs during 2018.

## Incentive Plan Awards - Outstanding Option-based Awards and Share-based Awards

The following table provides certain information about Option-based awards and Share-based awards outstanding for each NEO as at December 31, 2018.

Name	Option-based awards				Share-based awards		
	Number of Shares underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of Unexercised in-the-money options <sup>(1)</sup> (\$)	Number of Share-based awards (DSUs / RSUs) that have not vested	Market or payout value of Share-based awards (DSUs / RSUs) that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested Share-based awards (DSUs / RSUs) not paid out or distributed <sup>(2)</sup> (\$)
Dragos Tanase	300,000	0.31	24-Dec-28	9,000	—	—	—
	400,000	0.43	14-Dec-26	-	—	—	—
	500,000	0.40	10-Aug-25	-	—	—	—
	400,000	0.56	10-Dec-19	-	—	—	—
	250,000	0.79	2-Jan-19	-	—	—	—
Richard Brown	500,000	0.31	24-Dec-28	15,000	—	—	214,801
	500,000	0.43	14-Dec-26	-	—	—	—
	500,000	0.40	10-Aug-25	-	—	—	—
	400,000	0.56	10-Dec-19	-	—	—	—
	100,000	0.95	18-Jun-19	-	—	—	—
Max Vaughan	250,000	0.79	2-Jan-19	-	—	—	—
	100,000	0.31	24-Dec-28	3,000	—	—	186,771
	500,000	0.43	14-Dec-26	-	—	—	—
	500,000	0.40	10-Aug-25	-	—	—	—
	300,000	0.56	10-Dec-19	-	—	—	—
	200,000	0.79	2-Jan-19	-	—	—	—

Notes:

(1) The values expressed in this column are based on the difference between the market value of the Shares underlying the Options as at December 31, 2018, being \$0.34, and the exercise price of the Options.

(2) The values expressed in this column are based on the market value of the Shares underlying the DSUs/RSUs as at December 31, 2018, being \$0.34.

## PROHIBITION ON HEDGING AND TRADING IN DERIVATIVES

Pursuant to Gabriel's policies, directors and officers are not permitted to purchase financial instruments for the purpose of, or otherwise engage in, hedging or other price protective transactions with respect to Options or other equity or equity related securities of the Company which are held, directly or indirectly, by the director or officer. In addition, no officer or director is permitted to engage in the short sale of securities, or sales of borrowed securities, of the Company.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

### Benefits upon Termination or Change of Control

As of the date of this Circular, the Gabriel Group has continuing employment agreements in place with each of the NEOs other than Mr. Henry. As described above, Mr. Vaughan will cease to be an employee of RMGS with effect on May 31, 2019. The following table sets out a description of the termination and change of control benefits provided to each of the remaining NEOs pursuant to the terms of the Company's incentive plans and their respective employment agreements with the Gabriel Group<sup>(1)</sup>. Except as expressly noted in the table and accompanying footnotes below, each of the NEO's has the same termination and change of control benefits.

Type of Termination	Severance	Options	DSUs	RSUs	Other Benefits
<b>Resignation<sup>(2)</sup></b>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>All vested Options as of effective date of resignation remain exercisable for a period of 90 days following that date. All unvested Options are cancelled.</li> </ul>	<ul style="list-style-type: none"> <li>Entitlement to redeem outstanding DSUs within 90 day period commencing on the effective date of resignation.</li> </ul>	<ul style="list-style-type: none"> <li>Entitlement to settle vested RSUs within 90 day period commencing on the effective date of resignation. All unvested RSUs are cancelled.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>
<b>Termination for Cause<sup>(3)</sup></b>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>All vested Options as of date of termination remain exercisable for a period of 90 days following the date of termination. All unvested Options are cancelled.</li> </ul>	<ul style="list-style-type: none"> <li>Entitlement to redeem outstanding DSUs within a 90 day period commencing on the date of termination.</li> </ul>	<ul style="list-style-type: none"> <li>No entitlement to any RSU payout and all vested and unvested RSUs are cancelled.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>
<b>Termination without Cause<sup>(3)</sup></b>	<p>The following severance payments are payable in the event of termination without Cause:</p> <ul style="list-style-type: none"> <li>In the case of Mr. Brown a payment equal to 12 months' base salary.</li> <li>In the case of Mr. Tanase, a payment equal to 18 months' base salary.</li> </ul>	<ul style="list-style-type: none"> <li>All outstanding Options will immediately vest and remain exercisable for a period of 90 days following the date of termination.</li> </ul>	<ul style="list-style-type: none"> <li>Entitlement to redeem outstanding DSUs within a 90 day period commencing on the date of termination.</li> </ul>	<ul style="list-style-type: none"> <li>All outstanding RSUs will immediately vest and NEO shall be entitled to settle RSUs within a 90 day period commencing on the date of termination.</li> </ul>	<ul style="list-style-type: none"> <li>All medical and life insurance policies will continue in place for a period of up to one year for Mr. Mr. Brown.</li> </ul>

Type of Termination	Severance	Options	DSUs	RSUs	Other Benefits
<b>Change of Control<sup>(3)</sup></b>	<p>The following are payable in the event of (a) the involuntary termination of an NEO's employment within one year following a Change of Control event, or (b) the voluntary termination by the NEO of his employment within 60 days following the date which is 120 days after a Change of Control occurs:</p> <ul style="list-style-type: none"> <li>In the case of Mr. Brown a payment equal to the aggregate of: (i) two times base annual salary; and (ii) two times actual bonus averaged over the prior two years, with the bonus to include both the cash component and the cash equivalent as of the date of grant of any RSUs and DSUs comprising part of the bonus.</li> <li>In the case of Mr. Tanase, a payment equal to the aggregate of: (i) two times his base annual salary; and (ii) two times his actual bonus averaged over the prior two years.</li> </ul>	<ul style="list-style-type: none"> <li>All outstanding Options will immediately vest and remain exercisable for a period of 90 days following a Change of Control event.</li> </ul>	<ul style="list-style-type: none"> <li>Entitlement to redeem outstanding DSUs within a 90 day period following a Change of Control event.</li> </ul>	<ul style="list-style-type: none"> <li>All outstanding RSUs will immediately vest and NEO shall be entitled to settle RSUs within a 90 day period following a Change of Control event.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>

Notes:

- (1) Mr. Tanase is employed by the Company as President & Chief Executive Officer pursuant to an employment agreement between Mr. Tanase and RMGS dated August 2018. Mr. Tanase continues to serve as Managing Director of RMGC pursuant to an employment agreement between Mr. Tanase and RMGC. The employment agreement for Mr. Brown is with RMGS.
- (2) Messrs. Tanase and Brown may resign on three months' written notice of resignation under their employment agreements with RMGS. Mr. Tanase's RMGC employment agreement contains no specific requirements in respect of notice of resignation.
- (3) "Cause" and "Change of Control" are defined in an NEO's employment agreement. Mr. Brown's employment contract includes a legally binding undertaking from the Company that the Company may not terminate the employment without Cause prior to the earlier of (i) completion of the Hearing and the filing of post-Hearing briefs in the ICSID Arbitration or (ii) the date on which the Claimants notify ICSID of the suspension by the Claimants for more than 12 months, or the abandonment by the Claimants, of the ICSID Arbitration pursuant to a decision of the Board. Save for the aforementioned, the employment agreement with each NEO may be terminated by RMGS or RMGC (as the case may be) with or without cause, in all cases without prior written notice.

## Potential Payments upon Termination and Change of Control

The following table outlines the estimated value of the payments that the NEOs would have been entitled to receive in the event of (i) termination of their employment without ‘Cause’ on December 31, 2018 or (ii) a ‘Change of Control’ and a subsequent termination of their employment on December 31, 2018:

<i>Name</i>	<i>Termination without cause<sup>(1)</sup></i>	<i>Following change in control<sup>(1)</sup></i>	<i>Settlement of Share-based Awards<sup>(2)</sup></i>	<i>Exercise of Option-based Awards<sup>(3)</sup></i>
	(\$)	(\$)	(\$)	(\$)
Dragos Tanase	857,052	1,473,054	—	9,000
Richard Brown	432,302	1,395,994	214,801	15,000
Max Vaughan	172,921	581,878	186,771	3,000

Notes:

- (1) The exchange rate used to convert GBP to CAD was C\$1 = GBP 0.5783, and RON to CAD was C\$1 = RON 3.0425.
- (2) The additional value of DSUs and RSUs which would fully vest upon termination without cause or change of control, which are, at the election of the holder, payable in cash or Shares of the Company. These benefits are valued at the Share price at December 31, 2018 of \$0.34 as quoted on the TSX.
- (3) Value of Options which would fully vest upon termination without cause or change of control, which are, at the election of the holder, payable in cash or Shares of the Company. These benefits are valued at the Share price at December 31, 2018 of \$0.34 as quoted on the Exchange.

## PART VI

### CORPORATE GOVERNANCE STATEMENT

#### INTRODUCTION

The Board and management believe that sound and effective corporate governance is essential to Gabriel's performance. Gabriel has adopted certain practices and procedures to ensure that effective corporate governance practices are followed and that the Board functions independently of management. In addition, the CGC Committee of the Board (as previously defined in this circular "Committee") reviews Gabriel's corporate governance practices and procedures on a periodic basis to ensure that they address significant issues of corporate governance.

The following statement sets out a description of Gabriel's corporate governance practices as approved by the Board and in accordance with the requirements set forth in National Instrument 58-101 — Disclosure of Corporate Governance Practices ("**NI 58-101**").

#### COMPOSITION OF THE BOARD

The names of Gabriel's proposed directors, together with their age and country of residence, year first elected as a director, principal occupation, other principal public company directorships and standing committee memberships are set out under the section entitled "*Nominees for Election*" in Part III of this Circular. The Board had three standing committees, the CGC Committee, the Audit Committee and the Arbitration Committee ("**Standing Committees**"), as described in further detail below.

#### Majority Voting

The Board has adopted a policy requiring that any nominee for director who receives a greater number of "*withhold*" votes than votes "*for*" his or her election as a director shall submit his or her resignation to the CGC Committee for consideration promptly following the meeting of shareholders. This policy applies only to uncontested elections. The Board will consider the recommendation of the CGC Committee and determine whether to accept the resignation within 90 days of the applicable meeting of shareholders. A director who tenders his or her resignation will not participate in any meetings to consider whether the resignation shall be accepted. The Board will accept the resignation absent exceptional circumstances. Additional information may be found in the section entitled "*Business of the Meeting – Election of Directors*" in Part II of this Circular.

#### Board Interlocks

The CGC Committee does not believe that it is necessary to set a formal limit on the number of its directors who serve on the same board of another public company, as this is only one measure of its assessment in order to ensure the independence of directors and their ability to act in the best interest of the Company.

The CGC Committee considers public company board interlocks in the course of assessing each director's ability to serve as a director of the Company, and supports the disclosure of interlocks. As of the date of this Circular, there are no public company board interlocks among the Board members.

Details of all public company directorships held by each director are set out in the tables under the section entitled "*Nominees for Election*" in Part III of this Circular.

#### INDEPENDENCE OF BOARD MEMBERS

The Board reviews the independence of its members annually and has assessed the independence of each nominee for director. In determining independence, the Board considered the definitions of independence in NI 58-101 and NI 52-110.

In applying the independence criteria, the Board reviews and analyses the existence, materiality and effect of any relationships between Gabriel and each of its directors, either directly, through a family member or as a partner, shareholder or officer of another organization that has a relationship with Gabriel and determines in each case whether the relationships could, or could reasonably be perceived to, materially interfere with the director's ability to act independently of management or which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgement.

The Corporate Governance Guidelines of the Company provide that directors who are independent in the Board's determination (in light of all applicable securities laws, rules and regulations, including those of the Exchange) must comprise a majority of the Board at all times.

With the assistance of the CGC Committee, the Board has considered the relationship to Gabriel of each of the nominee directors for election by the shareholders at the Meeting and has determined that a majority of the individuals nominated for election (being six of the ten) are independent.

The nominees for election who are not considered to be independent are Dragos, Tanase, Dag Cramer, Ali Erfan and David Kay.

Each of the CGC Committee and Audit Committee are required to be and are comprised entirely of independent directors.

## **BOARD MANDATE**

The Board supervises the conduct of the affairs of the Company directly and through its Standing Committees. In so doing, the Board endeavours to act always in the best interests of the Company. In addition, the Board recognizes the importance of the enhancement of both short and longer term value for all shareholders. In carrying out its responsibilities, the Board appoints the senior executives of the Company and meets with them on a regular basis to receive and consider reports on the Company's business. The Board holds regularly scheduled meetings, with additional meetings being held as required to consider particular issues or conduct specific reviews between regularly scheduled meetings.

The fundamental responsibility of the Board is to supervise the management of Gabriel's business and affairs with a view to sustainable value creation for all shareholders. The Board promotes fair reporting, including financial reporting, to shareholders and other interested persons as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls.

The Board is, among other matters, responsible for the following:

- adopting a strategic planning process;
- reviewing risk identification and ensuring that procedures are in place for risk management;
- reviewing and approving annual operating plans and budgets;
- corporate social responsibility, ethics and integrity;
- succession planning, including the appointment and termination of the Chief Executive Officer and persons in charge of a principal business unit, division or function of Gabriel and its subsidiaries;;
- delegation and general approval guidelines for the management of Gabriel;
- monitoring financial reporting and management;
- reviewing corporate disclosure and communications;
- adopting measures for receiving feedback from stakeholders; and
- adopting key corporate policies designed to ensure that Gabriel and its directors, officers, employees, consultants and contractors comply with applicable laws, rules and regulations and conduct business for and on behalf of Gabriel ethically and with honesty and integrity.

The Board has adopted a formal written mandate which clarifies these responsibilities and complements the written mandates of each of the Standing Committees. The full text of the mandate is set out in Appendix I. A copy can also be found on Gabriel's website at [www.gabrielresources.com](http://www.gabrielresources.com).

### **Strategic Planning**

The Board works with management in developing the overall business strategy of the Company and the business plan(s) for achieving its objectives, which contribute to the overall objectives for the President and Chief Executive Officer. The Board receives regular updates from management regarding implementation of the business strategy.

Along with those matters which must by law be approved by the Board, key strategic decisions are also submitted by management to the Board for approval or discussion. In addition to approving specific corporate actions, the Board reviews and approves the reports issued to shareholders, including annual financial statements, as well as materials prepared for shareholders' meetings.

Directors are provided an opportunity to meet individually in work sessions with senior management to obtain further insight into the operations of the Company and its subsidiaries, and are involved on a regular basis in discussions with management. Each Standing Committee may engage outside advisors at the expense of the Company. Individual directors are also free to consult with members of senior management whenever so required and to engage outside advisors, at the expense of the Company, with the authorization of the CGC Committee.

To ensure that the Board is able to discharge its responsibilities independently of management, the following structures and processes are in place:

- the independent directors are invited to meet separately from management and the non-independent directors following each meeting of the Board. In camera sessions are on each meeting agenda and the independent directors of the Board met without non-independent directors and management on several occasions during 2018; there are no members of management on the Board, other than the President and Chief Executive Officer of the Company;
- when appropriate, members of management, including the President and Chief Executive Officer, are not present for the discussion and determination of certain matters at meetings of the Board;
- the Audit Committee and the CGC Committee consist entirely of directors who are independent;
- the President and Chief Executive Officer's compensation is considered, in his absence, by the CGC Committee and by the Board at least once a year; and
- in addition to the Standing Committees of the Board, independent committees are appointed from time to time, when appropriate.

### **The Chairman of the Board**

Mr. Hulley has been a member of the Board since 2006 and has held the position of Chairman of the Board since June 2010. As Chairman, Mr. Hulley is principally responsible for overseeing the operations and affairs of the Board. His responsibilities include leading, managing and organizing the Board, consistent with the approach to corporate governance adopted by the Board from time to time; confirming that appropriate procedures are in place to allow the Board to work effectively and efficiently and to function independently from management; acting as a liaison between the Board and senior management; encouraging effective communication between the Board and the CEO; and ensuring that the Board and senior management understand their respective responsibilities and respect the boundaries between them.

As described above, following the resignation of Mr. Henry as President & Chief Executive Officer in July 2018, Mr. Hulley was appointed as Interim President and Chief Executive Officer of the Company until Mr. Tanase's appointment on August 8, 2018.

## **Oversight of the President and Chief Executive Officer**

The President and Chief Executive Officer is appointed by the Board and is responsible for managing Gabriel's affairs. His key responsibilities also involve articulating the vision for the Company, focusing on creating value for shareholders, and developing and implementing a strategic plan that is consistent with the corporate vision.

Annually the Board may set objectives for the CEO which align with the Company's strategic plan. The President and Chief Executive Officer is accountable to the Board and the Standing Committees to the Board. The Board conducts a formal review of his performance once per year.

The Board has established clear limits of authority over expenditure and other matters for the CEO and reviews such authorities periodically as required. The Board receives both formal and informal reports on Gabriel's operating activities as well as timely reports on certain non-operational matters, including insurance, legal, corporate governance and financial matters.

## **Position Descriptions**

The Board has adopted position descriptions for the Chairman of the Board and the CEO which set out their respective duties and responsibilities. These position descriptions are reviewed by the Board from time to time.

The Board has determined that, given the size of the Board and the fact that each Standing Committee has a comprehensive written charter, a written position description for the chairperson of each Standing Committee is not required at this stage.

## **Risk Oversight**

The Board oversees the identification of the principal risks of Gabriel's business and ensures that there are systems in place to effectively identify, monitor and manage them where prudent to do so.

The Board and its Standing Committees manage various types of risks as follows:

- *Audit Committee*: the Audit Committee monitors financial related risks, including risks relating to internal controls over financial reporting, the delegation of financial authority, and financial risk management policies. The Audit Committee also oversees the Company's disclosure controls and procedures, and code of ethics.
- *CGC Committee*: CGC Committee oversees risks related to corporate governance matters and compensation related risks, and retention and succession risks.
- *Arbitration Committee*: the Arbitration Committee oversees the risks related to strategic decision-making and financial management aspects of the ICSID Arbitration.

In addition, members of the Board are encouraged to ask questions of management at Board and Standing Committee meetings, as well as throughout the year, to ensure that risks are appropriately identified, monitored and managed. The high level of engagement of Board members, as well as their extensive experience, contributes to the Board's risk oversight role.

## **MEETINGS OF THE BOARD AND STANDING COMMITTEES OF THE BOARD**

### **Scheduling and Frequency of Meetings**

The Chairman of the Board, in consultation with the Corporate Secretary, has the responsibility of establishing a schedule for the meetings of the Board and its Standing Committees each year, which is approved by the Board. Board and Standing Committee meeting dates are established sufficiently in advance where possible to minimize conflict with other commitments on directors' schedules. Absent exceptional circumstances, the Board aims to meet a minimum of five times per year, typically every quarter and prior to or following the annual meeting of the shareholders. If, during the course of the year, circumstances require Board or Standing Committee action or consideration, additional meetings are called.

The Chairman of the Board works with the CEO to establish the agenda for each Board meeting. The chairperson of each Standing Committee, in consultation with the Corporate Secretary, determines the agenda for each Standing Committee meeting. Each Board member is free to suggest inclusion of items on any Board or Standing Committee agenda.

Directors are expected to review meeting materials in advance of meetings to encourage and facilitate discussion and questions. Board and Standing Committee meeting dates are established well in advance and directors are expected to be prepared for and attend all Board meetings and relevant Standing Committee meetings absent extenuating circumstances.

### Meetings of the Board and Standing Committees in 2018

Between January 1, 2018 and December 31, 2018, the Board held seven meetings, the Audit Committee met four times, the CGC Committee met on six occasions and the Arbitration Committee met twice. The Arbitration Committee was formed by the Board with effect from March 14, 2018.

### Attendance at Board and Standing Committee Meetings in 2018

The attendance records for all directors at meetings of the Board or its Standing Committees for the year ended December 31, 2018 are set out below.

<i>Director</i>	<i>Board</i>	<i>Audit Committee</i>	<i>CGC Committee</i>	<i>Arbitration Committee</i>	<i>Overall Attendance</i>
<b>Dag Cramer</b>	6/7 (86%)	—	—	—	<b>6/7 (86%)</b>
<b>Dr. Alfred Gusenbauer</b>	5/7 (71%)	—	—	—	<b>5/7 (71%)</b>
<b>Jonathan Henry<sup>(2)</sup></b>	3/4 (75%)	—	—	1/1 (100%)	<b>4/5 (80%)</b>
<b>Keith Hulley</b>	7/7 (100%)	—	—	—	<b>7/7 (100%)</b>
<b>David Kay</b>	6/7 (86%)	—	—	2/2 (100%)	<b>8/9 (89%)</b>
<b>Wayne Kirk</b>	6/7 (86%)	4/4 (100%)	5/6 (83%)	2/2 (100%)	<b>17/19 (89%)</b>
<b>Janice Stairs</b>	7/7 (100%)	—	6/6 (100%)	2/2 (100%)	<b>15/15 (100%)</b>
<b>William Natbony</b>	7/7 (100%)	4/4 (100%)	—	2/2 (100%)	<b>13/13 (100%)</b>
<b>David Peat</b>	7/7 (100%)	4/4 (100%)	—	—	<b>11/11 (100%)</b>
<b>Walter Segsworth</b>	5/7 (71%)	—	6/6 (100%)	—	<b>11/13 (86%)</b>
<b>Dragos Tanase<sup>(2)</sup></b>	2/2 (100%)	—	—	—	<b>2/2 (100%)</b>













Notes:

- (1) The table only shows attendance at Standing Committee meetings for which a director is a committee member, however, directors may and frequently do attend meetings of Standing Committees of which they are not a member. Mr. Hulley, as Non-Executive Chairman of the Board, attends all Standing Committee meetings on a non-compensated basis. The CEO attends all Standing Committee meetings on a non-compensated basis.
- (2) Mr. Tanase was appointed on August 8, 2018 and replaced Mr. Henry as Chief Executive Officer with effect from that date.

## STANDING COMMITTEES OF THE BOARD

As described above, the Board had three Standing Committees in the year to December 31, 2018. Each Standing Committee operates under a written charter that sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the Board. The charters are reviewed periodically by the relevant Standing Committee, which may make recommendations to the Board for changes.

The following table sets out the chairperson and members of each of the Standing Committees as at May 16, 2019:

<i>Director</i>	<i>Audit Committee</i>	<i>CGC Committee</i>	<i>Arbitration Committee</i>
Dag Cramer			
Dr. Alfred Gusenbauer			
Keith Hulley			
David Kay			
Wayne Kirk			
William Natbony			
David Peat			
Walter Segsworth			
Janice Stairs			
 Chairperson of the Committee  Member of the Committee			

In addition to the responsibilities described elsewhere in this Part VI, the following provides a brief summary of the key functions, roles and responsibilities of each Standing Committee and its members.

### Audit Committee

The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to, among other things:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented and tested by management of Gabriel; and
- external and internal audit processes.

As of May 16, 2019 the members of the Audit Committee were Messrs. Peat (Chair), Kirk and Natbony. The Board has determined that all of the Audit Committee members are independent (as set forth in National Instrument 52-110 – Audit Committees) and are financially literate as required by applicable securities legislation. Between January 1, 2018 and December 31, 2018, the Audit Committee met four times. A decision will be made by the Board on the future composition of the Audit Committee following the election of directors in June 2019 as Mr. Natbony is not standing for re-election.

### Corporate Governance and Compensation Committee

The CGC Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to, among other things:

- developing corporate governance guidelines and principles for Gabriel;
- identifying individuals qualified to be nominated as members of the Board;
- structure and composition of Board committees;
- evaluating the performance and effectiveness of the Board;

- reviewing executive management succession and development;
- establishment of key compensation policies of Gabriel, including all incentive and equity based compensation plans;
- if deemed appropriate, establishment of corporate goals and objectives relevant to the compensation of the CEO and persons in charge of a principal business unit, division or function of Gabriel and its subsidiaries;
- evaluation of the CEO's performance and determination of the CEO compensation;
- evaluation of the performance of other senior executives and determination of their compensation; and
- determination of compensation of non-executive directors.

Further details of the role of the CGC Committee, and compensation consultants to the CGC Committee, are set out under the section entitled "*Compensation Review Process*" in Part V of this Circular. As of May 16, 2019, the members of the CGC Committee were Messrs. Kirk (Chair) and Segsworth and Ms. Stairs, each of whom is independent. Between January 1, 2018 and December 31, 2018, the CGC Committee met six times.

### **Arbitration Committee**

The Arbitration Committee was formed on March 14, 2018. The Arbitration Committee was formed to assist the Board in fulfilling its oversight responsibilities with respect to the ICSID Arbitration, in relation to, among other things:

- the strategy and direction of the ICSID Arbitration, including the legal budget and expenditures;
- consideration of material issues arising in the ICSID Arbitration; and
- recommendations on matters that are within the purview of the Board.

As of May 16, 2019, the members of the Arbitration Committee were Ms. Stairs (Chair) and Messrs. Kay, Kirk, and Natbony. Three of the CGC Committee members are independent. Between its formation on March 14, 2018 and December 31, 2018, the Arbitration Committee met twice. A decision will be made by the Board on the future composition of the Arbitration Committee following the election of directors in June 2019 as Mr. Natbony is not standing for re-election.

### **ASSESSMENT PROCESS**

The Company has established an annual process ("**Evaluation Process**") whereby directors are provided with an opportunity to evaluate the effectiveness of the Board, the directors and the Standing Committees, and to identify areas where effectiveness can be improved or enhanced. The Evaluation Process is conducted by the CGC Committee.

The Evaluation Process involves the solicitation of input from individual directors through an annual assessment questionnaire completed by each member, which explores the directors' views and solicits feedback on, amongst other matters, (i) how well he or she believes the Board, the directors and the Committees are performing; (ii) the key competencies required by the Board and the extent to which these are served by the existing Board members; and (iii) their assessment of their own performance, including their availability and attendance, preparations, contributions, and knowledge and judgment. The Evaluation Process includes open-ended questions to allow directors to suggest improvement.

The results of the Evaluation Process are subsequently presented by the CGC Committee to the Board and discussed by the Board. The CGC Committee recommends to the Board any changes required to enhance performance based upon the Evaluation Process. The Chairman of the CGC Committee also annually polls the directors regarding their assessment of the performance and suitability for re-nomination of the other directors (other than himself), with assessments of the CGC Committee Chairman provided to the Chairman of the Board.

## SKILLS MATRIX

The Company considers that a board of directors with a diverse set of skills is better able to oversee the wide range of issues that arise in a company of Gabriel's complexity. The CGC Committee therefore undertakes the Evaluation Process every year to assess the Board's overall effectiveness and make sure its size and composition represent the quality and mix of skills needed to oversee management and Gabriel's business affairs. The mix of skills and experience of the Board in areas that are considered by the directors to be important to the business and operations of Gabriel are described below.

<i>Skill and Experience</i>	<i>Number of Current Directors</i>
<b>Senior Executive Experience</b> Experience as a senior officer or chair of a publicly listed company or major organization.	<b>10</b>
<b>Other Directorships</b> Current experience as a board member of a major organization (other than Gabriel - public, private, non-profit).	<b>9</b>
<b>Mining Industry Experience</b> Experience in a management, board or consulting role in mining operations, exploration or development.	<b>9</b>
<b>Financial Expertise</b> Senior financial officer of a publicly listed company or major organization or experience in financial accounting and reporting and corporate finance (familiarity with internal financial controls and IFRS).	<b>5</b>
<b>Technical Expertise</b> Experience with a leading mining or resource company with reserves, exploration and operations expertise.	<b>2</b>
<b>Legal Expertise</b> Experience as a lawyer either in private practice or in-house with a publicly listed company or major organization.	<b>3</b>
<b>Environmental/Sustainable Development Expertise</b> Understanding of and experience with corporate responsibility practices and the constituents involved in environmental/sustainable development policies.	<b>5</b>
<b>European Experience</b> Experience in a management, board or consulting role in conducting or overseeing business in Europe.	<b>4</b>
<b>Government/Political Experience</b> Experience in, or a good understanding of, the workings of governments, politics and public policy domestically and internationally.	<b>5</b>
<b>Corporate Governance Expertise</b> Knowledge of and experience with corporate governance requirements, practices and processes and the constituents involved in corporate governance policies.	<b>10</b>

## ORIENTATION AND CONTINUING BOARD EDUCATION

As appropriate, each new member of the Board participates in an informal orientation program. The orientation program includes in-person meetings with senior management on key business, financial, legal, permitting, government relations and operational topics central to Gabriel's business and operations. The orientation program also focuses on the role of the Board, its Standing Committees and its directors, and new directors are provided with orientation materials describing the business of the Company, its corporate governance structure and related policies and information.

Key management and advisors are regularly invited to attend Board meetings to provide detailed presentations to the Board on significant developments and topics within their area of responsibility and expertise. A Directors' binder, which includes but is not limited to company information, corporate structure, position descriptions, board committee charters, principal corporate policies and relevant documentation describing Gabriel's current business activities, is updated and provided to the directors on a periodic basis. Legal counsel is made available to all directors to address any questions they may have on the role of the Board or its Standing Committees.

Continuing education is provided as necessary by management through presentations to the Board and Standing Committees. Directors are briefed regularly on strategic issues affecting the Company. Board members are encouraged to participate in continuing education relevant to their roles as directors and committee members. In addition, periodic presentations are provided by external legal counsel regarding recent developments in specific matters.

## **NOMINATION OF NEW DIRECTORS AND BOARD SIZE**

The CGC Committee is responsible for assessing the need for new directors, and the preferred experience and qualifications of new directors, taking into consideration the independence, age, skills and experience required for the effective conduct of the Gabriel's business. The CGC Committee recommends candidates for initial Board membership and Board members for re-nomination. The skills matrix referred to above is used by the CGC Committee to assist with its identification of the skills and experience required for nominees to the Board and recommendations are based upon character, integrity, judgment, business experience, record of achievement and skills or talents that would enhance the Board and overall management of the business and affairs of the Company.

The CGC Committee maintains an understanding of the anticipated tenure of current directors, and the needs of the Board as a whole. Particular candidates are considered in light of the Board's current and anticipated needs.

As described above, Board members complete annual assessment reports, and are polled regarding the performance of the other directors, which are reviewed by the CGC Committee to ensure that the Board as a whole has the appropriate mix of skills and competence and to assist in placing Board members on Standing Committees where their expertise can best be utilized, and also to identify skills and experience gaps important in identifying any new nominees to the Board.

In light of the circumstances under which the Company is now operating, including the significant change in focus of the Company, the Board re-evaluated the appropriate size and composition of the Board and its Standing Committees in each of the last three years. The introduction of the Arbitration Committee in early 2018 with Ms. Stairs as its Chair fulfilled a need to bring a mix of relevant legal and industry knowledge to the core focus of the Company, namely the ICSID Arbitration.

## **DIVERSITY AND GENDER REPRESENTATION**

As described above, the Board has determined to put forward for election ten directors of the Company, including the re-election of Ms. Janice Stairs who was appointed in June 2017.

While, as at the date of this document, the Company has one woman on its Board and currently has no female executive officers, the Company believes that diversity can enhance both the quality and effectiveness of company performance and can be an important aspect of effective corporate governance.

In identifying and nominating candidates for election to the Board or as executive officers, the Company is committed to maintaining a robust campaign to recruit the best qualified candidates whose appointments will be made based on merit, in the context of skills, experience, independence, knowledge and other qualities which the Company requires to be effective, with due regard for the benefits of diversity (including the level of representation of women on the Board and in executive officer positions).

### **Policies and Targets regarding the Representation of Women on the Board and in Executive Officer Positions**

The Company has not adopted a written policy relating to the identification and nomination of women directors to the Board or in executive officer positions. The Board believes that its approach is appropriate for the current circumstances of the Company and a formal written policy is not necessary to achieve positive outcomes in Board and senior management gender diversity.

The Company has not adopted quotas or targets regarding gender representation on the Board or in executive officer positions. The Board does not believe that any candidate for a director nominee or an executive officer position should be chosen nor excluded solely or largely because of gender or diversity representation. In selecting a candidate, the Board focuses on skills, expertise and background that would complement the existing Board and/or the existing management team (as the case may be).

Selection of diverse candidates to the Board and to executive officer positions will be, in part, dependent upon the pool of such candidates with the necessary skills, knowledge and experience. As noted above, the ultimate decision will be based on merit and the contribution the chosen candidate will bring to the Company.

## **RETIREMENT POLICY AND TERM LIMITS**

The Board has not adopted a mandatory retirement policy or term limits for directors. The Board believes that mandatory retirement and term limits may result in the loss of effective directors with deep knowledge of the Company. Instead, determination of a director's continued fitness for service as a member of the Board is assessed through the implementation of the Board and individual director assessment process outlined above.

## **SUCCESSION PLANNING AND EVALUATION OF OFFICERS**

The Board ensures the continuity of executive management by overseeing succession planning. The CGC Committee is specifically mandated to assist the Board in this regard, by ensuring that appropriate executive succession planning processes are in place and operating effectively for executives. The CGC Committee also reviews significant changes to the organization's structure as they arise and their impact on executive roles.

Depending on the position at issue, the Audit Committee may also be involved in the periodic review of succession planning.

The CGC Committee considers, and where deemed necessary undertakes, a periodic review of the succession planning process and results for executive management and reports to the Board on these matters. As part of this process, the CEO reviews other executive management positions with the CGC Committee.

The CGC Committee assists the Board in monitoring the performance of the CEO by conducting an annual review of the CEO's performance against any predetermined goals and criteria (including any goal of succession planning) and reporting to the Board, as well as recommending to the Board the total annual compensation of the CEO (see "*Compensation Discussion and Analysis*" in Part V of this Circular). The CGC Committee also reviews with the CEO the performance of his direct reports and recommendations for their total compensation.

## **COMPENSATION OF DIRECTORS AND OFFICERS**

The Board believes that compensation for directors and officers should be competitive with the compensation paid to directors and officers of comparable companies and also set in the context of the unique challenges which are brought about by involvement in the ICSID Arbitration. The CGC Committee reviews directors' compensation annually and makes recommendations to the Board. Directors who are employees of the Company or any of its affiliates do not receive any compensation for service as directors. Compensation paid to each director during 2018 is set out under "*Directors' Compensation for 2018 – Annual Director Compensation*" in Part IV of this Circular. Gabriel's executive compensation philosophy is described under "*Compensation Discussion and Analysis – Compensation Philosophy and Objectives*" in Part V of this Circular.

## **MINIMUM SHARE OWNERSHIP REQUIREMENTS**

The Board has not established guidelines with respect to minimum share ownership requirements by directors or officers of the Company. As a significant portion of total remuneration of directors and management is "at risk" and provided in the form of Options and/or RSUs or DSUs, which are intended to strengthen the alignment of management and shareholder interests, the Board has not considered it necessary to maintain minimum share ownership requirements for the Company's directors or officers.

## **COMMUNICATION/DISCLOSURE POLICY AND STAKEHOLDER FEEDBACK**

### **Communications/Disclosure Policy**

Gabriel has adopted a Corporate Disclosure Policy that establishes guidelines and standards for Gabriel's communications with shareholders, investment analysts, other stakeholders and the public generally. This policy includes measures to avoid selective disclosure of material information, and establishes internal processes for key public communications. The policy also addresses Gabriel's obligations for continuous and timely disclosure of material information and, together with Gabriel's Insider Trading Policy, sets governance standards together with requiring directors, officers, employees and contractors trading in Shares and other securities to comply with applicable law.

Gabriel has disclosure controls and procedures designed to ensure that material information relating to Gabriel is made known to its CEO and CFO. Gabriel has a Disclosure Committee, comprised of its CEO, CFO, CCO, Group General Counsel and Group Financial Controller, and has designed and implemented due diligence procedures to support the financial reporting process and the certification of its financial reports by the CEO and CFO.

Gabriel interprets its operations for its shareholders and other stakeholders through its periodic financial reports, securities filings, news releases, website and industry forum presentations. Gabriel encourages and seeks stakeholder feedback through various channels, including corporate communications. The Board, directly or through the activities of the Audit Committee, reviews and approves all quarterly and annual financial statements and related management's discussion and analysis, management information circulars, annual information forms (as applicable) and press releases containing significant new financial information, among others.

The Board is mandated to ensure systems are in place for communication with Gabriel's shareholders and other stakeholders. Gabriel currently maintains email and regular mail addresses for stakeholder feedback and questions. In addition, Gabriel encourages shareholders to attend Gabriel's annual meeting. Typically, Members of the Board are in attendance at annual meetings and are available to answer questions as appropriate.

### **Stakeholder Feedback**

The Board recognizes that it is also important for the Board to communicate with shareholders, including organizations that represent or advise shareholders on matters of governance (collectively, "**Interested Parties**") and to that end, has consulted with management to develop a procedure to assist in managing inquiries directed to the Board or its members.

Interested Parties may communicate to the Board in writing to express their views on matters that are important to them by addressing their correspondence to the Board in care of the Corporate Secretary at Gabriel Resources Ltd., c/o RM Gold (Services) Ltd., Central Court, 25 Southampton Buildings, London WC2A 1AL, United Kingdom or via email at: [ir@gabrielresources.com](mailto:ir@gabrielresources.com), subject line: Attention: Chairman of the Board c/o Corporate Secretary.

While the Board oversees management, it does not participate in the day to day business and affairs of Gabriel. The Board has instructed the CEO or Corporate Secretary to review all inquiries and, in his discretion, determine whether a response from the Board is appropriate or, if the inquiries relate to the day to day business and affairs of Gabriel, then to direct the inquiry to management for a response. All inquiries will receive a response from either the Board or management as appropriate. Records of all inquiries will be maintained.

## CODE OF BUSINESS CONDUCT AND ETHICS

The Board expects all of Gabriel's directors, officers and employees to conduct themselves in accordance with high ethical and legal standards.

In addition to formal policies regarding anti-bribery and corruption, gifts and hospitality, and whistle blowing, the Board has adopted a Code of Business Conduct and Ethics ("**Code**") which applies to Gabriel's directors, officers, employees, consultants and contractors. The Code requires strict compliance with legal requirements and sets Gabriel's standards for the ethical conduct of our business. Topics addressed in the Code include policy matters, avoidance of conflicts of interest, compliance with applicable laws, codes and regulations, and procedures for employees and third parties to report concerns with respect to violations of the Code.

Directors are required to report promptly to the Board all actual, potential or perceived conflicts of interest regarding any matter under consideration. Directors may not participate in discussions, deliberations or decision-making in which they have a conflict of interest.

The Code is supported by detailed policy guidance and standards and a Code compliance program, under which every Gabriel director, officer, employee, consultant and, where appropriate, contractor is periodically required to affirm that he or she understands the requirements of the Code and provide confirmation of his or her compliance with the Code during the preceding year.

The Board exercises stewardship over the Code in several respects. Ordinarily, the Code and related corporate policies are reviewed by management and the Board on a periodic, typically annual, basis and, if appropriate, updated. Management reports to the CGC Committee on this process and any changes are reviewed by the CGC Committee and the Board. Any waivers of Code requirements for Gabriel's executive officers or members of the Board must be approved by the Board or appropriate Committee thereof and disclosed. No such waivers were granted in 2018.

Gabriel encourages directors, officers, employees, consultants and contractors to raise any policy breach and/or ethical concerns, without fear of retaliation.

Gabriel's "*Whistle Blowing Policy*" provides a means for Gabriel's directors, officers, employees, consultants and contractors to raise issues of concern confidentially to: (i) the Chief Commercial Officer of the Company; (ii) the Chair of the Audit Committee; or (iii) the Head of Human Resources of RMGC.

As set out in Gabriel's Whistle Blowing Policy, an individual who, in good faith, reports a concern is protected from reprisal, such as dismissal, disciplinary action, retaliation or discrimination. Any issues of a serious nature are investigated by the Company's Chief Commercial Officer, the Head of Human Resources of RMGC and/or the Audit Committee. The Audit Committee receives regular updates on activities relating to the Whistle Blowing Policy.

Copies of the Code and Gabriel's Whistle Blowing Policy are available on the Company's website at [www.gabrielresources.com](http://www.gabrielresources.com).

## **PART VII**

### **ADDITIONAL INFORMATION**

#### **DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNIFICATION**

Under policies purchased by Gabriel, insurance is in effect for the benefit of directors and officers of the Gabriel Group against liabilities incurred by them in their capacity as directors and officers. Gabriel is also insured under this policy in the event it is permitted or required by law to indemnify individual directors and officers.

In March 2019, Gabriel paid a premium of approximately \$257,000 for directors and officers insurance for the period ending January 31, 2020.

Gabriel's by-laws also provide for the indemnification of its directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain limitations. Gabriel has also entered into agreements with each of its directors and officers providing for indemnification and related matters.

#### **INTERESTS OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON**

Except as disclosed elsewhere in this Circular, or in the press releases and material change reports of the Company concerning the 2018 Private Placement, no director or officer of Gabriel, or any associate or affiliate thereof or, to the knowledge of Gabriel, any person who beneficially owns, or controls or directs, directly or indirectly, 10% or more of the voting shares of Gabriel, or any associate or affiliate thereof had any material interest, direct or indirect, by way of beneficial ownership of Shares or otherwise, in any matter to be acted upon or in any transaction of Gabriel since January 1, 2018, or in any proposed transaction that has materially affected or will materially affect Gabriel or any of its subsidiaries.

#### **SHAREHOLDER PROPOSALS FOR NEXT YEAR'S ANNUAL MEETING**

The Yukon Business Corporations Act permits certain eligible shareholders of the Company to submit shareholder proposals to the Company, which proposals may be included in a management information circular relating to an annual meeting of shareholders. The final date by which the Company must receive shareholder proposals for the annual meeting of shareholders of the Company to be held in 2020 is February 20, 2020.

#### **AVAILABILITY OF DOCUMENTS**

Financial information for the year ended December 31, 2018 is provided in the audited consolidated financial statements and management discussion and analysis ("**MD&A**") of the Company.

A copy of the Company's audited consolidated financial statements and MD&A for the financial year ended December 31, 2018 was mailed on March 18, 2019 to all shareholders who requested a copy of such report through the completion and return of the mailing card provided by the Company in its last annual mailing. For those shareholders who did not request to receive a copy of the audited consolidated financial statements and MD&A, a copy is available upon request to the Company (see below) and can also be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.gabrielresources.com](http://www.gabrielresources.com).

The Company will provide to any person or corporation, upon request, one copy of any of the following documents: (i) this Circular; (ii) the Company's most recently filed audited consolidated financial statements, together with the accompanying report of the auditor; and (iii) any interim financial statements of the Company that have been filed for any period after the end of the Company's most recently completed financial year.

Copies of the above documents will be provided, upon request, by the Corporate Secretary at Gabriel Resources Ltd., c/o RM Gold (Services) Ltd., Central Court, 25 Southampton Buildings, London WC2A 1AL, United Kingdom, free of charge to security holders of the Company. Copies of these documents and other information relating to the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.gabrielresources.com](http://www.gabrielresources.com).

#### **CORPORATE ADDRESS**

The Company's registered office is situated at Suite 200 - 204 Lambert Street, Whitehorse, Yukon Y1A 1Z4, Canada. The Company also maintains administrative offices in the United Kingdom at Central Court, 25 Southampton Buildings, London WC2A 1AL

#### **BOARD OF DIRECTORS' APPROVAL**

The contents of this Circular and its sending to shareholders of the Company have been approved by the Board of Directors of Gabriel.

DATED as of May 16, 2019.

**By Order of the Board of Directors**

*(Signed)*

Simon Lusty  
*Corporate Secretary*

## APPENDIX I

### BOARD MANDATE

#### 1 INTRODUCTION

- 1.1 The board of directors (“**Board**”) of Gabriel Resources Ltd. (“**Gabriel**”)<sup>1</sup> is elected by the shareholders of Gabriel and is responsible for the stewardship of Gabriel and its subsidiary companies. The purpose of this mandate is to describe the principal duties and responsibilities of the Board as well as some of the policies and procedures the Board will adopt in discharging its duties and responsibilities.

#### 2 ROLE AND RESPONSIBILITIES OF THE BOARD

- 2.1 The role of the Board is to represent the shareholders of Gabriel, enhance and maximize shareholder value, and conduct the business and affairs of Gabriel ethically and in accordance with the highest standards of corporate governance. The Board will promote fair reporting, including financial reporting, to shareholders and other interested persons, as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls. The Board is ultimately accountable and responsible for providing independent, effective leadership in guiding the management of the business and affairs of Gabriel. The responsibilities of the Board include:

- adopting a strategic planning process;
- reviewing risk identification and ensuring that procedures are in place for risk management;
- reviewing and approving annual operating plans and budgets;
- corporate social responsibility, ethics and integrity;
- succession planning, including the appointment and termination of the Chief Executive Officer (“**CEO**”) and persons in charge of a principal business unit, division or function of Gabriel and its subsidiaries (being the officers of Gabriel, other than the non-Executive Chair, and the Managing Director of Rosia Montana Gold Corporation S.A. together “**Senior Executives**”);
- delegation and general approval guidelines for the persons with a management role for Gabriel (“**Management**”);
- monitoring financial reporting and management;
- reviewing corporate disclosure and communications;
- adopting measures for receiving feedback from stakeholders; and
- adopting key corporate policies designed to ensure that Gabriel, its directors, officers, employees, consultants and contractors comply with all applicable laws, rules and regulations and conduct business for and on behalf of Gabriel ethically and with honesty and integrity.

- 2.2 The Board will delegate responsibility for the day-to-day management of Gabriel’s business and affairs to the Senior Executives or Management as appropriate and will review their performance.

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<sup>1</sup> When this Mandate refers to stewardship or the application of the principles and actions therein to “Gabriel”, such reference includes Gabriel and its subsidiaries, as appropriate.

- 2.3 The Board may delegate certain matters for which it is responsible to Board committees. The Board will, however, retain its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

### **3 STRATEGIC PLANNING PROCESS AND RISK MANAGEMENT**

- 3.1 The Board will adopt a strategic planning process to establish objectives and goals for Gabriel's business and will review, approve and modify as appropriate the strategies proposed by Management to achieve such objectives and goals. The Board will review and approve, at intervals that it deems appropriate, a strategic plan which takes into account, among other things, the opportunities and risks of Gabriel's business and affairs.
- 3.2 The Board, in conjunction with Management, will identify the principal risks of Gabriel's business and will oversee Management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks.

### **4 CORPORATE SOCIAL RESPONSIBILITY, ETHICS AND INTEGRITY**

- 4.1 The Board will provide leadership to Gabriel in support of its commitment to corporate social responsibility, set the ethical tone for Gabriel and Management within its group of companies, and foster ethical and responsible decision making by such Management. The Board will take all reasonable steps to satisfy itself of the integrity of Management and satisfy itself that Management create a culture of integrity throughout the organization.

### **5 SUCCESSION PLANNING, APPOINTMENT, SUPERVISION AND COMPENSATION**

- 5.1 The Board will approve the succession plan for Gabriel, including the selection, appointment, supervision and evaluation of the CEO and the other Senior Executives, and will also approve the compensation of the CEO and the other Senior Executives.

### **6 DELEGATIONS AND APPROVAL AUTHORITIES**

- 6.1 The Board will delegate to Management authority over the day-to-day management of the business and affairs of Gabriel. This delegation of authority will be subject to specified financial limits and any transactions or arrangements in excess of general authority guidelines will be reviewed by and be subject to the prior approval of the Board.

### **7 MONITORING OF FINANCIAL REPORTING AND MANAGEMENT**

- 7.1 The Board will approve regulatory filings relating to financial reporting, including the annual audited financial statements, interim unaudited financial statements, the notes and management discussion and analysis accompanying such financial statements, quarterly and annual reports, management information circulars, annual information forms, prospectuses, and all capital investments, equity financings, borrowings and annual operating plans and budgets.

- 7.2 The Board will adopt procedures to ensure the integrity of internal controls and management information systems to ensure compliance with all applicable laws, rules and regulations, and to prevent violations of applicable laws, rules and regulations relating to financial reporting and disclosure, fraud against Gabriel, and violations of its code of business conduct and ethics.

## **8 CORPORATE DISCLOSURE AND COMMUNICATIONS**

- 8.1 The Board will ensure that all corporate disclosure complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which Gabriel's securities are listed. In addition, the Board will adopt procedures to ensure the Board receives feedback from security holders on material issues.

## **9 REVIEW OF MANDATE**

- 9.1 The Corporate Governance & Compensation Committee will periodically review and assess the adequacy of this Mandate and recommend any proposed changes to the Board for consideration.

## APPENDIX II

### EQUITY COMPENSATION PLANS

#### PART A

#### SECURITIES AUTHORIZED FOR ISSUANCE

The following table sets forth information with respect to securities reserved by the Board of Directors for issuance under the Company's equity compensation plans as at May 16, 2019:

<i>Plan Category<sup>(1)</sup></i>	<i>Number of Shares available to be issued upon the exercise of outstanding options/units (number)</i>	<i>Weighted- average exercise price of outstanding options (\$)</i>	<i>Number of Shares Remaining available for future issuance under equity compensation plans<sup>(3)</sup> (number)</i>
Option Plan	28,255,501	\$0.48	3,534,164
DSU Plan	2,941,553	n/a <sup>(2)</sup>	3,332,438
RSU Plan	1,034,803	n/a <sup>(2)</sup>	3,765,653
Equity compensation plans not approved by security holders	n/a	n/a	—
	<b>32,231,857</b>		<b>10,632,255</b>
Capable of further reserve for issuance under the Option Plan			17,327,081
<b>Total<sup>(4)</sup></b>	<b>32,231,857</b>	—	<b>27,959,326</b>

Notes:

- (1) The maximum number of Shares which may be reserved for issuance under the Option Plan shall not exceed 10% of the Shares issued and outstanding from time to time, calculated on a non-diluted basis. The maximum number of Shares which may be reserved for issuance under the RSU Plan and DSU Plan is fixed at 5,000,000 and 7,000,000 respectively.
- (2) DSUs and RSUs do not require payment by the holder on redemption or settlement.
- (3) As at May 16, 2019 an aggregate of 42,864,112 securities were reserved for issuance under all of the Company's equity based compensation arrangements. Of this number, 3,534,164 securities had been allocated to awards to individuals under the Company's incentive stock option plan. A further 17,327,081 Shares are capable of being reserved before the Company reaches the maximum percentage (10%) of Shares allowable to be set aside (being equivalent to 49,116,746 Shares) in respect of issuance and exercise or redemption under the Option plan.

## APPENDIX II

### EQUITY COMPENSATION PLANS

#### PART B

#### SUMMARY OF EXISTING SHARE-BASED COMPENSATION PLANS

The following table sets out certain relevant disclosure with respect to the Company's existing Share-based compensation plans as at May 16, 2019:

	OPTION PLAN	DSU PLAN	RSU PLAN
<b>Eligible participants</b>	Any director, officer or employee of, or consultant to, Gabriel or of any subsidiary of Gabriel.	A director or senior officer of Gabriel designated by the Compensation Committee of Gabriel as eligible to participate in the DSU Plan.	Any director, officer or employee of, or consultant to, Gabriel or of any subsidiary of Gabriel.
<b>Maximum number of securities issuable under each arrangement</b>	<p>The maximum number of Shares which may be reserved for issuance under the Option Plan is 10% of the issued and outstanding Shares (calculated on a non-diluted basis) from time to time.</p> <p>As at May 16, 2019, a total of 31,789,665 Shares have been reserved for issue pursuant to the exercise of Options under the Option Plan, of which 28,255,501 have been allocated to Options in issue and outstanding at that date.</p>	<p>The maximum number of DSUs which may be awarded under the DSU Plan, and the maximum number of Common Shares that may be issued upon redemption or cancellation of such DSUs, is 7,000,000.</p> <p>If DSUs granted under the DSU Plan are redeemed for cash or otherwise cancelled without the issuance of Common Shares, then such number of DSUs shall automatically be again available for award under the DSU Plan.</p> <p>As at May 16, 2019, a total of 726,009 Shares had been issued pursuant to the redemption of DSUs and a further 2,941,553 Shares have been reserved for issue pursuant to the redemption of outstanding DSUs under the DSU Plan.</p> <p>Accordingly, the maximum number of further Shares which may be issued from treasury pursuant to the redemption of DSUs to be granted in the future under the DSU Plan is 3,332,438.</p>	<p>A maximum of 5,000,000 RSUs may be issued under the RSU Plan.</p> <p>As at May 16, 2019, a total of 199,544 Shares had been issued pursuant to the settlement of RSUs and a further 1,034,803 Shares have been reserved for issue pursuant to the settlement of outstanding RSUs under the RSU Plan.</p> <p>Accordingly, the maximum number of further Shares which may be issued from treasury pursuant to the settlement of RSUs to be granted in the future under the RSU Plan is 3,765,653.</p>

<b>Maximum number of securities under each arrangement available to Insiders and their Associates</b>	The maximum number of Shares (i) issuable to Insiders at any time and (ii) which may be issued to Insiders within a one year period, pursuant to the exercise of Options under the Option Plan (and all Share compensation arrangements of the Company) is 10% of the then issued and outstanding Shares (calculated on a non-diluted basis).	The maximum number of Shares (i) issuable to Insiders at any time and (ii) which may be issued to Insiders within a one year period, pursuant to the redemption of DSUs under the DSU Plan (and all Share compensation arrangements of the Company) is 10% of the then issued and outstanding Shares (calculated on a non-diluted basis).	The maximum number of Shares (i) issuable to Insiders at any time and (ii) which may be issued to Insiders within a one year period, pursuant to the settlement of RSUs under the RSU Plan (and all Share compensation arrangements of the Company) is 10% of the then issued and outstanding Shares (calculated on a non-diluted basis).
<b>Maximum number of securities any one Insider and its Associates is entitled to receive</b>	The maximum number of Shares which may be issued within a one-year period to any one Insider under all Share compensation arrangements of the Company is 5% of the then issued and outstanding Shares (calculated on a non-diluted basis).	The maximum number of Shares which may be issued within a one-year period to any one Insider under all Share compensation arrangements of the Company is 5% of the then issued and outstanding Shares (calculated on a non-diluted basis).	The maximum number of Shares which may be issued within a one-year period to any one Insider under all Share compensation arrangements of the Company is 5% of the then issued and outstanding Shares (calculated on a non-diluted basis).
<b>Determination of exercise /redemption / settlement price</b>	Exercise price is determined by the Board, provided that it cannot be less than the higher of the closing price and the volume weighted average trading price of a Share for the five (5) trading days immediately preceding the day on which the relevant Option is granted.	The redemption price is the closing price of a Share averaged over the five (5) consecutive trading days immediately preceding date of redemption.	The settlement price is the volume weighted average trading price of a Share for the five (5) trading days immediately preceding the date of settlement.

<b>Term and vesting provisions</b>	The Board has the authority to determine the term and vesting provisions of Options, provided that the term may not exceed ten (10) years.	No vesting conditions are attached to DSUs, however DSUs can only be redeemed after termination of service/employment, and, save as set out below, DSUs must be redeemed no later than ninety days following the date on which the termination of service/employment occurred. Notwithstanding the foregoing a US grantee may elect a distribution date which is no earlier than the ninetieth day following termination of service or later than the last business day of the calendar year following the calendar year in which the termination of service occurs.	The Board has the authority to determine the term and vesting provisions of RSUs, provided that the term may not exceed five (5) years.
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<p><b>Procedure for amending the security based compensation arrangement, including whether shareholder approval is required for amendments.</b></p>	<p>The Board may revise the terms of the Plan or of any Option granted under the Plan, provided such amendment or revision: (i) is made in compliance with applicable law and does not require the approval of any regulatory body or the shareholders under law or the Option Plan; and (ii) does not materially adversely affect the rights of any option holder.</p> <p><b>Disinterested shareholder approval is required pursuant to the Option Plan to authorize:</b> (i) any amendment to the definition of ‘Eligible Person’; (ii) any increase in the maximum number of Shares that may be issuable pursuant to Options; (iii) any amendment to the method for determining the exercise price of the Options; (iv) any reduction in the exercise price of any Option, with certain exceptions; (v) any extension of the maximum term of an Option; (vi) any amendment to the expiry and termination provisions applicable to an Option; (vii) any amendment to the specified participation limits; (viii) any amendment to the amendment provisions of the Plan; (ix) the grant of an Option with expiry date of more than 10 years from the grant date; and (x) any amendment to assignability and transferability of Options granted.</p> <p>Amendments to the Option Plan which do not require shareholder approval include but are not limited to: (i) amendments to the vesting provisions of the Option Plan; (ii) amendments to the terms of any Options; (iii) amendments of the Option Plan or any Option to comply with any changes in requirements of any regulator or stock exchange</p>	<p>Save as set out below, the Board has the authority to amend or suspend the plan without shareholder approval.</p> <p>The Board requires shareholder approval to: (i) increase the maximum number of DSUs issuable under the DSU Plan; (ii) amend the amendment provisions of the DSU Plan; and (iii) amend the definition of “Participant” under the DSU Plan.</p> <p>Amendments to the DSU Plan which do not require shareholder approval include but are not limited to: (i) amendments to reflect any changes in requirements of any regulator or stock exchange to which the Company is subject; (ii) amendments of a “housekeeping” nature including, but not limited to, of a grammatical or typographical nature; (iii) amendments in respect of the administration of the DSU Plan; (iv) amendments relating to the transferability of the DSUs; and (v) amendments relating to termination provisions of the DSU Plan.</p>	<p>Save as set out below, the Board has the discretion to amend the RSU Plan without shareholder approval.</p> <p>The Board requires shareholder approval to: (i) increase the maximum number of Shares issuable under the RSU Plan; (ii) extend the expiry date of any outstanding RSU; (iii) permit the grant of an RSU with an expiry date of more than five (5) years; (iv) remove or exceed the insider participation limits; and (v) amend the amendment provision of the RSU Plan.</p> <p>Amendments to the RSU Plan which do not require shareholder approval include but are not limited to: (i) amendments to the vesting provisions of the RSU Plan and any RSU award; (ii) amendments to the terms of any RSUs; (iii) amendments of the RSU Plan or any RSU to comply with any changes in requirements of any regulator or stock exchange to which the Company is subject; (iv) amendments of a “housekeeping” nature; and (v) amendments respecting the administration of the RSU Plan.</p>
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	to which the Company is subject; (iv) amendments of a “housekeeping” nature; (v) amendments respecting the administration of the Option Plan; and (vi) any other amendment to the Plan or an Option that does not require the approval of disinterested shareholders under the Option Plan.		
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<b>Causes of cessation of entitlement including termination of employment</b>	Unless as otherwise determined by the Board, all vested Options held by an option holder cease to be exercisable twelve (12) months after: (a) the date of termination of the Option holder’s employment (with or without cause); (b) the date on which the Option holder ceases to be an eligible participant under the Option Plan; or (c) the date of the Option holder’s death.	A DSU holder’s right to participate in the DSU Plan terminates upon either: (a) the date of termination of the DSU holder’s employment (with or without cause); (b) the date on which the DSU holder ceases to be a director; or (c) the date of the DSU holder’s death, provided that a DSU holder shall be entitled to redeem his or her DSUs during the periods described above in the row entitled ‘ <i>Term and vesting provisions</i> ’.	<p>In the case of a termination of an RSU participant’s service with the Company by reason of (a) termination by the Company (other than for cause); or (b) the participant’s death, the participant’s unvested RSUs shall vest automatically, and at any time during the ninety (90) day period commencing on the date of such termination, the participant will be eligible to request that the Company settle his or her vested RSUs.</p> <p>In the case of a termination of an RSU participant’s service by reason of voluntary resignation, the participant’s unvested RSUs shall terminate automatically, and at any time during the ninety (90) day period commencing on the date of such termination, the participant will be eligible to request that the Company settle his or her vested RSUs.</p> <p>Upon a RSU participant’s employment being terminated for cause, all RSUs held by the participant (vested and unvested) immediately terminate upon such termination date.</p>
<b>Assignability</b>	Not assignable or transferable.	Not assignable or transferable.	Not assignable or transferable.

<b>Financial assistance provided by Gabriel to any participant to facilitate the purchase.</b>	None.	None.	None.
<b>Change of control provisions</b>	<p>In the event of a change of control (as defined in the Option Plan and set out below), the Board may determine that all outstanding and unvested Options immediately vest and become exercisable in whole or in part by an Option holder.</p> <p>A change of control event under the Option Plan includes: (i) the sale by the Company of all or substantially all of its assets; (ii) acceptance by the holders of more than 30% of the Shares of any offer for all Shares (provided control of the Board also changes); (iii) the acquisition of ownership or control of more than 30% of the Shares (provided control of the Board also changes); (iv) the entering into of an agreement by the Company to merge, consolidate, restructure, amalgamate or initiate an arrangement into, or with, another corporation; (v) the approval by the Board or the shareholders to substantially liquidate the assets or wind-up the business of the Company; or (vi) individuals who were members of the Board immediately prior to a meeting of shareholders involving a contest for or an item of business relating to the election of directors, not constituting a majority of the Board following such election.</p>	None.	<p>In the event of a change of control (as defined in the RSU Plan and set out below), the Board may determine that all outstanding and unvested RSU immediately vest and become capable of settlement in whole or in part by an RSU holder.</p> <p>A change of control event under the RSU Plan includes: (i) the sale by the Company of all or substantially all of its assets; (ii) acceptance by the holders of more than 50% of the Shares of any offer for all Shares (provided control of the Board also changes); (iii) the acquisition of ownership or control of more than 50% of the Shares (provided control of the Board also changes); (iv) the entering into of an agreement by the Company to merge, consolidate, restructure, amalgamate or initiate an arrangement into, or with, another corporation; (v) the approval by the Board or the shareholders to substantially liquidate the assets or wind-up the business of the Company.</p>
<b>Blackout extension</b>	In the event Options granted pursuant to the Option Plan would otherwise expire during a blackout period, the expiry date for such Options shall be automatically extended to the tenth business day after the cessation of the relevant blackout period.	In the event DSUs granted pursuant to the DSU Plan would be redeemed during a blackout period, the redemption date for such DSUs shall be automatically extended to the tenth business day after the cessation of the relevant blackout period.	In the event RSUs granted pursuant to the RSU Plan would otherwise expire during a blackout period, the expiry date for such RSUs shall be automatically extended to the tenth business day after the cessation of the relevant blackout period.

Save as described below, no amendments were made to the terms and conditions of any outstanding Share-Based or Option-Based awards during the year ended December 31, 2018.

During 2018, Gabriel amended an option agreement of a consultant to the Company to extend the expiry date of 5,000,000 Options, originally issued on January 1, 2014 and set to expire on January 1, 2019, for an additional five years to January 1, 2024 ("**Amended Options**"). In accordance with the terms of the Option Plan, such amendment did not require shareholder approval but was approved by the Board following prior approval of the Exchange.

No other terms of the Amended Options were altered. In accordance with the terms of the Option Plan, the expiry date of the Amended Options cannot be further extended without disinterested shareholder approval.

**APPENDIX II**  
**EQUITY COMPENSATION PLANS**  
**PART C**  
**STOCK OPTION PLAN**



**GABRIEL RESOURCES LTD.**

**INCENTIVE STOCK OPTION PLAN**

**JUNE 20, 2019**

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## INCENTIVE STOCK OPTION PLAN

### Section 1 General Provisions

#### 1.1 Interpretation

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) "Affiliate" means any person that controls or is controlled by the Corporation or that is controlled by the same person that controls the Corporation;
- (b) "Associate" has the meaning ascribed to that term under Section 1 of the *Securities Act* (Ontario);
- (c) "Associated Companies", "Affiliated Companies", "Controlled Companies" and "Subsidiary Companies" have the meanings ascribed to those terms under Section 1 of the *Securities Act* (Ontario);
- (d) "Board" means the board of directors of the Corporation or, if established and duly authorized to act with respect to this Plan, any committee of the board of directors of the Corporation;
- (e) "Business Day" means any day other than a Saturday, Sunday or a statutory or civic holiday in the City of Toronto, Ontario, on which the Stock Exchange is open for trading;
- (f) "Cause" means (i) if the Participant has a written agreement with the Corporation or Subsidiary Companies in which "cause" is defined, "cause" as defined therein; or otherwise (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) the failure of the Participant to follow the Corporation's reasonable instructions with respect to the performance of his or her duties; (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Corporation; (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (E) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;
- (g) "Certificate" has the meaning given to that term in Section 1.3(c);
- (h) "Change of Control Event" means:
  - (i) the sale by the Corporation of all or substantially all of its assets;

- (ii) the acceptance by the Shareholders, representing in the aggregate thirty percent (30%) or more of all of the issued Common Shares, of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Common Shares; provided that no change of control event shall be deemed to have occurred if upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date;
  - (iii) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Common Shares acquired), directly or indirectly, of beneficial ownership of such number of Common Shares or rights to Common Shares, which together with such person's then-owned Common Shares and rights to Common Shares, if any, represent (assuming the full exercise of such rights) thirty percent (30%) or more of the combined voting rights attached to the then-outstanding Common Shares;
  - (iv) the entering into of any agreement by the Corporation to merge, consolidate, restructure, amalgamate, initiate an arrangement or be absorbed by, into or with another corporation; provided that no change of control event shall be deemed to have occurred if upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date;
  - (v) the passing of a resolution by the Board or Shareholders to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
  - (vi) individuals who were members of the Board immediately prior to a meeting of the Shareholders involving a contest for the election of directors no longer constitute a majority of the Board following such election;
- (i) "Common Shares" means the common shares in the share capital of the Corporation;

- (j) "Corporation" means Gabriel Resources Ltd.;
- (k) "Consultant" means a corporate entity or an individual, other than an employee, executive officer or director of the Corporation or of an Affiliate, that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or an Affiliate, other than services provided in relation to a distribution of the Corporation's securities;
  - (ii) provides the services under a written contract with the Corporation or an Affiliate;
  - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate; and
  - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation

and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

- (l) "Disinterested Shareholder" means a Shareholder who is not an "insider" to whom an Option may be granted under the Plan (including associates of such insiders). For the purposes of this definition "insider" means as defined under Stock Exchange policies as may be amended from time to time and generally includes directors and senior officers of the Company and its subsidiaries and/or holders of greater than 10% of the voting securities of the Company;
- (m) "Eligible Person" means:
  - (i) any director, officer, employee or Consultant of the Corporation or any of its Subsidiary Companies; and
  - (ii) any Personal Holding Company of any of the persons listed in section 1.1(m)(i) above;

who is designated by the Board as a bona fide director, officer, employee or Consultant of the Corporation, as the case may be, and eligible to participate in the Plan;

- (n) "Exercise Price" has the meaning given to that term in Section 2.2;
- (o) "Expiry Date" has the meaning given to that term in Section 2.3(b);

- (p) “Insider” means a reporting insider, as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* as may be amended from time to time;
- (q) “Investor Relations Activities” has the meaning given to that term in Policy 1.1 of the Stock Exchange Corporate Finance Manual which includes any activities, by or on behalf of the Corporation or a Shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation. Persons retained to provide Investor Relations Activities shall include any Consultant that performs Investor Relations Activities and any Director or employee whose role and duties primarily consist of Investor Relations Activities;
- (r) “Market Price” means, with respect to any particular date, the higher of the closing price and the volume weighted average trading price of the Common Shares for the five (5) trading days immediately preceding that date, each as reported on the Stock Exchange;
- (s) “Option” means an option to purchase Common Shares granted to an Eligible Person pursuant to the terms of the Plan;
- (t) “Option Period” has the meaning given to that term in Section 2.3(a);
- (u) “Participant” means an Eligible Person to whom Options have been granted and are outstanding;
- (v) “Personal Holding Company” means a personal holding corporation that is either wholly owned, or controlled by, a director, executive officer, employee or Consultant of the Corporation or its Affiliates, and the shares of which are held directly or indirectly by any such person or the person's spouse, minor children and/or minor grandchildren;
- (w) “Plan” means this incentive stock option plan of the Corporation, as amended from time to time;
- (x) “Share Compensation Arrangement” means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise including, without limitation, this Plan;
- (y) “Shareholder” means a holder of a Common Share;
- (z) “Stock Exchange” means the TSX Venture Exchange, or if the Common Shares are not listed on the TSX Venture Exchange, any stock exchange on which the Common Shares are listed or traded, as determined by the Board; and

- (aa) "Termination Date" means the date on which a Participant ceases to be an Eligible Person.

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

## **1.2 Purpose**

The purpose of the Plan is to advance the interests of the Corporation by (i) providing Eligible Persons with additional incentive, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation, and (iv) enhancing the Corporation's ability to attract, retain and motivate Eligible Persons.

## **1.3 Administration**

- (a) This Plan shall be administered by the Board.
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options, all on such terms (which may vary between Options granted from time to time) as it shall determine. In addition, the Board shall have the authority to (i) construe and interpret this Plan and all agreements entered into hereunder; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (c) An Option shall be evidenced by an incentive stock option agreement certificate ("**Certificate**"), signed on behalf of the Corporation, which agreement Certificate shall be in such form as the Board shall approve from time to time.
- (d) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Certificate or any Option issued pursuant to this Plan.

## **1.4 Shares Reserved**

- (a) Subject to Section 1.4(d), the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Common Shares.

- (b) The Corporation shall at all times during the term of this Plan ensure that the number of Common Shares it is authorized to issue shall be sufficient to satisfy the requirements of this Plan.
- (c) The maximum number of Common Shares reserved for issuance under this Plan shall not exceed 10% of the total number of issued and outstanding Common Shares (calculated on a non-diluted basis) from time to time. Provided that such maximum number of Common Shares is not exceeded, following the expiration, cancellation or other termination of any Options under the Plan, a number of Common Shares equal to the number of Options so expired, cancelled or terminated shall automatically become reserved for issuance in respect of Options that may subsequently be granted under the Plan. Fractional shares will not be issued and will be treated as specified in Section 1.12(d).
- (d) If there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the Stock Exchange if required, appropriate substitution or adjustment in:
  - (i) the number or kind of Common Shares or other securities reserved for issuance pursuant to the Plan, and
  - (ii) the number and kind of Common Shares or other securities subject to unexercised Options theretofore granted and in the Exercise Price of such securities;

without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Common Share covered by the Option; provided, however, that no substitution or adjustment shall obligate the Corporation to issue or sell fractional shares. If the Corporation is reorganized, amalgamated with another corporation or consolidated, the Board shall make such provisions for the protection of the rights of Participants as the Board in its discretion deems appropriate.

## **1.5 Limits on Issuance**

- (a) The maximum aggregate number of Options granted to any one Eligible Person in a 12 month period must not exceed 5% of the issued Common Shares of the Corporation, calculated on the date an Option is granted to the Eligible Person.
- (b) The maximum aggregate number of Options granted to any one Consultant in a 12 month period must not exceed 2% of the issued Common Shares of the Corporation, calculated on the date an Option is granted to the Consultant.

- (c) The maximum aggregate number of Options granted to all Eligible Persons retained to provide Investor Relations Activities must not exceed 2% of the issued Common Shares of the Corporation in any 12 month period, calculated at the date an Option is granted to any such Eligible Person.

## **1.6 Limits With Respect to Insiders**

- (a) The maximum number of Common Shares issuable to Insiders and their Associates, at any time, pursuant to the exercise of Options granted under this Plan and any other Share Compensation Arrangement of the Corporation shall not exceed 10% of the then issued and outstanding Common Shares (calculated on a non-diluted basis).
- (b) The maximum number of Common Shares which may be issued to Insiders and their Associates, within any one year period, pursuant to the exercise of Options granted under this Plan and any other Share Compensation Arrangement of the Corporation shall not exceed 10% of the then issued and outstanding Common Shares (calculated on a non-diluted basis).
- (c) The maximum number of Common Shares which may be issued to any one Insider and its Associates, within a one year period, pursuant to the exercise of Options granted under this Plan and any other Share Compensation Arrangement of the Corporation shall not exceed 5% of the then issued and outstanding Common Shares (calculated on a non-diluted basis).
- (d) Any entitlement to acquire Common Shares granted pursuant to the exercise of Options granted under this Plan or any other Share Compensation Arrangement prior to the grantee becoming an Insider shall be excluded for the purposes of the limits set out in 1.6 (a), (b) and (c) above.

## **1.7 Amendment and Termination**

- (a) The Board may suspend or terminate the Plan at any time, or from time to time amend or revise the terms of the Plan or of any Option granted under the Plan and any option agreement relating thereto, provided that no such suspension, termination, amendment or revision will be made:
  - (i) except in compliance with applicable law and with the prior approval, if required, of the Stock Exchange or any other regulatory body having authority over the Corporation, the Plan or the Shareholders; and
  - (ii) in the case of an amendment or revision, if it would materially adversely affect the rights of any Participant, without the consent of the Participant.

- (b) If the Plan is terminated or suspended, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination or suspension will continue in effect as long as any Option or any rights pursuant thereto remain outstanding and, notwithstanding the termination or suspension of the Plan, the Board will remain able to make such amendments to the Plan or the Options as they would have been entitled to make if the Plan were still in effect.
- (c) Subject to any applicable rules of the Stock Exchange and to Section 1.7(d), the Board may from time to time, in its absolute discretion and without the approval of Shareholders, make the following amendments to the Plan or any Option:
  - (i) amend the vesting provisions of the Plan;
  - (ii) amend the terms of any Options;
  - (iii) amend the Plan or an Option as necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, the Plan or the Shareholders;
  - (iv) any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;
  - (v) any amendment respecting the administration of the Plan; and
  - (vi) any other amendment to the Plan or an Option that does not require the approval of Disinterested Shareholders under Section 1.7(d).
- (d) Disinterested Shareholder approval is required for the following amendments to the Plan:
  - (i) any amendment to the definition of Eligible Person set out in Section 1.1(m);
  - (ii) any increase in the maximum number of Common Shares that may be issuable pursuant to Options granted under the Plan set out in Section 1.4(c) (except any such action taken under Section 1.4(d));
  - (iii) any amendment to the method for determining the exercise price of the Options;

- (iv) any reduction in the Exercise Price of any Option (except any such action taken under Section 1.4(d));
- (v) any extension of the maximum term of an Option;
- (vi) any amendment to the expiry and termination provisions applicable to an Option;
- (vii) any amendment to the participation limits set out in Sections 1.5 and 1.6;
- (viii) any amendment to the amendment provisions of the Plan set out in this Section 1.7;
- (ix) permitting the grant of an Option with Expiry Date of more than 10 years from the grant date; and
- (x) any amendment to Section 2.3(d).

## **1.8 Compliance with Legislation**

- (a) The Plan, the terms of the issue or grant of, and the exercise of Options hereunder, and the Corporation's obligation to sell and deliver Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Stock Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Option hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (b) No Option shall be granted and no Common Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Common Shares hereunder in violation of this provision shall be void.
- (c) The Corporation shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly listed, upon official notice of issuance, with the Stock Exchange. Common Shares issued and sold to Participants pursuant to the exercise of Options may be subject to restrictions or limitations on sale or resale under applicable securities laws.

- (d) If Common Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Corporation to issue such Common Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.
- (e) Without limiting any other provision of this Section 1.8, the Corporation may condition the grant of any Option or the issue or sale of any Common Shares hereunder to any person that is a "U.S. person" as defined in Regulation S under the U.S. Securities Act of 1933, as amended, upon receipt of such representations, warranties and undertakings from such person as the Corporation may determine to be necessary or convenient for compliance with U.S. laws and U.S. tax requirements, including for example the matters set forth on Appendix A to this Plan.

### **1.9 Effective Date**

The Plan shall be effective upon the approval of the Plan by:

- (i) the Stock Exchange; and
- (ii) the Shareholders, given by the affirmative vote of a majority of the votes attached to the Common Shares entitled to vote and be represented and voted at an annual or special meeting of the holders of such Common Shares held in accordance with the rules of the Stock Exchange, among other things, to consider and approve the Plan.

### **1.10 Proceeds from Exercise of Options**

The proceeds from any sale of Common Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

### **1.11 Tax Withholdings**

The Corporation shall be entitled to withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding of tax or other required deductions. It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified under applicable laws as a result of the Participant's participation in the Plan. The Corporation shall not be responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

### **1.12 Miscellaneous**

- (a) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.

- (b) Nothing contained in the Plan nor in any Option granted thereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever other than as set forth in the Plan and pursuant to the exercise of any Option.
- (c) The Plan does not give any Participant or any employee of the Corporation or any of its Associated Companies, Affiliated Companies, Subsidiary Companies or Controlled Companies the right or obligation to or to continue to serve as a Consultant, director, officer or employee, as the case may be, of the Corporation or any of its Associated Companies, Affiliated Companies, Subsidiary Companies or Controlled Companies.

The awarding of Options to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Corporation or any of its Subsidiary Companies other than as specifically provided for in the Plan.

- (d) No fractional Common Shares shall be issued upon the exercise of Options granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the exercise of an Option, or from an adjustment pursuant to Section 1.4(d), such Participant shall only have the right to purchase the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

## **Section 2 Options**

### **2.1 Grants**

- (a) Subject to the provisions of the Plan, the Board shall have the authority to determine the limitations, restrictions, terms and conditions, if any, in addition to those set forth in Section 1.3(b) and Section 2.3 hereof, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Common Shares acquired upon exercise of an Option may be forfeited. An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion.
- (b) The Board may, in its discretion, select any directors, officers, employees or Consultants of the Corporation or any of its Subsidiary Companies to participate in this Plan.

- (c) The Board may from time to time, in its discretion, grant Options to any Eligible Person upon the terms, conditions and limitations set forth herein and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine, provided that Options granted to any Eligible Person shall be approved by the Shareholders or Disinterested Shareholders (as the case may be) if the rules of the Stock Exchange require such approval.

## 2.2 Exercise Price

An Option may be exercised at a price (the “**Exercise Price**”) that shall be fixed by the Board at the time that the Option is granted, but in no event shall it be less than the Market Price. The Exercise Price shall be subject to adjustment in accordance with the provisions of Section 1.4(c) hereof.

## 2.3 Exercise of Options

- (a) The period during which an Option may be exercised (the “**Option Period**”) shall be determined by the Board at the time the Option is granted, subject to any vesting limitations that may be imposed by the Board in its sole unfettered discretion at the time such Option is granted, provided that:
  - (i) all Options expire on the date (the “**Expiry Date**”) set out by the Board on the date of the grant and as described in the applicable Certificate provided that no Option shall be exercisable for a period exceeding ten (10) years from the date the Option is granted;
  - (ii) the Option Period shall be automatically reduced in accordance with Section 2.3(e) below upon the occurrence of any of the events referred to therein; and
  - (iii) no Option in respect of which Shareholder or Disinterested Shareholder approval is required under the rules of the Stock Exchange shall be exercisable until such time as such Option has been so approved.
- (b) Notwithstanding any other provision of the Plan, if the Expiry Date falls on, or within nine (9) Business Days immediately following, a date upon which such Participant is prohibited from exercising any vested Option due to a black-out period or other trading restriction imposed by the Corporation, then the Expiry Date of such Option shall be automatically extended to the tenth (10<sup>th</sup>) Business Day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed. The foregoing extension applies to all Options regardless of the date of grant and shall not be considered an extension of the term thereof as otherwise referred to in the Plan.

- (c) Notwithstanding any other provision of this Plan, in the event of an actual or potential Change of Control Event, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant:
  - (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Option;
  - (ii) permit the conditional exercise of any Option, on such terms as it sees fit;
  - (iii) otherwise amend or modify the terms of the Option, including for greater certainty permitting Participants to exercise any Option, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and
  - (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the Options not exercised prior to the successful completion of such Change of Control Event. The determination of the Board in respect of any such Change of Control Event shall for the purposes of this Plan be final, conclusive and binding.
- (d) Options shall not be transferable or assignable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative.
- (e) Subject to Section 2.3(a) and except as otherwise determined by the Board:
  - (i) if a Participant ceases to be an Eligible Person for any reason whatsoever other than death, each Option held by the Participant will cease to be exercisable on the earlier of the original Expiry Date and 12 months after the Termination Date. If any portion of an Option is not vested by the Termination Date, that portion of the Option may not under any circumstances be exercised by the Participant. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without Cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant; and

- (ii) if a Participant dies, the legal representative of the Participant may exercise the Participant's Options on the earlier of the original Expiry Date and within 12 months after the date of the Participant's death, but only to the extent the Options were by their terms exercisable on the date of death.
- (f) Each Option shall be confirmed by a Certificate.
- (g) The Exercise Price of each Common Share purchased under an Option shall be paid in full in cash, by bank draft or certified cheque, or by wire transfer at the time of such exercise, and upon receipt of payment in full, but subject to the terms of the Plan, the number of Common Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable.
- (h) Upon the exercise of Options pursuant to this section, the Corporation shall use its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Common Shares to deliver, to the relevant Participant (or his or her legal or personal representative) or to the order thereof, a certificate representing the number of Common Shares with respect to which Options have been exercised.
- (i) Subject to the other provisions of this Plan and any vesting limitations imposed by the Board at the time of grant, Options may be exercised, in whole or in part, at any time or from time to time, by a Participant by written notice given to the Corporation as required by the Board from time to time.

## **2.4 Notice**

Any Notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid, or delivered by courier or by facsimile transmission addressed, if to the Corporation, to the office of the Corporation in London, England, Attention: Corporate Secretary; or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

## **2.5 Rights of Participants**

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a Shareholder in respect of any Common Shares issuable upon exercise of such Option until such Common Shares have been paid for in full and issued to such person.

## **2.6 Right to Issue Other Shares**

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Common Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

## Appendix A – U.S. Residents

### U.S. Securities Law Matters.

(1) Restricted Securities. The Participant understands and acknowledges that neither the Option nor the Common Shares have been registered under the United States Securities Act of 1933, as amended (the “Securities Act”), that the Option has been issued to it in reliance on an exemption from the registration requirements of the Securities Act, and that the Option and the Common Shares are, or will be, as applicable, “restricted securities” as defined in Rule 144 under the Securities Act.

(2) Accredited Investor, and Investment Intent. The Participant represents that (a) it is an “accredited investor” within the meaning of Rule 501(a) under the Securities Act and (b) it is acquiring the Option and any Common Shares for investment purposes and not for the purposes of making any distribution of the same.

(3) Restrictions on Exercise. The Participant understands and acknowledges that the Option may be exercised only pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws, and that at the time of any proposed exercise, the Corporation may require an opinion of counsel or other evidence satisfactory to it to the effect that the Common Shares may be issued pursuant to such exercise without registration under the Securities Act or applicable state securities laws.

(4) Resale Restrictions. The Participant understands and acknowledges that notwithstanding anything to the contrary contained in this Plan, the Option and the Common Shares may be offered, sold, pledged or otherwise transferred only (a) to the Corporation; (b) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act and in compliance with applicable Canadian local laws and regulations; or (c) within the United States, in a transaction that exempt from the registration requirements of the Securities Act or any applicable state securities laws. In connection with any proposed sale, pledge or other transfer of the Common Shares, the Corporation may require an opinion of counsel or other evidence satisfactory to it to the effect that the proposed sale, pledge or other transfer may be effected without registration under the Securities Act or applicable state securities laws.

(5) Legend. The Participant understands and acknowledges that upon the original issuance of the Common Shares, and until such time as the same is no longer required under applicable requirements of the Securities Act or state securities laws, the certificates representing the Common Shares, and all certificates issued in exchange therefor or in substitution thereof, may bear a legend with respect to the transfer restrictions set forth above.



G A B R I E L

*Rosia Montana*

I N P A R T N E R S H I P