

# Management's Discussion and Analysis

*This Management's Discussion and Analysis ("MD&A") provides a commentary to enable a reader to assess material changes in the financial condition and results of operations of Gabriel Resources Ltd. ("Gabriel" or the "Company") and its subsidiary companies (together the "Group") as at, and for the three and six-month periods ended June 30, 2024 and 2023.*

*The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes thereto of the Company as at and for the three and six-month periods ended June 30, 2024 and 2023 ("Financial Statements"). The Financial Statements have been prepared in condensed format in accordance with International Financial Reporting Standards ("IFRS") as applicable to the preparation of interim financial statements, including International Accounting Standard IAS 34 ('Interim Financial Reporting'). The Financial Statements should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company as at and for the year ended December 31, 2023, which have been prepared in accordance with IFRS.*

*All amounts included in the MD&A are in Canadian dollars ("C\$"), unless otherwise specified. This report is dated as of August 2, 2024 and the Company's public filings can be reviewed on the SEDAR+ website ([www.sedarplus.ca](http://www.sedarplus.ca)).*

*This MD&A contains forward-looking statements about the Company's objectives, strategies, financial condition, operations and businesses within the Group. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Group (expressed or implied by such forward-looking statements) to be materially different from any future results, performance or achievements. Such forward-looking statements are based upon the beliefs, expectations, reasonable investigation and opinions of management of the Company ("Management") as of the date of this MD&A. All forward-looking statements, including those not specifically identified herein are made subject to the cautionary language beginning on page 27. Readers are advised to refer to the cautionary language when reading any forward-looking statements.*

## Overview

Gabriel is a Canadian resource company with its common shares ("Common Shares") listed on the TSX Venture Exchange ("Exchange"). Gabriel's activities over many years were focused principally on the exploration, permitting and development of the Roşia Montană gold and silver project in Romania (the "Project"), one of the largest undeveloped gold deposits in Europe.

For 25 years the exploitation concession license for the Project ("License") was held by Roşia Montană Gold Corporation S.A. ("RMGC"), a Romanian company in which Gabriel owns an 80.69% equity interest, with the 19.31% balance held by Minvest Roşia Montană S.A. ("Minvest RM"), a Romanian State-owned mining company.

Gabriel invested over US\$700 million to develop the Project and to define two valuable mineral deposits at the Rodu-Frasin (epithermal gold and silver) site and Tarniţa (porphyry copper-gold) site, both within the Bucium area located in the vicinity of Roşia Montană ("Bucium Projects") in accordance with all applicable laws, regulations, licenses, and permits.

Despite the Group’s fulfilment of its legal obligations and its development of the Project as a high-quality, sustainable and environmentally responsible mining project, using best available techniques, the Romanian State blocked and prevented the implementation of the Project and the Bucium Projects, and Gabriel was left with no alternative but to pursue arbitration proceedings against Romania in July 2015. Since that time, the ICSID Arbitration (as defined below) has been the Company’s core focus.

As described below, on June 20, 2024, RMGC was notified that the Romanian National Agency for Mineral Resources (“**NAMR**”) had rejected its application for extension of the term of the License for an additional five years (“**License Extension Application**”).

Any information set out in this MD&A relating to the Project (including the License), the Bucium Projects and the Group’s development activities in Romania is for background purposes only and should not be interpreted as being indicative of the Company’s expectations as at the date of this document regarding the future development of the projects.

### **ICSID Arbitration**

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

Following a legal process conducted over almost nine years, on March 8, 2024 the Claimants and the Romanian State (together “**Parties**”) received a final decision rendered by the presiding arbitral tribunal (“**Tribunal**”) dismissing, over the strong dissent of one of the three arbitrators in a two to one majority, the arbitration claims filed against the Romanian State and awarding Romania costs incurred in the proceedings (“**Arbitral Decision**”).

The Arbitral Decision, including a cost order of approximately US\$10 million to reimburse Romania half of its legal fees and expenses in the ICSID Arbitration (“**Costs Order**”), is binding on the parties and the amount payable incurs simple interest from the date of the Arbitral Decision at the 3-month US Treasury rate.

Accordingly, the Financial Statements and this MD&A reflect the principal focus of Gabriel and its subsidiary companies (together the “**Group**”) on the pursuit of the ICSID Arbitration, adjusted as appropriate to reflect the outcome arising from the Arbitral Decision.

### ***Annulment Application***

The Company previously announced that it strongly disagrees with the Tribunal majority’s decision, which it believes is at odds with the opinion of the dissenting arbitrator and inconsistent with any objective assessment of the evidence presented. The Company continues to believe that the Romanian Government’s sustained political interference with the Claimants’ contractual rights prevented the development of a flagship mining project without any substantive or objective regulatory basis.

On July 5, 2024, the Claimants filed with ICSID an application which sets out the grounds under Article 52 of the ICSID Convention that warrant the annulment of the Arbitral Decision (“**Annulment Application**”).

In particular, the Annulment Application explains that the Arbitral Decision must be annulled due to fatal defects in the constitution of the Tribunal given that two of the arbitrators who rendered the majority decision, Prof. Pierre Tercier and Prof. Zachary Douglas, lacked the qualities of independence and impartiality that the ICSID Convention requires, and failed to adequately disclose relationships between themselves and with the parties involved in the case, including Romania’s counsel.

The Annulment Application explains that, in addition, the majority’s decision on liability is fatally flawed in multiple respects that separately require its annulment, including manifest excesses of power by disregarding the applicable law, multiple serious departures from fundamental rules of procedure, and failures to state reasons for decisions made on several of the most fundamental aspects of the claims presented.

An annulment action is heard and decided by a three-member panel of arbitrators (“**Ad-hoc Committee**”) appointed by the Chairman of the Administrative Council of ICSID. Gabriel has requested that the Chairman of the Administrative Council obtain a recommendation from the Secretary-General of the Permanent Court of Arbitration regarding the selection of the Ad-hoc Committee members given concerns of actual and potential conflicts of interest within ICSID.

The Annulment Application, in accordance with Article 52(5) of the ICSID Convention, also requests a stay of enforcement of the Costs Order pending a decision thereon by the Ad-Hoc Committee following its appointment and due consideration of the matter.

On July 12, 2024, the Acting Secretary-General of ICSID registered the Annulment Application and notified the parties of the provisional stay of enforcement of the Costs Order.

The annulment process prescribed by the ICSID Convention is not an appeal of the merits of the Arbitral Decision, but a procedure which would, if successful, extinguish the Arbitral Decision, including the Costs Order.

There can be no assurances that the annulment process pursuant to the ICSID Convention will result in a positive outcome for the Company or advance in a customary or predictable manner or be completed or settled within any specific or reasonable period of time. The resources necessary in pursuing such process are substantial and the costs, fees and other expenses and commitments payable in that connection may differ materially from Management’s expectations.

#### ***Enforcement of Costs Order by Romania***

The Company announced on April 4, 2024 that the Government of Romania has requested the Claimants to settle the Costs Order and noted that they will take action to enforce the same. In this regard, the Romanian State has sought precautionary measures in Romania to impose restrictions on the sale or transfer of the shares held by Gabriel Jersey in RMGC, pending settlement of the Costs Order.

The Company believes that these actions are premature and suffer from serious procedural infirmities, Gabriel Jersey and RMGC have submitted complaints before the Romanian courts challenging these measures. Gabriel will vigorously defend its rights and interest in Romania and elsewhere.

The Company considers that the Costs Order is unjust and inequitable given the manner in which the Tribunal conducted, and the Romanian State approached its defence of, the ICSID Arbitration case, which introduced significant delays to the procedure and aggravated and significantly increased Claimants' costs. The imposition of the Costs Order is also inconsistent with the Tribunal's acknowledgement in the Arbitral Decision that the Claimants presented serious and reasonable claims, none of which were frivolous.

Accordingly, as noted above, the Annulment Application requests a provisional stay against enforcement of the Costs Order. The imposition of the provisional stay was notified to the Parties by ICSID on July 12, 2024 and is effective from that date.

#### ***Publication of related documents***

On May 6, 2024 the Arbitral Decision was published on the ICSID website following the completion of the redaction process relating to confidential information in accordance with a procedure and timeframe agreed by the parties.

A copy of the Annulment Application will be made available on the Gabriel Resources website in due course.

A summary of the other procedural aspects of the ICSID Arbitration, together with copies of the procedural orders of the Tribunal and the principal submissions, are available on ICSID's website.

### **Liquidity**

Cash and cash equivalents at June 30, 2024 were \$2.5 million. In addition, legal fees in respect of the Annulment Application of up to US\$1.5 million have been prepaid.

The Company's average monthly cash usage during Q2 2024 was \$1.4 million (Q1 2024: \$0.8 million), primarily reflecting the consistent level of ongoing operational cost together with increased payments with regard to ICSID Arbitration-related activity quarter on quarter following the Arbitral Decision in late Q1 2024.

At the end of Q2 2024, accruals for costs in respect of ICSID Arbitration-related matters amounted to \$5.0 million (Q1 2024: \$4.6 million), the difference reflecting activity post Arbitral Decision in the quarter, with the continuation of a fee agreement in respect of the deferral of payment of certain ICSID Arbitration costs incurred before the Arbitral Decision.

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

## Capital Resources

### *Private Placement*

On April 26, 2024, the Company announced a non-brokered private placement (the “**2024 Private Placement**”) of up to 377,594,750 Common Shares at a price of \$0.02 per Common Share for gross proceeds of up to US\$5.575 million (approximately \$7.5 million).

On May 17, 2024, the Company announced the receipt of US\$3.25 million (approximately \$4.4 million) and the closing of an initial tranche of the 2024 Private Placement subject to certain conditions, including, but not limited to, the approval of the TSX Venture Exchange (“**Exchange**”) and the receipt of all other applicable approvals.

The remainder of the 2024 Private Placement was anticipated to close on or before July 3, 2024, however, this did not transpire. While the Company is progressing further discussions with the party that had previously committed to participating in the 2024 Private Placement, Gabriel will seek and explore alternative financing options.

### *Future Financing Requirements*

Gabriel continues to manage its cash resources and its current and future financial obligations carefully and will use the proceeds from the 2024 Private Placement to finance the ongoing costs of the Annulment Application and for general working capital requirements.

Excluding the Costs Order and amounts set aside for Annulment related legal fees, on the basis of the Company’s balance of cash and cash equivalents as at June 30, 2024, and taking into account (i) a fee agreement in respect of the deferral of payment of certain ICSID Arbitration costs; and (ii) the continued deferral of a portion of salary and fees for certain employees and directors (see “Contingent Liabilities” below), the Company believes that it has sufficient cash necessary to fund general working capital requirements together with other material estimated costs associated with the Company advancing the ICSID annulment proceedings through to September 2024.

Accordingly, Gabriel will require further funding during the third quarter of 2024 in order to pursue long-term activities and for general working capital purposes, including to preserve its remaining assets, rights and permits.

Notwithstanding the Company’s recent and historic funding, there can be no assurance that additional financing will be available to the Company at any time or, if available, that it can be obtained on terms and timing satisfactory to the needs of the Company.

These events and conditions indicate that a material uncertainty exists that may cast significant doubt about the Company’s ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

## Other Recent Developments

### *Rejection of Request for Extension of the Roșia Montană Exploitation License*

The License, which had an initial duration of 20 years expiring on June 21, 2019, was extended for a further term of five years in June 2019 pursuant to the execution by the NAMR and RMGC of an additional addendum to the License (“Addendum No. 8”). The term of the License, as extended, was due to expire on June 20, 2024. Under Romanian law, RMGC had the right to extend the term of the License for successive subsequent five-year periods as may be needed to ensure rational exploitation of the mineral resources and reserves identified and approved by NAMR. RMGC has continued to maintain the License in good standing.

In March 2024, RMGC submitted the License Extension Application to NAMR. On June 20, 2024, RMGC was notified that the NAMR has rejected the License Extension Application.

The Company and RMGC strongly disagree with the NAMR’s decision and intends to vigorously pursue all legal avenues to reinstate their rights. The decision of the NAMR shows a flagrant disregard for the rule of law and established investment rights and, in the Company’s view, is a politically motivated decision to deny RMGC’s rights to develop the Roșia Montană Project arbitrarily, without due process, and without compensation.

NAMR has sought to justify this decision by alleging, amongst other things, that the documentation submitted in support of the License Extension Application does not satisfy the legal requirements despite being entirely consistent with, and in greater detail than, the extension application filed in 2019 that was approved by the NAMR.

The Company strongly believes that the justifications provided by NAMR are pretextual and is evaluating the decision with its professional advisers. The timing of this decision, coming less than three months following the conclusion of the Company’s arbitration claim against Romania, is dubious. As noted above, Gabriel and RMGC will pursue all options to defend and reinstate their legal rights.

In April 2024, a Romanian non-governmental organization initiated a claim in the Cluj Court of Appeal of Romania requesting: (i) the suspension of the June 2019 approval of NAMR that extended the term of the License for a further term of 5 years; (ii) as a subsidiary claim, the suspension of Addendum No. 8; and (iii) as a tertiary claim, the suspension of the ongoing proceedings before the NAMR relating to the License Renewal Application. The joint respondents in this claim are the NAMR and RMGC. The Company and RMGC intend to vigorously defend this claim, which they consider is unmeritorious. On June 6, 2024, the Cluj Court of Appeal dismissed the NGO claim. The decision may be subject to an appeal.

### *Bucium Projects*

Following the completion of exploration works at Bucium which identified two feasible deposits, the Rodu-Frasin and Tarnița deposits, RMGC acquired an exclusive right under Romanian law to obtain exploitation licenses for the discovered mineral resources. Accordingly, in October 2007, RMGC applied to the NAMR for exploitation licenses to develop and exploit the Rodu-Frasin and Tarnița (“**Bucium Applications**”).

The NAMR has failed to act on the Bucium Applications for over 16 years despite being legally obliged to do so. RMGC has recently urged NAMR to issue the exploitation licenses for the two Bucium Projects in accordance with the Bucium Applications. Throughout the ICSID Arbitration, the Romanian State has consistently maintained a position, relied upon by the majority in the Arbitral Decision, that the Bucium Applications remain pending before the NAMR. There remains no response from NAMR in this regard.

### ***RMGC - Government Audits and Investigations***

Since the filing of the ICSID Arbitration, and as previously disclosed, RMGC has been subjected to several Value Added Tax (“VAT”) audits and other investigations by the Romanian National Agency for Fiscal Administration (“ANAF”), an agency of the Romanian Ministry of Finance, the Ministry charged with Romania’s defense of the ICSID Arbitration. The timing, scope and manner of implementation of these audits and investigations are, in the view of Gabriel and RMGC, excessive and retaliatory to the Company’s pursuit of the ICSID Arbitration.

### **Outlook**

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

- the advancement of the Annulment Application;
- securing additional funding and carefully managing its cash resources; and
- the protection of its rights and interests in Romania.

### **Results of Operations**

The results of operations are summarized in the following tables. The amounts are derived from the Financial Statements prepared under IAS 34.

<i>in thousands of Canadian dollars, except per share amounts</i>	<b>2024 Q2</b>	<b>2024 Q1</b>	<b>2023 Q4</b>	<b>2023 Q3</b>
<b>Income Statement</b>				
Loss - attributable to owners of parent	3,229	1,818	16,888	3,365
Loss per share - basic and diluted	0.00	0.00	-	-
<b>Statement of Financial Position</b>				
Working capital	(11,958)	(13,078)	4,925	(2,584)
Total assets	4,783	3,057	5,203	5,855
<b>Statement of Cash Flows</b>				
Net cash-in-flows from financing activities	4,399	-	3,232	-

<i>in thousands of Canadian dollars, except per share amounts</i>	<b>2023 Q2</b>	<b>2023 Q1</b>	<b>2022 Q4</b>	<b>2022 Q3</b>
<b>Income Statement</b>				
Loss - attributable to owners of parent	2,646	2,037	2,639	1,421
Loss per share - basic and diluted	0.00	0.00	0.00	0.00
<b>Statement of Financial Position</b>				
Working capital	223	(3,516)	(1,486)	(924)
Total assets	8,366	5,169	6,935	10,925
<b>Statement of Cash Flows</b>				
Net cash-in-flows from financing activities	6,390	-	-	-

## Review of Financial Results

<i>amounts</i>	3 months ended June 30		6 months ended June 30	
	2024	2023	2024	2023
Operating loss for the period	3,163	2,583	4,853	4,627
Loss for the period				
- attributable to owners of parent <sup>(1)</sup>	3,229	2,646	5,047	4,683
Loss per share - basic and diluted	(0.00)	(0.00)	-	-

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

Operating loss for the three-month period ended June 30, 2024 of \$3.2 million was \$0.7 million higher than the corresponding period in 2023, primarily reflecting \$0.1 million lower share based compensation charge, offset by \$0.2 million accrual for interest on the Costs Order and a \$0.5 million increase in corporate, general and administrative expenses (noted below).

The overall loss for the three-month period ended June 30, 2024 was also \$3.2 million, the impact of limited doubtful debt provision, interest income and foreign exchange loss in aggregate of less than \$0.1 million. The overall loss was \$2.6 million in the corresponding period in 2023.

## Expenses

### *Corporate, General and Administrative*

<i>in thousands of Canadian dollars</i>	3 months ended June 30		6 months ended June 30	
	2024	2023	2024	2023
ICSID Arbitration-related costs	1,169	325	1,317	827
Payroll	891	870	1,815	1,730
Finance, audit, accounting and compliance	308	647	689	770
Property taxes	208	184	410	368
Legal	200	144	343	206
Other	106	105	234	224
Information technology	60	83	143	131
Project obligations and community relations*	87	152	256	311
Travel and transportation*	29	3	115	174
Office rental and utilities	15	57	69	100
External communications	-	10	14	19
Corporate, general and administrative expense	3,073	2,580	5,405	4,860

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

ICSID Arbitration-related costs in 2024 are for legal and other advisory services provided to the Company primarily in respect of review of the Arbitral Decision and preparation of the Annulment Application. ICSID Arbitration related expenses in the second quarter of 2023 of \$0.3 million reflected costs incurred relating to ad hoc matters.



Payroll is the total of cash-based director fees and salaries and relevant taxes for all Group employees or in-house contractors in Romania. The year-on-year increase from 2023 to 2024 is primarily a reflection of increased contractor support in Romania and the impact of a stronger GBP currency, in which a significant proportion of payroll costs is paid.

As previously disclosed, certain employees and directors of the Group have agreed to accept a 20% deferral of their base salary / fees effective as of February 1, 2022 and April 1, 2022 respectively (“**Deferred Salary**”).

Finance costs include audit, tax and other accounting fees for the Company and its subsidiaries in each year, together with costs of regulatory compliance such as registrar and Exchange fees. In 2024 there were no extraordinary costs incurred, whilst 2023, such costs were inflated in Romania with regard to matters such as responding to the ANAF investigations.

Legal expenses include ongoing corporate legal advice within the Group, in particular in Romania with regard to matters such as the License Extension Application in 2024 and ANAF investigations in 2023.

Project obligations and community relations spend reflects the ongoing costs of maintaining compliance with the License and other obligations in Romania, including real estate maintenance on RMGC owned land and buildings, preservation of historical buildings, document management and other administrative matters. Included in these costs are expenses incurred with related parties including SC Total Business Land SRL (“**TBL**”), a Romanian entity controlled by current and former employees of RMGC (see note 13 of the Financial Statements for detail).

Travel and transportation costs arise primarily in relation to the Romanian operations.

### ***Finance Income***

<i>in thousands of Canadian dollars</i>	<b>3 months ended June 30</b>		<b>6 months ended June 30</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
Interest income	<b>13</b>	10	<b>37</b>	31

Interest income reflects the average holdings of cash and cash equivalents during the respective periods shown above. Interest income has increased since Q2 2023, in line with increased North American yields in the period.

As at June 30, 2024, none of the Company’s cash and cash equivalents were invested in US government guaranteed instruments (December 31, 2023: nil), with the majority of cash balances held with major Canadian banks.

### ***Share-Based Compensation***

<i>in thousands of Canadian dollars</i>	<b>3 months ended June 30</b>		<b>6 months ended June 30</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
DSU (reversal) / expense	<b>(9)</b>	565	<b>(721)</b>	664
Share option - (reversal) / expense	<b>(87)</b>	5	<b>(66)</b>	122
Share based compensation	<b>(96)</b>	570	<b>(787)</b>	786

Deferred share units (“DSUs”) are revalued each period end based on the period end closing share price. The initial value of the DSUs on grant, and the effect on the valuation of DSUs of the period-on-period change in share price, is expensed. At June 30, 2024, the Company’s share price was \$0.015 (March 31, 2024 \$0.02; December 31, 2023 \$0.405; September 30, 2023 \$0.44, June 30, 2023 \$0.275), resulting in a reversal of the DSU expense of \$0.1 million for the three-month period ended June 30, 2024.

The estimated fair value of incentive stock options (“Options”) issued by the Company is calculated using the Black-Scholes method as at the date of grant and amortized over the period during which the Options vest.

No Options or DSUs were granted during the three-month period ended June 30, 2024. A total of 200,420 Options were exercised in that period.

### ***Foreign Exchange***

The Company has experienced a foreign currency loss of \$0.1 million in the three-month period ended June 30, 2024 (March 31, 2024: loss of \$0.1 million) primarily as a result of exposure to the US dollar. All of the funds raised in private placements since 2018 were received in US dollars and the Company retained a proportion of these US dollars to fund its subsequent US dollar-denominated working capital expenses, principally costs related to the ICSID Arbitration.

### ***Taxes***

All tax assessments received prior to June 30, 2024 have been paid or provided for in the Financial Statements.

### **Investing Activities**

The majority of Group expenditures over the years through December 31, 2015 were for identifying and defining the size of the four ore bodies, for engineering to design the size and scope of the Project, environmental assessment and permitting, social support to local communities, communications and public relations activities to support the permitting process, archeological and rehabilitation work to buildings, as well as surface rights and property acquisition and resettlement housing and infrastructure.

Since January 1, 2016, no significant expenditures apart from building maintenance have been incurred in these areas and any such expenditures are expensed in the income statement.

### ***Purchase of Capital Assets***

	<b>3 months ended June 30</b>		<b>6 months ended June 30</b>	
<i>in thousands of Canadian dollars</i>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Total investment in capital assets	<b>1</b>	-	<b>8</b>	-
Depreciation and disposal - expensed	<b>3</b>	-	<b>6</b>	3

The purchase of capital assets remains low, in line with the Company’s cost containment strategy. Assets purchased in the three-month period ended June 30, 2024 are predominantly IT equipment.

## **Financing Activities**

The Company has raised funds since 2014 through private placements of convertible notes, Common Shares and warrants (together “**Private Placements**”) amounting to gross aggregate proceeds of \$180.0 million. In addition, \$3.23 million was raised in December 2023 through a Warrant exercise.

The Company has used and is continuing to use the proceeds of such financings to fund the costs of the ongoing ICSID Arbitration and for general working capital purposes.

## **Cash Flow Statement**

### ***Liquidity and Capital Resources***

The main sources of liquidity are the Company’s cash and cash equivalents, and the equity and debt markets. At June 30, 2024, aggregate cash and cash equivalents were \$2.5 million (December 31, 2023: \$4.6 million).

### ***Working Capital***

At June 30, 2024, the Company had working capital, calculated as total current assets less total current liabilities of negative \$12.0 million (March 31, 2024: negative \$13.1 million; December 31, 2023: negative \$11.4 million, September 30, 2023: negative \$2.6 million, June 30, 2023: \$0.2 million).

The \$0.6 million increase in working capital deficit since the 2023 year end is due to ongoing ICSID Arbitration expenditure and operating costs of the Company offset by the proceeds from the 2024 Private Placement.

At June 30, 2024, the Company had current liabilities of \$16.5 million (March 31, 2024: \$15.9 million). These liabilities are predominantly made up of the Costs Order of \$14.1 million together with resettlement liability provisions of \$0.6 million noted below. The balance of current liabilities at each period end reflects trade and other payables.

Certain ICSID Arbitration-related cost accruals are treated as non-current liabilities in accordance with the deferred fee arrangement and at June 30, 2024 (including work performed in 2021, 2022 and 2023 where costs are accrued) amounted to \$4.5 million (March 31, 2024: \$4.5 million).

## **Resettlement Liabilities**

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

At June 30, 2024 the Company had accrued resettlement liabilities totaling \$0.6 million (March 31, 2024: \$0.6 million).

## Contractual Obligations

The Company and its subsidiaries have arm's-length agreements with third parties who provide a range of goods and services. Typically, the service agreements are for a term of not more than one year and permit either party to terminate upon notice periods ranging from 15 to 90 days. At termination, the Company has to pay for services rendered, and costs incurred, to the date of termination.

A summary of the Company's contractual capital and operating lease commitments as of June 30, 2024 is included within the Financial Statements.

## Contingent Liabilities

The Company has a number of contingent liabilities, namely:

- (i) litigation - the Company is involved in litigation matters and claims arising out of the ordinary course and conduct of its business. Although the amount of any liability that could arise with respect to any pending claims cannot be estimated or cannot be predicted with certainty, management does not consider the Company's exposure to litigation to be material to the Financial Statements.
- (ii) in respect of 95,625 arbitration value rights ("AVRs"), entitling the holders thereof to a share of any proceeds arising from any settlement or arbitral award irrevocably made in the Company's and/or any of its affiliates' favour in connection with the ICSID Arbitration claim, including:
  - a. 55,000 AVRs entitling the holders to a pro rata share of 7.5% of any such proceeds, subject to a maximum aggregate entitlement of \$175 million among all holders of such AVRs; and
  - b. 40,625 AVRs entitling the holders to a pro rata share of 5.54% of any such proceeds, subject to a maximum aggregate entitlement of \$129.3 million among all holders of such AVRs.
- (iii) in respect of the key employee engagement plan ("KEEP"), an arbitration-focused retention and incentive program established by the Company in 2016. The KEEP's aim is to ensure the long-term participation and incentivization of the Group's personnel, including its executive management, employees, non-executive directors and other contributors in pursuing the ICSID Arbitration through to a successful conclusion.

The KEEP is a trust established by the Claimants, as settlors, pursuant to a trust agreement dated July 2016, as amended. Subject to its terms and conditions, the KEEP provides that in the event that any arbitral award is made in favor of, or a settlement is accepted by, Gabriel in connection with ICSID Arbitration proceedings, the Claimants will make a cash payment, or procure the cash payment, to the KEEP trust. Such payment will be made following receipt of the proceeds awarded to the Claimants (inclusive of any non-monetary consideration) and subject to the payment of any taxes, payable or required to be withheld by the Claimants or by law, in an amount of cash equal to: (i) 7.5% of the first US\$500 million of the proceeds; and (ii) 2.5% of any amount of proceeds in excess of US\$500 million.

- (iv) certain employees of the Group agreed to accept a 20% reduction in their base salary effective as of February 1, 2022. (“**Deferred Salary**”). The Company has a contingent liability to pay to each such employee an amount equal to 150% of the aggregate accumulated amount of their respective Deferred Salary within (i) 60 days of receipt of any monies received by the Company and/or any of its affiliates pursuant to any settlement or arbitral award irrevocably made in its favor in relation to the ICSID Arbitration claim that is sufficient to satisfy and discharge the aggregate accumulated Deferred Salary in full; or (ii) 90 days following a “change of control” of the Company. Similarly, with effect from April 1, 2022 the directors of the Company have agreed to defer 20% of their fees due on the same basis.

## Related Party Transactions

The Group had related party transactions, with associated persons or corporations, which were undertaken in the normal course of operations. See Note 16 of the Financial Statements for more information regarding the Group’s related party transactions including key Management compensation. Other such transactions include:

- (a) In July 2015, the Company entered into a services agreement with SC Total Business Land SRL (“**TBL**”), a Romanian entity controlled by current and former employees of RMGC, including the current CEO of Gabriel. TBL was set up after Gabriel entered into the ICSID Arbitration with a business purpose to provide specialized services to the Romanian market – for example archaeology, land planning and surveying, permitting, environmental assessment, and digital services. The incorporation of TBL enabled the Gabriel group to significantly reduce its cost base whilst maintaining compliance with its License obligations. The services agreement with TBL is terminable by each party with 30 days’ notice and is for the provision of certain manpower to RMGC, primarily to conduct real estate maintenance on RMGC owned land and buildings, preservation of historical buildings, underground works, document management and other administration work. For each of the three and six-month periods ended June 30, 2024 such charges amounted to less than \$0.1 million (June 30, 2023: less than \$0.1 million).
- (b) In December 2015 RMGC entered into an agreement with TBL to lease office space in Alba Iulia for a fixed rate, this agreement was terminated in May 2024. In March 2020 RMGC entered into a further agreement with TBL to sub-let office space in Bucharest and to recharge applicable rent /and utilities costs]. The agreement was terminated in November 2023. Both parties entered into a further agreement for the sub-lease of office space and to recharge applicable rent and utilities costs in Bucharest in April 2024. For each of the three and six-month periods ended June 30, 2024 such recharges by RMGC amounted to less than \$0.1 million (June 2023: less than \$0.1 million).
- (c) In June 2018, the Company entered into a facility agreement with TBL pursuant to which it agreed to lend \$0.9 million to TBL. The loan is repayable in 2028, accrues interest at a rate of 1% per annum and is secured by a mortgage over certain assets of the borrower and personal guarantees in favor of the Company by the principals of TBL. By February 2019, TBL had drawn down the entire \$0.9 million facility. In September 2020 \$0.1 million of the loan was forgiven, and certain related personal guarantees released, as part of the severance agreement with certain RMGC employees.

Partial payments of principal on the loan were received in 2019, 2020, 2021, 2022 and 2023. In April 2024 TBL entered into voluntary administration and the Company believes it is prudent to provide against the receivable. On that basis, the balance of the loan was treated as a doubtful debt in the financial statements for the year ended December 31, 2023 and at June 30, 2024 was also provided against in full.

- (d) In August 2018 TBL entered into a lease agreement with RMGC for a number of vehicles owned by TBL to be used by RMGC in its operations. The agreement was amended in October 2020 to decrease the number of vehicles in line with the severance of certain RMGC employees. The agreement also provides the recharge of tax, insurance and maintenance related costs incurred by TBL to RMGC. The term of the lease is 12 months. For each of the three and six-month periods ended June 30, 2024 the charges were less than \$0.1 million (June 30, 2023: less than \$0.1 million).

## **Critical Accounting Estimates**

The preparation of the Financial Statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of expenses and other income during the reporting period.

Significant estimates and assumptions include those related to going concern, the recoverability or impairment of certain assets, benefits of future income tax assets, estimated useful lives of capital assets, valuation of share-based compensation and other benefits, assumptions and determinations as to whether costs are expensed or capitalized, and the valuation and measurement of the components of the Private Placements.

These estimates and assumptions are based on Management's knowledge of the relevant facts and awareness of circumstances, having regard to prior experience and information available at the balance sheet date. While Management believes that these estimates and assumptions are reasonable, actual results could vary significantly therefrom. The significant estimates and assumptions are not materially different from those disclosed recently in the Company's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2023.

## ***Going Concern***

The Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its normal course of operations for the foreseeable future.

On April 26, 2024, the Company announced a non-brokered private placement for gross proceeds of up to US\$5.575million (approximately \$7.5 million). On May 17, 2024, the Company announced the receipt of US\$3.25 million (approximately \$4.4 million) and the closing of an initial tranche of the 2024 Private Placement subject to certain conditions, as noted above. The remainder of the 2024 Private Placement was anticipated to close on or before July 3, 2024, however, this did not transpire and Gabriel will seek and explore alternative financing options. The Company will use the proceeds from the 2024 Private Placement to finance the ongoing costs of the ICSID Arbitration and for general working capital requirements.

Based on assumptions noted above in ‘Future Financing Requirements’ the Company believes that it has sufficient cash necessary to fund general working capital requirements together with other material estimated costs associated with the Company advancing the ICSID annulment proceedings through to the September 2024 and accordingly, Gabriel will require further funding during the third quarter of 2024.

Notwithstanding the Company’s recent and historic funding, there can be no assurance that sufficient additional financing will be available to the Company at any time or, if available, that it can be obtained on terms and timing satisfactory to the needs of the Company.

This material uncertainty may cast significant doubt about the Company’s ability to continue as a going concern.

The Financial Statements reflect the liabilities related to the Costs Order. The Financial Statements do not reflect the adjustments to the carrying values of assets or liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

### ***Deferred Tax Assets***

Income taxes are calculated using the asset and liability method of tax accounting. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and are measured using the substantively enacted tax rates and laws that are expected to be in effect when the differences reverse. Income tax assets are recognized to the extent that the recoverability of future income tax assets is considered probable.

The Company has subsidiaries in countries that have differing tax laws and tax rates, primarily Romania and the United Kingdom. The provision for income taxes is based on a number of estimates and assumptions made by Management, including its understanding of domestic and international tax rules. Advice is also sought from local professional tax advisors in the respective countries where the Group operates.

Tax authorities in Romania have regularly initiated various tax audits to assess the appropriateness of RMGC’s tax filing positions. Regulators may interpret tax regulations differently from the Company and its subsidiaries, which may cause changes to the estimates made.

### ***Valuation of the Private Placements***

Units issued by the Company in the private placements completed in 2014 and 2016 included arbitration value rights. A nil value was initially ascribed to the AVRs and, given the Arbitral Decision and current stage of the ICSID Arbitration process, a nil valuation remains applicable as at June 30, 2024.

Units issued by the Company in the private placement completed in 2019 consisted of Common Shares and warrants each of which entitled the holder to acquire one Common Share at an exercise price of \$0.645, at any time in the five years following issuance. The Company utilized the Black-Scholes model to value the warrant component of the units and allocated the remainder of the value to the equity component. Any directly attributable transaction costs were allocated to the equity and warrant components in proportion to their initial carrying amounts.

Common Shares issued by the Company in the private placements completed in 2021, 2022, 2023 and 2024 were issued at market price and consequently there was no requirement to use a valuation model, the whole of the funds received being directly attributable to the share capital of the Company.

### ***Useful Lives of Capital Assets***

The Company's policy is to amortize capital assets over their useful lives once the assets are brought into production. Management assesses useful lives of assets to ensure that they reflect the intended use of those assets.

### ***Valuation of Share-Based Compensation***

The Company has utilized Options, DSUs and restricted share units ("RSUs") as means of compensation. Equity settled RSUs and Options are valued using the Black-Scholes model and are amortized over the expected vesting periods. Management reviews the assumptions used in the Black-Scholes valuation on an annual basis to ensure appropriateness.

DSUs are initially issued at the five-day weighted average market price of the Common Shares at the date of grant, and the value thereof is subsequently recalculated to fair value based on the quoted market value of the Common Shares at the end of each reporting period.

## **Financial Instruments and Management of Financial Risk**

The recorded amounts for cash, cash equivalents, accounts receivable, accounts payable, accrued liabilities and other liabilities approximate fair values based on the nature of those instruments.

The Company's objective is to safeguard its cash and cash equivalents in order to be able to fund ongoing expenditures.

The Company manages its capital structure and adjusts it based on the level of funds on hand and anticipated future expenditures. The long-term costs, including advisors' fees of pursuing the ICSID Arbitration and general corporate working capital, have been material and are estimated to continue to be significant.

To safeguard cash the Company invests any surplus capital in liquid instruments at reputable financial institutions with acceptable credit standings. The Group's risk exposures and the impact on the Group's financial instruments are summarized below:

### ***Credit Risk***

The Group's credit risk is primarily attributable to cash and cash equivalents that are held on short-term overnight deposit with the major Canadian banks and loan receivable.



The Group is exposed to the credit risk of domestic Romanian banks that hold and disburse cash on behalf of its Romanian subsidiary. The Group manages its Romanian bank credit risk by centralizing custody, control and management of its surplus cash resources generated outside of Romania at the corporate office and only transferring money to its Romanian subsidiary based on near term cash requirements, thereby mitigating exposure to domestic Romanian banks.

The Group holds limited cash balances in the United Kingdom with a major UK bank to fund corporate activities.

### ***Liquidity Risk***

As of the date of this MD&A, the Group had no sources of operating cash flows and does not have sufficient cash to fund all the long-term activities required to see the ICSID Arbitration through to its conclusion, including annulment proceedings. Taking account of the Group's existing treasury balances, the Group will require additional future funding as described above.

### ***Market Risk***

#### *(a) Interest rate risk*

The Group has cash balances which are subject to interest rate changes. The Group maintains a short-term investment horizon, typically less than three months, for its cash and cash equivalents, and therefore minimizes the risk of interest rate volatility at investment maturity.

With a short-term investment horizon and the intent to hold all investments until maturity, the Group is only marginally exposed to capital erosion should interest rates rise and cause fixed-yield investments to devalue.

The Group's primary objective with respect to cash and cash equivalents is to mitigate credit risk. The Group has elected to forego yield in favor of capital preservation.

#### *(b) Foreign currency risk*

The Group's presentation currency is the Canadian dollar and its activities expose it to fluctuations in foreign exchange rates. The Group has monetary assets and liabilities which are denominated in Romanian Lei ("**RON**"), US dollars ("**USD**"), UK pounds ("**GBP**") and Euros ("**EUR**") and is, therefore, subject to exchange variations against both the functional currency of each entity and presentation currency of the Group.

The Group maintains cash and cash equivalents in various currencies and is therefore susceptible to market volatility as foreign cash balances are revalued to the functional currency of the entity and thereafter to the presentation currency of the Group. Therefore, the Group may report foreign exchange gains or losses during periods of significant economic and market volatility. At June 30, 2024, the Group held approximately 57% of its cash and cash equivalents in US dollars.

The Company has not entered into any derivative hedging activities.

### *Sensitivity*

As of June 30, 2024, the carrying amount of the financial instruments equals fair market value. Based on Management's knowledge and experience of the financial markets, in respect of the Group's balance of cash and cash equivalents as at June 30, 2024, the following market movements are "reasonably possible" over a twelve-month period and would have the stated effects on net income:

- A plus or minus 1% change in earned interest rates; would affect net interest income by less than \$0.1 million.
- A plus or minus 1% change in foreign exchange rates; would affect net income by less than \$0.1 million.

### **Risks and Uncertainties**

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

#### ***ICSID Arbitration – Further Procedural Phases and Costs Order***

The resources necessary to pursue the ICSID Arbitration are substantial and the costs, fees and other expenses and commitments payable in connection with the ICSID Arbitration may differ materially from Management's expectations.

Statistically, historic annulment applications made under the ICSID Convention have a low level of success. In view of these statistics, the case-specific nature of annulment applications and the inherent uncertainty in the annulment process, there can be no assurances that the outcome from the Annulment Application will be positive for the Company or that the annulment or any future procedures in the ICSID Arbitration will advance in a customary or predictable manner or be completed or settled within any specific or reasonable period of time.

The pursuit by the Company of additional procedural phases in connection with the ICSID Arbitration may lead to the commencement of further abusive fiscal and other investigations and assessments against RMGC or its staff or employees by the Romanian State, the progress and/or conclusion of which may have a material and adverse effect on the Group's business, financial condition and results of operations.

As described above, it is anticipated that Romania will take steps to enforce and recover the Costs Order and has already initiated procedures in Romania to encumber certain of the Group's assets. There can be no assurance that any pending or future legal proceedings in Romania or elsewhere to enforce the Costs Order will not result in substantial costs or a diversion of management's attention and resources or have a material adverse effect on the Company's financial position and results of operations, and on the Company's business, assets and prospects.

### ***Governmental Investigations and Audits***

The Group's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Company and/or its affiliates to regulatory or agency proceedings or investigations and could also lead to damage awards, fines, penalties and other civil or criminal sanctions.

Since the filing of the ICSID Arbitration, RMGC has been subjected to several audits and investigations by Romanian governmental agencies, the timing, scope, and manner of implementation of which has shown that they are excessive and retaliatory to the Company's pursuit of the ICSID Arbitration.

Whilst a prior VAT assessment levied against RMGC was ultimately successfully challenged and the related VAT fully reimbursed to RMGC, there can be no certainty that further VAT audits and assessments will not arise in the future.

At the current time, a prosecutor's office investigation of RMGC's commercial relationships with a number of service providers remains in progress, as further described above. The related ad hoc investigation conducted by ANAF over almost eight years covering a broad range of RMGC operational activities and transactions is ongoing. To date, the ANAF investigators have issued four 'findings reports', most recently a report in respect of transactions involving RMGC's core technical advisers to the Project. RMGC (together with its professional advisers) has filed substantive written rebuttal submissions in response to all of the findings reports received to date.

However, there can be no assurance regarding the outcome of the ongoing prosecutor's office and ANAF investigations of RMGC. The outcome of these investigations could harm the Group's reputation, require the Company and/or RMGC to take, or refrain from taking, actions that could harm its operations, seize RMGC's assets, require RMGC to pay substantial amounts of money, harming the Group's financial condition or could lead to the initiation of criminal proceedings against RMGC and its administrators.

There can be no assurance that any pending or future regulatory or agency proceedings, investigations, and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

### ***Sources of Additional Funding***

Further funding will be required by the Company to pursue the ICSID Arbitration to its conclusion, including the annulment procedure, and for general working capital requirements.

Historically, the Company has been financed through the issuance of its Common Shares, convertible notes and other equity-based securities. Although the Company has been successful in the past in obtaining financing, it has limited access to financial resources as a direct result of the ongoing arbitration dispute concerning the Project and the core focus of the Company upon the ICSID Arbitration.

Notwithstanding the Company's historic funding, there is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all. The continuation of the Russia-Ukraine war and/or any future emergence of war or spread of pathogens similar to COVID-19 could also have an adverse impact on global economies and financial markets, which may adversely impact the Company's ability to obtain financing.

### ***Refinancing of Existing Securities***

The Company may need or desire to refinance all or a portion of the arbitration value rights or warrants issued and outstanding. There can be no assurance that the Company will be able to refinance any of its existing securities.

### ***Potential Dilution to Existing Shareholders***

The exercise of the Company's outstanding warrants could result in the issuance of a significant number of Common Shares causing significant dilution to the ownership of existing shareholders.

As described above, the Company will require additional financing and in order to raise such financing, the Company may sell additional equity or equity-related securities including, but not limited to, Common Shares, share purchase warrants or some form of convertible security. The additional issuances of equity-related securities, if made, will result in dilution to existing shareholders, which could be substantial.

Unless and until the Company successfully acquires and/or develops operating properties which provide positive cash flow, the Company's ability to meet its obligations as they fall due will be limited to the Company's cash on hand and/or its ability to issue additional equity or debt securities in the future. Such transactions could potentially cause substantial dilution to the shareholders at that time.

### ***Political and Economic Uncertainty in Romania***

Other than in relation to the ICSID Arbitration, Gabriel's employee base, material operations, property rights and other interests are located in Romania. As such, the Company's activities are subject to a number of country-specific risks and additional risks relating to the European Union (such as laws and policies which impact Romania) over which it has no control.

These risks may include social, political, economic, legal and fiscal instability and changes of Romanian or European Union laws and regulations affecting mining, foreign ownership, taxation, working conditions, rates of exchange, exchange control, exploration licensing, and export licensing and export duties.

In the event of a dispute arising in respect of the Company's activities in Romania (other than the ICSID Arbitration), the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or elsewhere. Any adverse or arbitrary decision of a court, arbitrator or other governmental or regulatory body may have a material adverse impact on the Company's business, assets, prospects, financial condition and results of operations and/or the market price of its securities.

### ***UNESCO World Heritage List***

On July 27, 2021 the "Roşia Montană Mining Cultural Landscape", an area covering the footprint of the Project, was inscribed by the United Nations Educational, Scientific and Cultural Organization ("UNESCO") on its World Heritage List ("**Inscription**") and added to its List of World Heritage in Danger.

Romania's application to UNESCO to list the Roşia Montană site and the subsequent Inscription are fundamentally incompatible and at odds with the rights the Group acquired to develop the Project and the terms of the License. Furthermore, the Inscription materially undermines the possibility of an amicable resolution of the ongoing dispute with Romania that would allow for the development of the Project.

### ***Mineral Tenure Rights***

As described above, RMGC as the titleholder retaining 'nominal ownership' of the exploitation license for the Project, applied for a further extension of the term of the License for an additional five years, which was rejected by NAMR and the current term of the License expired on June 20, 2024.

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

The decision of the NAMR concerning the License and/or any adverse or arbitrary decision of the NAMR or any other competent body concerning the Bucium Projects (including, but not limited to the Bucium Applications) may have a material adverse impact on the Company's business, assets, prospects, financial condition and results of operations and/or the market price of its securities.

### ***Legal Proceedings***

Over the years, Gabriel has been party (directly and through RMGC) to several legal challenges in Romania, including, lawsuits initiated by non-governmental organizations challenging administrative deeds issued by public authorities directly or indirectly related to the Project. With the commencement of the ICSID Arbitration in 2015, RMGC withdrew from a number of court proceedings where it was acting as either plaintiff or third-party intervenor in respect of disputes concerning the administrative documents, permits and/or authorizations issued for the Project.

However, in the course of its business, Gabriel and/or its subsidiaries may from time to time become involved in further legal claims, arbitration and other legal proceedings.

Due to the inherent uncertainties of the judicial process in Romania, the nature and results of any legal proceedings concerning the Group, its investment and property rights and/or the Project cannot be predicted with any certainty. In addition, such claims, arbitration and other legal proceedings may be lengthy and involve the incurrence of substantial costs and resources by the Group. The initiation, pursuit and/or outcome of any claim, arbitration or legal proceeding could have a material adverse effect on the Company's financial position and results of operations, and on the Company's business, assets and prospects.

### ***Dependence on Management and Key Personnel***

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

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

### ***Minvest RM Mine Closure Plan and Environmental Liabilities***

In May 2006, Minvest RM's predecessor permanently ceased all of its mining operations at Roșia Montană. As a result, a mine closure plan was developed, which, Gabriel understands, was approved by the Romanian Ministry of Economy and NAMR. The mine closure plan was developed to integrate into RMGC's development plans for Roșia Montană in order to avoid any conflict between the Romanian State's closure activities and RMGC's development activities. A state-owned company under the coordination of the Ministry of Economy, S.C. CONVERSMIN S.A. ("CONVERSMIN"), has responsibility for the mine closure plan.

There can be no assurance that the activities required of CONVERSMIN contemplated by such mine closure plan will be implemented in a timely fashion, and no such action has been undertaken to date within the Roșia Montană license area.

Until the mine closure plan has been fully implemented, there can be no assurance that such activities will not attract liability to RMGC, as the most recent titleholder of the License, under the current or future laws, rules and regulations applicable to mining activities in Romania. Likewise, there can be no assurance that the legally binding assumption by the Romanian State-owned operator of all liabilities associated with its past mining operations or any indemnification of RMGC from such liabilities will be fulfilled by, or be enforceable against, such entity.

Mining exploration activities conducted by RMGC, as the most recent titleholder of the License, are also subject to potential environmental risks and liabilities. It is the Company's belief that RMGC has met its obligations under the License and applicable Romanian laws to perform environmental rehabilitation within the areas of the tenement affected by its exploration activities. To the extent that RMGC becomes subject to material unforeseen and uninsured environmental liabilities, the payment of such costs would reduce funds otherwise available to the Company and could have a material adverse effect on the Company.

### ***Continued Listing of the Common Shares***

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

As a result of these factors, if the Common Shares are delisted from the Exchange, the price of the Common Shares may decline and the Company's ability to obtain financing in the future could be materially impaired.

### ***Compliance with Anti-Corruption Laws***

Gabriel is subject to various anti-corruption laws and regulations including, but not limited to, the Canadian Corruption of Foreign Public Officials Act 1999 and the UK Bribery Act 2010. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage.

Other than the ICSID Arbitration, Gabriel's primary operations are located in Romania, a country which, according to Transparency International, is perceived as having fairly high levels of corruption relative to the rest of Europe (Romania ranks 63<sup>rd</sup> out of 180 countries in terms of corruption, according to a 2023 index published in January 2024 by Transparency International). Gabriel cannot predict the nature, scope or effect of future anti-corruption regulatory requirements to which Gabriel's operations might be subject or the manner in which existing laws might be administered or interpreted.

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

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

### ***International Developments and Geopolitical Risk***

Global economic factors, geopolitical actions, political and market conditions and unexpected events, such as the COVID-19 pandemic and the Russia-Ukraine conflict, may create uncertainty and risk with respect to the prospects of the Group's business.

The extent to which the Russia-Ukraine conflict may directly or indirectly impact the Group's business, results of operations and financial condition will depend on future developments that are highly uncertain. There is no guarantee that the current geo-political situation and the resulting economic developments will not adversely affect the Group's operations and financial condition in the future.

### ***Epidemics and Pandemics***

The Company faces risks related to health epidemics, pandemics and other outbreaks of communicable diseases, which could significantly disrupt the Group's operations, including, but not limited to, the advancement of the ICSID Arbitration. The Company could be adversely impacted by pandemics and epidemics.

The extent to which epidemics or pandemics will impact, the Group's business and operations, and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of any outbreak and the actions taken to contain or treat the outbreak.

In particular, the impact of epidemics or pandemics globally, could materially and adversely impact the Group's business including, without limitation, the progress of the ICSID Arbitration, employee health, limitations on travel, and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the its business, financial condition and results of operations.

There can be no assurance that the Group's personnel will not be impacted by these pandemic diseases and ultimately the Group may see its workforce productivity reduced or incur increased medical costs or insurance premiums as a result of these health risks.

### ***Insurance and Uninsurable Risks***

Gabriel maintains insurance to protect itself against certain risks related to its operations in type and amounts that it believes are reasonable depending upon the circumstances surrounding each identified risk and the advice of its retained insurance advisor.

There are also risks against which the Company cannot insure or against which it may elect not to insure for various reasons. The potential costs associated with any liabilities not covered by insurance, or in excess of insurance coverage, or compliance with applicable laws and regulations may cause substantial delays to its operations and require significant capital outlays, adversely affecting the future business, assets, prospects, financial condition and results of operations of the Company.

### ***Cyber Security Risk***

The Group and its third-party services provider's information systems are vulnerable to an increasing threat of continually evolving cyber security risks. Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (e.g., employees, contractors, service providers, suppliers and operational risks) or external sources (e.g., nation states, terrorists, hackers, competitors and acts of nature).

Cyber incidents include, but are not limited to, unauthorized access to information systems and data (e.g., through hacking or malicious software) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (e.g., efforts to make network services unavailable to intended users).

The operations of the Company depend, in part, on how well networks, equipment, information technology systems and software are protected against damage from several threats. The failure of information systems or a component of information system could, depending on the nature of any such failure, have a material adverse effect on the Company's business, its reputation, results of operations and financial condition.



A cyber incident that affects the Group and/or its service providers might cause disruptions and adversely affect their respective business operations and might also result in violations of applicable law (e.g., personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents.

### ***Global Economic and Financial Market Conditions***

Global economic and financial conditions may impact the ability of the Company to obtain loans, financing and other credit facilities in the future and, if obtained, on terms favorable to the Company. As a consequence, global financial conditions could adversely impact the Company's financial status and share price.

### ***Currency Fluctuations***

The Company's functional and presentation currency is the Canadian dollar, which is exposed to fluctuations against other currencies. The Company's primary operations are located in Romania and many of its expenditures and obligations are denominated in RON. Similarly, many of its expenditures and obligations in respect of the ICSID Arbitration are denominated in US dollars. In addition, the Company has and/or will have expenditures and obligations denominated in other currencies including, but not limited to, Canadian dollars, EUR and GBP.

The Group maintains active cash accounts in Canadian dollars, US dollars, GBP and RON and has either monetary assets and/or liabilities in currencies including US dollars, Canadian dollars, EUR, GBP and RON. As such, the Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. The Company does not currently use any derivative products to actively manage or mitigate any foreign exchange exposure.

### ***Market Price Volatility***

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for the Common Shares will be subject to market trends generally and there may be significant fluctuations in the price of the Common Shares.

### ***No History of Earnings or Dividends***

The Company has no history of earnings and as such the Company has not paid dividends on its Common Shares since incorporation. The Company does not intend to declare or pay cash dividends at present.

### ***Accounting Policies and Internal Controls***

Since January 1, 2011, the Company has prepared its financial reports in accordance with IFRS. In preparation of financial reports, Management of Gabriel may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Material accounting policies are described in more detail in the Company's Financial Statements.

In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported, the Company has implemented internal control systems for financial reporting. Although the Company believes its financial reporting and Financial Statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance (see CEO/CFO Certification below).

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

- I. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- II. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with the issuer's GAAP.

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

### ***Enforcement of Civil Liabilities***

As substantially all of the assets of Gabriel and its subsidiaries are located outside of Canada, and certain of its directors and officers are resident outside of Canada, it may be difficult or impossible to enforce judgements granted by a court in Canada against the assets of Gabriel or its subsidiaries or its directors and officers residing outside of Canada.

### ***Conflicts of Interest***

Some of the directors and officers of the Company are, or may be, on the boards of other natural resource companies, or other providers of finance, from time-to-time resulting in conflicts of interests. Therefore, there is the potential for a conflict of interest between the Company and some of its directors and officers. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

## CEO/CFO Certification

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have reviewed the Financial Statements and this interim MD&A (the "Interim Filings") for the three-month period ended June 30, 2024.

The CEO and CFO certify that, as at June 30, 2024, based on their knowledge, having exercised reasonable diligence:

- I. the Interim Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the Interim Filings; and
- II. the Financial Statements for the period, together with the other financial information included in the Interim Filings, fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of June 30, 2024 and for the three month period to that date.

## Outstanding Share Data

The Company's fully diluted share capital as at July 31, 2024 was:

	<b>Outstanding</b>
Common shares	1,256,299,760
Incentive stock options	22,628,014
Deferred share units - Common Shares	1,849,777
Warrants	81,730,233
<b>Fully diluted share capital</b>	<b>1,362,507,784</b>

## Forward-Looking Statements

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

In this MD&A, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and ICSID Arbitration uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein.

Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, uncertainties associated with: the ICSID Arbitration (including but not limited to the annulment process), actions by the Romanian Government or affiliates thereof, the impact of current or future litigation against the Group, conditions or events impacting the Company's ability

to fund its operations (including but not limited to the sourcing and completion of additional funding), the ability to progress exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out above and below, that may never materialize, prove incorrect or materialize other than as currently contemplated, which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, outlook, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "is of the view" "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

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

- the duration, costs, process and outcome of the ICSID Arbitration (including, but not limited to, the annulment proceedings);
- access to funding to support the Group's strategic objectives;
- the impact on the Company's financial condition and operations of the rejection of the extension of the Rosia Montana exploitation license and/or any actions taken by Romania to enforce the Costs Order;
- the impact on financial condition, business strategy and its implementation in Romania of: any allegations of historic acts of corruption, uncertain fiscal investigations, uncertain legal enforcement both for and against the Group, unpredictable regulatory or agency actions and political and social instability;
- changes in the Group's liquidity and capital resources;
- equity dilution resulting from the conversion or exercise of new or existing securities in part or in whole to Common Shares;
- the ability of the Company to maintain a continued listing on the Exchange or any regulated public market for trading securities;
- Romania's actions following inscription of the "Roșia Montană Mining Landscape" as a UNESCO World Heritage site;
- regulatory, political and economic risks associated with operating in a foreign jurisdiction including changes in laws, governments and legal and fiscal regimes;
- global economic and financial market conditions, including inflation risk;
- the geo-political situation and the resulting economic developments arising from the unfolding conflict and humanitarian crisis as a consequence of conflicts such as the Russia-Ukraine war;
- volatility of currency exchange rates; and
- the availability and continued participation in operational or other matters pertaining to the Group of certain key employees and consultants.

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

Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this MD&A that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice.

The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies.

**Gabriel Resources Ltd.**

Unaudited Condensed Interim Consolidated Financial  
Statements

For the period ended June 30, 2024

# Unaudited Condensed Consolidated Statements of Financial Position

As at June 30, 2024 and December 31, 2023  
(Expressed in thousands of Canadian dollars)

	Notes	June 30 2024	December 31 2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	2,475	4,611
Other receivables	7	84	54
Prepaid expenses and supplies	8	1,984	260
<b>Total current assets</b>		<b>4,543</b>	<b>4,925</b>
<b>Non-current assets</b>			
Restricted cash	6	162	202
Property and equipment		78	76
<b>Total non-current assets</b>		<b>240</b>	<b>278</b>
<b>TOTAL ASSETS</b>		<b>4,783</b>	<b>5,203</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	1,807	1,251
Resettlement liabilities	11	583	567
Arbitral costs order	10	14,083	13,761
Other current liabilities	12	28	749
<b>Total current liabilities</b>		<b>16,501</b>	<b>16,328</b>
<b>Non-current liabilities</b>			
Deferred arbitration fees	10	4,528	4,382
<b>Total non-current liabilities</b>		<b>4,528</b>	<b>4,382</b>
<b>TOTAL LIABILITIES</b>		<b>21,029</b>	<b>20,710</b>
<b>Deficit</b>			
Share capital	14	1,037,387	1,032,948
Other reserves		157,315	157,419
Currency translation adjustment		1,064	1,087
Accumulated deficit		(1,215,855)	(1,210,808)
<b>Accumulated deficit attributable to owners of the parent</b>		<b>(20,089)</b>	<b>(19,354)</b>
Non-controlling interest	15	3,843	3,847
<b>TOTAL DEFICIT</b>		<b>(16,246)</b>	<b>(15,507)</b>
<b>TOTAL DEFICIT AND LIABILITIES</b>		<b>4,783</b>	<b>5,203</b>

Going concern – Note 1

Contingent liabilities – Note 17

Approved by the Board of Directors

(Signed) “Anna El-Erian”

Anna El-Erian  
Director

(Signed) “Jeffrey Couch”

Jeffrey Couch  
Director

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

# Unaudited Condensed Consolidated Statements of Loss

For the three and six-month periods ended June 30

(Expressed in thousands of Canadian dollars, except per share data)

	Notes	3 months ended		6 months ended	
		2024	2023	2024	2023
<b>Expenses</b>					
Corporate, general and administrative	5	3,073	2,580	5,405	4,860
Interest on arbitral costs order		183	-	229	-
Share-based compensation reversal	12	(96)	-	(787)	(239)
Depreciation		3	3	6	6
<b>Operating loss</b>		<b>3,163</b>	<b>2,583</b>	<b>4,853</b>	<b>4,627</b>
<b>Other (income) / expense</b>					
Interest income		(13)	(10)	(37)	(31)
Doubtful debt expense		17	-	36	-
Foreign exchange loss		62	73	195	87
<b>Loss for the period</b>	18	<b>3,229</b>	<b>2,646</b>	<b>5,047</b>	<b>4,683</b>
<b>Basic and diluted loss per share</b>	18	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

# Unaudited Condensed Consolidated Statements of Comprehensive Loss

For the three and six-month periods ended June 30

(Expressed in thousands of Canadian dollars)

		3 months ended		6 months ended	
		2024	2023	2024	2023
<b>Loss for the period</b>		<b>3,229</b>	<b>2,646</b>	<b>5,047</b>	<b>4,683</b>
<i>Other comprehensive loss</i>					
<i>- may recycle to the Income Statement in future periods)</i>					
Currency translation adjustment		21	(8)	33	3
<b>Comprehensive loss for the period</b>		<b>3,250</b>	<b>2,638</b>	<b>5,080</b>	<b>4,686</b>
<b>Comprehensive loss for the period attributable to:</b>					
- Owners of the parent		3,246	2,641	5,077	4,684
- Non-controlling interest		4	(3)	3	2
<b>Comprehensive loss for the period</b>		<b>3,250</b>	<b>2,638</b>	<b>5,080</b>	<b>4,686</b>

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



# Unaudited Condensed Consolidated Statements of Changes in Shareholders' Deficit

For the six-month period ended June 30  
(Expressed in thousands of Canadian dollars)

	Note	2024	2023
<b>Common shares</b>			
At January 1		1,032,948	1,021,520
Shares issued in private placement - net of issue costs	14	4,347	6,390
Shares issued on exercise of stock options	14	54	-
Transfer from contributed surplus: exercise of share options		38	-
At June 30		1,037,387	1,027,910
<b>Other reserves</b>			
At January 1		157,419	158,663
Share-based compensation		(66)	(28)
Exercise of share options		(38)	-
At June 30		157,315	158,635
<b>Currency translation adjustment</b>			
At January 1		1,087	1,125
Currency translation adjustment		(23)	(1)
At June 30		1,064	1,124
<b>Accumulated deficit</b>			
At January 1		(1,210,808)	(1,185,872)
Loss for the period	18	(5,047)	(4,683)
At June 30		(1,215,855)	(1,190,555)
<b>Non-controlling interest</b>			
At January 1		3,847	3,853
Currency translation adjustment		(4)	(2)
At June 30		3,843	3,851
<b>Total shareholders' deficit at June 30</b>		<b>(16,246)</b>	<b>965</b>

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

# Unaudited Condensed Consolidated Statements of Cash Flows

For the six-month period ended June 30  
(Expressed in thousands of Canadian dollars)

	Notes	2024	2023
<b>Cash flows used in operating activities</b>			
Loss for the period		(5,047)	(4,683)
Adjusted for the following non-cash items:			
Depreciation		6	6
Share-based compensation reversal	12	(787)	(239)
Interest on loan receivable		-	(3)
Doubtful debt expense		36	-
Interest on Arbitral costs order		229	-
Foreign exchange loss / (gain)		245	(93)
		(5,318)	(5,012)
Changes in operating working capital:			
Increase in trade and other payables		561	75
Increase in deferred arbitration fees		1	-
(Increase) / Decrease in other receivables		(24)	58
(Increase) in prepaid expenses and supplies		(1,740)	(114)
		(6,521)	(4,993)
<b>Cash flows (used in) / from investing activities</b>			
Repayment of loan receivable		-	31
Purchase of property and equipment		(8)	(2)
		(8)	29
<b>Cash flows from financing activities</b>			
Proceeds from exercise of stock options	14	54	-
Proceeds from private placement	14	4,401	6,443
Private placement costs		(56)	(53)
		4,399	6,390
<b>(Decrease) / Increase in cash and cash equivalents</b>		<b>(2,130)</b>	<b>1,426</b>
<b>Effect of foreign exchange on cash and cash equivalents</b>		<b>(6)</b>	<b>-</b>
<b>Cash and cash equivalents - beginning of period</b>		<b>4,611</b>	<b>5,621</b>
<b>Cash and cash equivalents - end of period</b>		<b>2,475</b>	<b>7,047</b>

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

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three and six-month periods ended June 30, 2024

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

## 1. Nature of operations and going concern

### *Nature of operations*

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

Gabriel’s activities over many years were focused on permitting and developing the Roşia Montană gold and silver project in Romania (the “**Project**”). For 25 years the exploitation license for the Project (“**License**”) was held by Roşia Montană Gold Corporation S.A. (“**RMGC**”), a Romanian company in which Gabriel owns an 80.69% equity interest, with the 19.31% balance held by Minvest Roşia Montană S.A. (“**Minvest RM**”), a Romanian state-owned mining company.

Over US\$700 million has been invested to develop the Project and to define two valuable mineral deposits at the Rodu-Frasin (epithermal gold and silver) site and the Tarniţa (porphyry copper-gold) site, both within the Bucium area located in the vicinity of Roşia Montană (“**Bucium Projects**”), in accordance with all applicable laws, regulations, licenses, and permits.

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

Key milestones in the ICSID Arbitration have been disclosed in Gabriel’s prior quarterly and annual filings. Following a legal process conducted over almost nine years, on March 8, 2024 the Claimants and the Romanian State (“**Respondent**”) (together “**Parties**”) received a final decision rendered by the presiding arbitral tribunal (“**Tribunal**”) dismissing, over the dissent of one of the three arbitrators in a two to one majority, the arbitration claims filed against the Romanian State and awarding Romania costs incurred in the proceedings (“**Arbitral Decision**”).

Accordingly, these unaudited condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2024 (“**Condensed Financial Statements**”) reflect the principal focus of Gabriel and its subsidiary companies (together the “**Group**”) on the pursuit of the ICSID Arbitration, adjusted as appropriate to reflect the outcome arising from the Arbitral Decision.

### *Arbitral Decision and Annulment Application*

The Arbitral Decision, including a cost order of approximately US\$10 million awarded to Romania to reimburse half its legal fees and expenses in the ICSID Arbitration (“**Costs Order**”), is binding on the parties and the amount payable incurs simple interest from the date of the Arbitral Decision at the 3-month US Treasury rate.

On July 5, 2024, the Claimants filed with ICSID an application which sets out the grounds under Article 52 of the ICSID Convention that warrant the annulment of the Arbitral Decision (“**Annulment Application**”).

In particular, the Annulment Application explains that the Arbitral Decision must be annulled due to fatal defects in the constitution of the Tribunal and that, in addition, the majority’s decision on liability is fatally flawed in multiple respects that separately require its annulment, including manifest excesses of power by disregarding the applicable law, multiple serious departures from fundamental rules of procedure, and failures to state reasons for decisions made on several of the most fundamental aspects of the claims presented.

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three and six-month periods ended June 30, 2024  
(Amounts in thousands of Canadian dollars, unless otherwise stated)

## 1. Nature of operations and going concern (continued)

On July 12, 2024, the Acting Secretary-General of ICSID registered the Annulment Application filed by the Claimants and notified the parties of the provisional stay of enforcement of the Costs Order.

The annulment process prescribed by the ICSID Convention is not an appeal of the merits of the Arbitral Decision, but a procedure which would, if successful, extinguish the Arbitral Decision, including the Costs Order.

### *Enforcement of Costs Order by Romania*

The Company announced on April 4, 2024, that the Government of Romania has requested the Claimants to settle the Costs Order and noted that they will take action to enforce the same. In this regard, the Romanian State has sought precautionary measures in Romania to impose restrictions on the sale or transfer of the shares held by Gabriel Jersey in RMGC, pending settlement of the Costs Order.

Gabriel Jersey and RMGC have submitted complaints before the Romanian courts challenging these measures. The Company believes that these actions are premature and suffer from procedural infirmities. Gabriel will vigorously defend its rights and interest in Romania and elsewhere.

As noted above, the Annulment Application requests a provisional stay against enforcement of the Costs Order. The imposition of the provisional stay was notified to the Parties by ICSID on July 12, 2024 and is effective from that date.

There can be no assurances that the annulment process pursuant to the ICSID Convention will result in a positive outcome for the Company or advance in a customary or predictable manner or be completed or settled within any specific or reasonable period of time. The resources necessary in pursuing such process are substantial and the costs, fees and other expenses and commitments payable in that connection may differ materially from Management's expectations.

### *Rejection of Request for Extension of the Roşia Montană Exploitation License*

In March 2024, RMGC submitted an application to the Romanian National Agency for Mineral Resources ("NAMR") for extension of the term of the License for an additional five years ("**License Extension Application**").

On June 20, 2024, RMGC was notified that the NAMR had rejected its License Extension Application. The Company strongly believes that the justifications provided by NAMR are pretextual and is evaluating the decision with its professional advisers. Gabriel and RMGC will pursue all options to defend and reinstate their legal rights.

### *Going concern*

The Condensed Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its normal course of operations for the foreseeable future.

As at June 30, 2024, the Company had a working capital deficit of \$12.0 million and had incurred losses of \$3.2 million and of \$5.0 million for the three and six-month periods ended June 30, 2024 respectively, and has yet to achieve profitable operations resulting in an accumulated deficit of \$1,216 million as at June 30, 2024.

On April 26, 2024, the Company announced a non-brokered private placement (the "**2024 Private Placement**") of up to 377,594,750 Common Shares at a price of \$0.02 per Common Share for gross proceeds of up to US\$5.575 million (approximately \$7.5 million).

On May 17, 2024, the Company announced the receipt of US\$3.25 million (approximately \$4.4 million) and the closing of an initial tranche of the 2024 Private Placement subject to certain conditions, including, but not limited to, the approval of the TSX Venture Exchange ("**Exchange**") and the receipt of all other applicable approvals.

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three-month period ended June 30, 2024

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

## 1. Nature of operations and going concern (continued)

The remainder of the 2024 Private Placement was anticipated to close on or before July 3, 2024, however, this did not transpire. While the Company is progressing further discussions with the party that had previously committed to participating in the 2024 Private Placement, Gabriel will seek and explore alternative financing options. The Company will use the proceeds from the 2024 Private Placement to finance the ongoing costs of the ICSID Arbitration and for general working capital requirements.

Excluding the Costs Order and amounts set aside for Annulment related legal fees, on the basis of the Company's balance of cash and cash equivalents as at June 30, 2024, and taking into account (i) a fee agreement in respect of the deferral of payment of certain ICSID Arbitration costs; and (ii) the continued deferral of a portion of salary and fees for certain employees and directors (see "Contingent Liabilities" below), the Company believes that it has sufficient cash necessary to fund general working capital requirements together with other material estimated costs associated with the Company advancing the ICSID annulment proceedings through to September 2024.

Accordingly, Gabriel will require further funding during the third quarter of 2024 in order to pursue long-term activities and for general working capital purposes, including to preserve its remaining assets, rights and permits.

Notwithstanding the Company's recent and historic funding, there can be no assurance that sufficient additional financing will be available to the Company at any time or, if available, that it can be obtained on terms and timing satisfactory to the needs of the Company.

These events and conditions indicate material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Condensed Financial Statements reflect the liabilities related to the Costs Order. The Condensed Financial Statements do not reflect the adjustments to the carrying values of assets or liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

### ***Registered office***

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

## 2. Basis of preparation

The Condensed Financial Statements are prepared according to the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss. The Condensed Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting as outlined by International Financial Reporting Standards ("IFRS") and its interpretations as issued by the International Accounting Standards Board. They do not include all the information required for a complete set of annual financial statements prepared in accordance with IFRS, and therefore should be read in conjunction with the Company's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2023 ("2023 Financial Statements"). However, where appropriate selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since December 31, 2023.

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three-month period ended June 30, 2024

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

## **3. Critical accounting estimates, risks and uncertainties**

The preparation of Condensed Financial Statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities, if any, at the date of the condensed financial statements and the reported amount of expenses and other income for the period. These estimates and assumptions are based on Management's knowledge of the relevant facts and awareness of circumstances, having regard to prior experience and information available at the balance sheet date. Actual results could differ from those estimates and assumptions. Significant items subject to such estimates and assumptions include depreciation, impairment, provisions, stock-based compensation, forecasted cash flows and fair value of financial instruments and are not materially different from those disclosed in the 2023 Financial Statements.

## **4. Material accounting policies**

A number of amended standards became effective from January 1, 2024. The Company was not required to change the accounting policies or make retrospective adjustments in adopting these standards. The accounting policies applied in the Condensed Financial Statements are the same as those applied in the 2023 Financial Statements and have been consistently applied to all the years presented. In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements which replaces IAS 1 and introduces new requirements on presentation within the statement of income or loss. In addition, narrow scope amendments have been made to IAS 7, Statement of Cash Flows. Some requirements previously included in IAS 1 have been moved to IAS 8, which has also been renamed to IAS 8, Basis of Preparation of Financial Statements. IAS 34, Interim Financial Reporting was also amended to require the disclosure of management-defined performance measures. Minor consequential amendments to other standards were also made. The amendments are effective for reporting periods beginning on or after January 1, 2027. Earlier application is permitted. In due course the Company will assess the potential impact of IFRS 18 and the narrow scope amendments.

In May 2024, the IASB issued narrow-scope amendments to the classification and measurement requirements in IFRS 9 Financial Instruments and disclosures in IFRS 7 Financial Instruments: Disclosures. The amendments clarify the classification of financial assets with environmental, social and corporate governance linked features, and other similar contingent features, including how to assess the contractual cash flow characteristics. The amendments also provide clarification that the derecognition date for a financial asset or financial liability settled through electronic payment systems should be the settlement date. Furthermore, for financial liabilities settled, in full or in part, in cash using an electronic payment system, an entity is permitted to make an accounting policy election to derecognise the liability before settlement date if certain conditions are met. In addition, the IASB introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier adoption is permitted for certain amendments. The Company is currently assessing the potential impact of the narrow scope amendments.

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three-month period ended June 30, 2024

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

## 5. Corporate General and Administrative expenses

<i>in thousands of Canadian dollars</i>	3 months ended June 30		6 months ended June 30	
	2024	2023	2024	2023
ICSID Arbitration-related costs	1,169	325	1,317	827
Payroll	891	870	1,815	1,730
Finance, audit, accounting and compliance	308	647	689	770
Property taxes	208	184	410	368
Legal	200	144	343	206
Other	106	105	234	224
Information technology	60	83	143	131
Project obligations and community relations*	87	152	256	311
Travel and transportation*	29	3	115	174
Office rental and utilities	15	57	69	100
External communications	-	10	14	19
Corporate, general and administrative expense	3,073	2,580	5,405	4,860

\*Included in these balances are expenses incurred with related parties (see note 13 for detail).

## 6. Cash and cash equivalents and restricted cash

	June 30	December 31
As at	2024	2023
Cash and cash equivalents	2,475	4,611
Restricted cash	162	202
	2,637	4,813

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates. Cash is readily accessible and is deposited at reputable financial institutions with acceptable credit standings.

The Group manages its domestic Romanian bank credit risk by centralizing custody, control and management of its surplus cash resources generated outside of Romania and only transferring money from its corporate office to its Romanian subsidiary based on near term cash requirements, thereby mitigating exposure to domestic Romanian banks. At June 30, 2024, the Group held \$0.1 million in unrestricted cash and cash equivalents in Romanian banks (December 31, 2023: \$0.2 million).

Restricted cash in Romania represents cash collateralization of legally required environmental guarantees for future clean-up costs of \$0.1 million and supplier deposits of \$0.1 million.

Cash balances are held in the following currencies:

	June 30	December 31
	2024	2023
Canadian dollar	741	3,725
United States dollar	1,468	429
UK pound sterling	239	302
Romanian Leu	27	155
Romanian Leu (restricted cash)	162	202
	2,637	4,813

## 7. Other receivables

Other receivables of \$0.1 million at June 30, 2024 (December 31, 2023: \$0.1 million) is comprised of group VAT receivable at the period end.

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three-month period ended June 30, 2024

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

## 8. Prepaid expenses and supplies

	<b>June 30</b>	December 31
	<b>2024</b>	2023
ICSID Arbitration-related costs	<b>1,661</b>	-
Corporate insurance	<b>309</b>	71
Mining tax	<b>3</b>	160
Other	<b>11</b>	29
	<b>1,984</b>	260

## 9. Property and equipment

Property and equipment consists of office equipment, vehicles and right of use assets with a carrying value of \$0.1 million (December 31, 2023: \$0.1 million).

## 10. Trade and other payables

### *Short term*

	<b>June 30</b>	December 31
	<b>2024</b>	2023
As at		
Trade payables	<b>363</b>	207
Payroll liabilities	<b>472</b>	416
Accruals and other payables	<b>972</b>	628
Arbitral costs order	<b>14,083</b>	13,761
	<b>15,890</b>	15,012

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

Gabriel has recognized the principal amount of the Costs Order at rates of exchange as at June 30, 2024 and including the simple interest applicable from the date of the Arbitral Decision at the 3-month US Treasury rate.

### *Long term*

As at June 30, 2024 \$4.5 million (December 31, 2023: \$4.4 million) was due under a fee agreement in respect of certain ICSID Arbitration costs incurred before the Arbitral Decision, with payment deferred until six months after such award. Subsequently this deferral has been further extended such that no amount in this regard will be repayable until up to 90 days after the conclusion of the annulment process instituted by the Company.

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

	<b>June 30</b>	December 31
	<b>2024</b>	2023
As at		
UK pound sterling	<b>198</b>	168
Canadian Dollar	<b>271</b>	261
United States dollar	<b>8,521</b>	7,684
Euro	<b>1,775</b>	1,710
Romanian Leu	<b>9,653</b>	9,571
	<b>20,418</b>	19,394



# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three-month period ended June 30, 2024

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

## 11. Resettlement liabilities

RMGC previously had a program for purchasing homes in the Project area. Under the resettlement program residents were offered two choices; either to take the sale proceeds and move to a new location of their choosing or exchange their properties for a new property to be built by RMGC at a new resettlement site. For those residents who chose the new resettlement site alternative, the Company recorded a resettlement liability for the anticipated construction costs of the resettlement houses. The total resettlement liability balance at June 30, 2024 was \$0.6 million (December 31, 2023: \$0.6 million).

## 12. Other current liabilities

	DSUs (000's)	Average price per common share (dollars)	Value (\$000)
<b>Balance - December 31, 2022</b>	<b>4,708</b>	<b>0.32</b>	<b>1,507</b>
Redeemed	(2,858)	-	(787)
Change in fair value	-	-	29
<b>Balance - December 31, 2023</b>	<b>1,850</b>	<b>0.41</b>	<b>749</b>
Change in fair value	-	-	(721)
<b>Balance - June 30, 2024</b>	<b>1,850</b>	<b>0.02</b>	<b>28</b>

The Company has a deferred share unit (“DSU”) plan under which qualifying participants receive certain compensation in the form of DSUs. From July 1, 2016, until March 31, 2022, certain Company non-executive directors elected to receive up to 100 per cent. of their director fees payable in DSUs. From April 1, 2022, this arrangement was discontinued.

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

As at June 30, 2024, the Company’s share price had decreased to \$0.02 from \$0.405 at December 31, 2023 and, accordingly, a fair value decrease of \$0.7 million has been recorded in the DSU liability.

## 13. Related party transactions

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

- (a) In July 2015, the Company entered into a services agreement with SC Total Business Land SRL (“TBL”), a Romanian entity controlled by current and former employees of RMGC, including the current CEO of Gabriel. TBL was set up after Gabriel entered into the ICSID Arbitration with a business purpose to provide specialized services to the Romanian market – for example archaeology, land planning and surveying, permitting, environmental assessment, and digital services. The incorporation of TBL enabled the Gabriel group to significantly reduce its cost base whilst maintaining compliance with its License obligations. The services agreement with TBL is terminable by each party with 30 days’ notice and is for the provision of certain manpower to RMGC, primarily to conduct real estate maintenance on RMGC owned land and buildings, preservation of historical buildings, underground works, document management and other administration work. For each of the three and six-month periods ended June 30, 2024 such charges amounted to less than \$0.1 million (June 30, 2023: less than \$0.1 million).
- (b) In December 2015 RMGC entered into an agreement with TBL to lease office space in Alba Iulia for a fixed rate, this agreement was terminated in May 2024. In March 2020 RMGC entered into a further agreement with TBL to sub-let office space in Bucharest and to recharge applicable rent and utilities costs. The agreement was terminated in November 2023. Both parties entered into a further agreement for the sub-lease of office space and to recharge applicable rent and utilities

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three-month period ended June 30, 2024

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

## 13. Related party transactions (continued)

costs in Bucharest in April 2024. For each of the three and six-month periods ended June 30, 2024 such recharges by RMGC amounted to less than \$0.1 million (June 2023: less than \$0.1 million).

- (c) In June 2018, the Company entered into a facility agreement with TBL pursuant to which it agreed to lend \$0.9 million to TBL. The loan is repayable in 2028, accrues interest at a rate of 1% per annum and is secured by a mortgage over certain assets of the borrower and personal guarantees in favor of the Company by the principals of TBL. By February 2019, TBL had drawn down the entire \$0.9 million facility. In September 2020 \$0.1 million of the loan was forgiven, and certain related personal guarantees released, as part of the severance agreement with certain RMGC employees. Partial payments of principal on the loan were received in 2019, 2020, 2021, 2022 and 2023. In April 2024 TBL entered into voluntary administration and the Company has provided against the receivable. The balance of the loan at June 30, 2024 was \$nil (December 31, 2023: \$nil).
- (d) In August 2018, TBL entered into a lease agreement with RMGC for a number of vehicles owned by TBL to be used by RMGC in its operations. The agreement was amended in October 2020 to decrease the number of vehicles in line with the severance of certain RMGC employees. The agreement also provides the recharge of tax, insurance and maintenance related costs incurred by TBL to RMGC. The term of the lease is 12 months. For each of the three and six-month periods ended June 30, 2024 the charges were less than \$0.1 million (June 30, 2023: less than \$0.1 million).

In the following table “Key Management” represents all non-executive directors and executive officers of the Company. The compensation paid or payable to Key Management is as follows:

	3 months ended June 30		6 months ended June 30	
	2024	2023	2024	2023
Salaries and other short-term employee benefits <sup>(1)(2)</sup>	330	329	659	647
Directors' fees <sup>(2)</sup>	82	83	165	165
<b>Total</b>	<b>413</b>	<b>412</b>	<b>824</b>	<b>812</b>

<sup>(1)</sup> Salaries and other benefits reflect compensation due and payable for the time period those personnel held a position of director or officer during each year. Consequently, changes in such personnel may affect the comparator.

<sup>(2)</sup> Officers and Directors salaries are net of a 20% deferral, as described fully in note 17.

## 14. Share capital

### Authorized:

Unlimited number of Common Shares without par value.

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

### Issued:

On May 17, 2024, the Company announced it had completed closing of an initial tranche of the 2024 Private Placement, issuing 220,122,500 Common Shares at a price of \$0.02 per Common Share to raise gross proceeds of US\$3.25 million, approximately \$4.4 million.

	Number of shares (000's)	Amount <sup>1</sup>
<b>Balance - December 31, 2022</b>	<b>1,000,645</b>	<b>1,021,520</b>
Shares issued in private placement	24,782	6,389
Shares issued on the redemption of DSUs	2,092	582
Shares issued on the exercise of warrants	8,458	3,234
Transfer from contributed surplus - exercise of warrants	-	1,223
<b>Balance - December 31, 2023</b>	<b>1,035,977</b>	<b>1,032,948</b>
Shares issued on the exercise of share options	200	54
Transfer from contributed surplus - exercise of share options	-	38
Shares issued in private placement	220,123	4,347
<b>Balance - June 30, 2024</b>	<b>1,256,300</b>	<b>1,037,387</b>

<sup>1</sup> - Amounts in this column refer to amounts *net* of issue costs

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three-month period ended June 30, 2024

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

## 14. Share capital (continued)

### Common Share purchase warrants

A summary of Common Share purchase warrants issued and outstanding as at June 30, 2024, along with their exercise prices, is as follows:

<b>Expiry date</b>	<b>Number of warrants</b>	<b>Exercise price (\$)</b>
August 23, 2024	76,504,263	0.645
September 13, 2024	5,225,970	0.645

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

	<b>Number of warrants ('000)</b>	<b>Weighted average exercise price (dollars)</b>
<b>Balance - December 31, 2022</b>	<b>200,820</b>	<b>0.55</b>
Warrants cancelled/forfeited	(2,657)	0.39
Warrants expired	(82,252)	0.49
Warrants exercised	(8,458)	0.39
<b>Balance - December 31, 2023</b>	<b>107,453</b>	<b>0.61</b>
Warrants expired	(25,723)	0.49
<b>Balance - June 30, 2024</b>	<b>81,730</b>	<b>0.65</b>

### Share Options

The exercise price of incentive stock options (“Share Options”) is determined as the higher of the five-day weighted average closing price of the Common Shares prior to the grant date of the Share Option and the closing price of the Common Shares on the day before the grant date of the Share Option. Share Options granted vest in accordance with milestones or vesting periods set by the Board at the grant date and are exercisable over up to ten years from the date of issuance.

The maximum number of Common Shares issuable under the Option Plan is fixed at 59,778,004.

The estimated fair value of Share Options is amortized using graded vesting over the period in which the Share Options vest. For those Share Options which vest on a single date, either on issuance or on achievement of milestones (the “measurement date”), the fair value of these Share Options is amortized using graded vesting over the anticipated vesting period.

Certain Share Option grants have performance vesting conditions. The fair value of these Share Options that vest upon achievement of milestones will be recognized and expensed over the estimated vesting period of these Share Options. Adjustments resulting from the recalculation of the estimated vesting periods are recorded in the Unaudited Condensed Consolidated Statements of Loss.

<b>Range of exercise prices (dollars)</b>	<b>Outstanding</b>			<b>Exercisable</b>		
	<b>Number of options (thousands)</b>	<b>Weighted average exercise price (dollars)</b>	<b>Weighted average remaining contractual life (years)</b>	<b>Number of options (thousands)</b>	<b>Weighted average exercise price (dollars)</b>	<b>Weighted average remaining contractual life (years)</b>
0.195 - 0.30	1,955	0.25	6.8	1,955	0.25	6.8
0.31 - 0.40	11,165	0.36	3.5	11,165	0.36	3.5
0.41 - 0.50	9,433	0.45	4.4	9,433	0.45	4.4
0.51 - 0.65	75	0.65	2.1	75	0.65	2.1
	<b>22,628</b>	<b>0.39</b>	<b>4.2</b>	<b>22,628</b>	<b>0.39</b>	<b>4.2</b>

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three-month period ended June 30, 2024

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

## 14. Share capital (continued)

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

	Number of options ( <sup>'000</sup> )	Weighted average exercise price (dollars)
<b>Balance - December 31, 2022</b>	<b>33,415</b>	<b>0.45</b>
Options expired	(1,409)	0.39
<b>Balance - December 31, 2023</b>	<b>32,006</b>	<b>0.45</b>
Options expired	(9,177)	0.61
Options exercised	(200)	0.27
<b>Balance - June 30, 2024</b>	<b>22,629</b>	<b>0.39</b>

During the three month and six-month periods ended June 30, 2024, and June 30, 2023, no Share Options were granted. During March and May 2024, a further 4.2 million Share Options exercisable at an average \$0.39 expired and 0.2m were exercised at an average \$0.27.

At June 30, 2024, the fair value of Share Options to be expensed is \$nil (December 31, 2023: less than \$0.1 million).

## 15. Non-controlling interest

	Rosia Montana Gold Corporation S.A.
<b>Balance - December 31, 2022</b>	<b>3,853</b>
Currency translation adjustment	(6)
<b>Balance - December 31, 2023</b>	<b>3,847</b>
Currency translation adjustment	(4)
<b>Balance - June 30, 2024</b>	<b>3,843</b>

The Company has historically advanced loans totaling US\$39.5 million to Minvest RM, the non-controlling shareholder of RMGC, to facilitate mandatory statutory share capital increases in RMGC in accordance with Romanian company law rules on capitalization. These loans, which remain outstanding at June 30, 2024, are non-interest bearing and according to their terms are to be repaid as and when RMGC distributes dividends to its shareholders.

Further to the loans noted above, in December 2013, the Group was required to recapitalize RMGC in order to comply with minimum company law requirements. The subscription to RMGC share capital by the Company was effected through a conversion of existing intercompany debt. On January 17, 2014, the Group agreed to transfer to Minvest RM, for nil consideration, a proportion of the shares subscribed for in December 2013, with a face value of \$20.4 million, in order to preserve the respective shareholdings in RMGC. This transfer gave rise to the disclosed non-controlling interest and subsequent accounting.

The loans are accounted for as part of the Group's net investment in RMGC and, accordingly, have been set-off against non-controlling interests in the Unaudited Condensed Consolidated Statements of Financial Position. The loans and non-controlling interest components will be reflected individually at such time as repayment of the loans is made possible.

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three-month period ended June 30, 2024

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

## 16. Commitments

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

	Total	2024	2025	2026	2027	2028	Thereafter
<i>Operating lease commitments</i>							
Surface concession rights	923	17	34	34	34	34	770
Property lease agreements	94	82	12	-	-	-	-
Total commitments	1,017	99	46	34	34	34	770

- (a) RMGC has approximately 30 years remaining on concession agreements with the Local Councils of Roşia Montană and Abrud by which it is granted exploitation rights to property located on and around one of the Project's proposed open pits for an annual payment of approximately \$34,000 (Romanian Leu equivalent).
- (b) The Group has entered into agreements to lease premises for various periods. The annual rent of premises consists of minimum rent plus taxes, maintenance and, in certain instances, utilities.

## 17. Contingent Liabilities

The Company has a number of contingent liabilities, namely:

- (i) litigation - the Company is involved in litigation matters and claims arising out of the ordinary course and conduct of its business. Although the amount of any liability that could arise with respect to any pending claims cannot be estimated or cannot be predicted with certainty, management does not consider the Company's exposure to litigation to be material to these Condensed Financial Statements.
- (ii) in respect of 95,625 arbitration value rights ("AVRs"), entitling the holders thereof to a share of any proceeds arising from any settlement or arbitral award irrevocably made in the Company's and/or any of its affiliates favour in connection with the ICSID Arbitration claim, including:
  - a. 55,000 AVRs entitling the holders to a pro rata share of 7.5% of any such proceeds, subject to a maximum aggregate entitlement of \$175 million among all holders of such AVRs; and
  - b. 40,625 AVRs entitling the holders to a pro rata share of 5.54% of any such proceeds, subject to a maximum aggregate entitlement of \$129.3 million among all holders of such AVRs.
- (iii) in respect of the key employee engagement plan ("KEEP"), an arbitration-focused retention and incentive program established by the Company in 2016. The KEEP's aim is to ensure the long-term participation and incentivization of the Group's personnel, including its executive management, employees, non-executive directors and other contributors in pursuing the ICSID Arbitration through to a successful recovery. The KEEP is a trust established by the Claimants, as settlors, pursuant to a trust agreement dated July 2016, as amended. Subject to its terms and conditions, the KEEP provides that in the event that any arbitral award is made in favor of, or a settlement is accepted by, Gabriel in connection with the ICSID Arbitration proceedings, the Claimants will make a cash payment, or procure the cash payment, to the KEEP trust. Such payment will be made following receipt of the proceeds awarded to the Claimants (inclusive of any non-monetary consideration) and subject to the payment of any taxes, payable or required to be withheld by the Claimants or by law, in an amount of cash equal to: (i) 7.5% of the first US\$500 million of the proceeds; and (ii) 2.5% of any amount of proceeds in excess of US\$500 million.

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three-month period ended June 30, 2024

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

## 17. Contingent Liabilities (continued)

- (iv) certain employees of the Group agreed to accept a 20% reduction in their base salary effective as of February 1, 2022. (“**Deferred Salary**”). The Company has a contingent liability to pay to each such employee an amount equal to 150% of the aggregate accumulated amount of their respective Deferred Salary within (i) 60 days of receipt of any monies received by the Company and/or any of its affiliates pursuant to any settlement or arbitral award irrevocably made in its favor in relation to the ICSID Arbitration claim that is sufficient to satisfy and discharge the aggregate accumulated Deferred Salary in full; or (ii) 90 days following a “change of control” of the Company. Similarly, with effect from April 1, 2022 the directors of the Company have agreed to defer 20% of their fees due on the same basis.

## 18. Loss per share

	3 months ended June 30		6 months ended June 30	
	2024	2023	2024	2023
Loss for the period attributable to owners of the parent	3,229	2,646	5,047	4,683
Weighted-average number of common shares (000's)	1,142,610	1,006,637	1,089,626	1,003,674
Basic and diluted loss per share	\$0.00	\$0.00	\$0.00	\$0.00

As at June 30, 2024, the Company had 1,256,299,760 Common Shares in issue. While the Company is in a loss-making position, the effect of further potential share issuances under Share Options, DSUs and Warrants of 106,208,024 Common Shares at that date in aggregate would be anti-dilutive. Diluted loss per share is therefore deemed to be the same as basic loss per share.

## 19. Segmental information

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Company’s Chief Executive Officer. The Group has two segments: the first being the Romanian operating company, the principal activity of which was formerly the exploration, evaluation and development of precious metal mining projects in the country (designated as “Romania”). The rest of the entities within the Group form part of a secondary segment (designated as “Corporate”).

The segmental report is as follows:

	Romania		Corporate		Total	
	2024	2023	2024	2023	2024	2023
<b>For the three-month period ended June 30,</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Reportable items in the Unaudited Condensed Consolidated Statements of Loss</b>						
Interest received	-	-	(13)	(10)	(13)	(10)
Depreciation	1	3	2	-	3	3
Reportable segment loss	842	-	2,387	2,646	3,229	2,646
<b>For the six-month period ended June 30,</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Reportable items in the Unaudited Condensed Consolidated Statements of Loss</b>						
Interest received	-	-	(37)	(31)	(37)	(31)
Depreciation	3	6	3	-	6	6
Reportable segment loss	2,011	1,264	3,036	3,419	5,047	4,683
<b>As at June 30,</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Reportable segment in the Unaudited Condensed Consolidated Statements of Financial Position</b>						
Reportable segment current assets and assets classified as held for sale	133	345	4,393	7,279	4,526	7,624
Reportable segment non-current assets	234	228	3	514	237	742
Reportable segment liabilities	(1,314)	(1,118)	(19,715)	(6,283)	(21,029)	(7,401)

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three-month period ended June 30, 2024

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

## 20. Financial instruments

The recorded amounts for cash, cash equivalents, short-term investments, accounts receivable, accounts payable, accrued liabilities and other liabilities approximate fair values based on the nature of those instruments. The Group's risk exposures and the impact on the Group's financial instruments are summarized below:

### *Credit risk*

The Group's credit risk is primarily attributable to cash and cash equivalents that are held on short-term overnight deposit with the major Canadian banks and loan receivable.

The Group is exposed to the credit risk of domestic Romanian banks that hold and disburse cash on behalf of its Romanian subsidiary. The Group manages its Romanian bank credit risk by centralizing custody, control and management of its surplus cash resources generated outside of Romania at the corporate office and only transferring money to its Romanian subsidiary based on near term cash requirements, thereby mitigating exposure to domestic Romanian banks.

The Group holds limited cash balances in the United Kingdom with a major UK bank to fund corporate activities.

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

### *Liquidity risk*

As at June 30, 2024 the Group had no sources of operating cash flows and does not have sufficient cash to fund either the development of the Project or all the long-term activities required to see the ICSID Arbitration through to its conclusion, including any annulment proceedings. As such, the Company will require additional future funding as discussed in Note 1.

### *Market risk*

#### (a) Interest rate risk

The Group maintains a short-term investment horizon, typically less than 3 months, for its cash and cash equivalents.

The Group is only marginally exposed to capital erosion should interest rates rise and cause fixed yield investments to devalue.

The Group's primary objective with respect to cash and cash equivalents is to mitigate credit risk. The Group has elected to forego yield in favour of capital preservation.

#### (b) Foreign currency risk

The Group's functional and presentation currency is the Canadian dollar and its activities expose it to fluctuations in foreign exchange rates. The Group has monetary assets and liabilities denominated in Romanian Leu, US dollars, UK pounds sterling and Euros and is, therefore, subject to exchange variations against both the functional and presentation currency.

The Group maintains cash and cash equivalents in various currencies and is therefore susceptible to market volatility as foreign cash balances are revalued to the functional currency of the entity and thereafter to the presentation currency of the Group. Therefore, the Group may report foreign exchange gains or losses during periods of economic and market volatility. The Group currently endeavours to keep the majority of its cash, cash equivalents, and short-term investments in United States dollars and Canadian dollars.

# Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three-month period ended June 30, 2024

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

## 20. Financial instruments (continued)

### *Financial instruments*

At June 30, 2024, the Group's financial instruments consist of cash and cash equivalents, other receivables and trade and other payables. The carrying amounts of these financial instruments approximate fair value due to their short-term maturities and are classified as level 1 of the fair value hierarchy.

As at June 30, 2024, the carrying amount of the Group's loan receivable approximates its fair value. The fair value was determined by discounting the expected future cash flow based on current rate for a loan with similar terms and maturities, and is categorized as Level 2 in the fair value hierarchy.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by the stated valuation technique:

**Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

### *Sensitivity analysis*

As of June 30, 2024, the carrying amount of the financial instruments equals fair market value. Based on Management's knowledge and experience of the financial markets, the Company believes, based on its balance of cash and cash equivalents as at June 30, 2024, the following movements are "reasonably possible" over a twelve-month period:

- Cash and cash equivalents. A plus or minus 1% change in earned interest rates would affect net interest income by approximately \$0.1 million.
- The Group holds foreign currency balances, giving rise to exposure to foreign exchange risk. A plus or minus 1% change in exchange rates would affect net income by approximately \$0.1 million.