

TORONTO, ONTARIO--(Marketwired - Nov 10, 2015) - [Gabriel Resources Ltd.](#) ("Gabriel" or the "Company") (TSX:GBU) announces the publication of its Third Quarter Financial Statements and Management's Discussion and Analysis Report for the period ended September 30, 2015.

## Summary

- Romania has blocked and prevented implementation of the Roşia Montană gold and silver project ("Project") without due process and without compensation. As a consequence, in July 2015, the Company was left with no alternative but to file a request for arbitration against Romania before the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") to protect its rights in relation to the Project under applicable treaties for the promotion and protection of foreign investment to which Romania is a party ("Request for Arbitration").
- On July 30, 2015, ICSID registered Gabriel's Request for Arbitration and the current phase in the arbitration proceedings is to constitute the tribunal that will adjudicate the claim.
- Despite the initiation of arbitration proceedings, the Company remains open to engagement with the President, the Prime Minister and the Government of Romania ("Romanian Authorities") to achieve an amicable resolution of the dispute. No such engagement has occurred in the year to date.
- Following the resignation of the Prime Minister on November 4, 2015 an interim Government administration is in place.
- After taking into account, amongst other matters, the continued failure of the competent authorities to address the assessment procedures of the Project, the protracted and uncertain nature of the judicial process and the requirement for the Company to reduce its cost base, Gabriel has determined, and Roşia Montană Gold Corporation ("RMGC") has resolved, to withdraw from a number of pending Romanian litigation cases.
- Gabriel held \$25.7 million of cash and cash equivalents as at September 30, 2015.

Jonathan Henry, Gabriel's President and Chief Executive Officer, stated:

"We are hugely disappointed that there remains no engagement with the Romanian Authorities despite formal notification of this dispute almost ten months ago. Gabriel has been given no alternative but to pursue the avenue of international arbitration in order to protect its rights. Although the arbitration process is now underway, we have always been committed to the construction and operation of a world class gold mine at Roşia Montană; and our overriding wish remains that an amicable resolution can be reached."

Further information and commentary on the operations and results in the third quarter of 2015, together with events anticipated in the short term, is given below. The Company has filed its Unaudited Condensed Interim Consolidated Financial Statements and Management's Discussion & Analysis on SEDAR at [www.sedar.com](http://www.sedar.com) and each is available for review on the Company's website at [www.gabrielresources.com](http://www.gabrielresources.com).

## Further Information

### Request for Arbitration

- Since obtaining the rights to develop the Project, Gabriel has invested in excess of \$700 million to finance and develop the Project, in reliance on numerous representations made and actions taken by the Romanian Authorities and other Romanian administrative bodies charged with assessment of the Project ("Romanian Administration").
- To date, the actions and inactions of the Romanian Administration have prevented the Project from advancing to implementation and have effectively deprived Gabriel entirely of the value of its investments. The Project has become subject to a politicised decision-making process in which it has been held hostage to conflicts between rival political factions and gross misinformation which has prevented a proper regulatory analysis by the administrative bodies charged with its assessment.
- This state of affairs, among other things, has prevented action from being taken with regard to the environmental permit ("EP") for the Project, evidenced by the repeated delays to the technical analysis committee ("TAC") environmental impact assessment ("EIA") review process.
- As a consequence of the negative impacts of the Romanian Administration's failure to treat the Project lawfully, the Company has had to implement cost-reduction measures including, amongst other things, a material reduction in the workforce of Gabriel and RMGC from approximately 500 employees as at December 31, 2013 to approximately 70 at the present time and further reducing to fewer than 40 at the end of November 2015.

- On July 21, 2015, Gabriel and Gabriel Resources (Jersey) Ltd. filed the Request for Arbitration pursuant to the provisions of bilateral investment protection treaties which the Government of Romania has entered into with each of the Government of Canada and the Government of the United Kingdom of Great Britain and Northern Ireland for the Promotion and Reciprocal Protection of Investments (together the "Treaties"). On July 30, 2015, ICSID notified Gabriel and Romania that the Request for Arbitration had been registered.
- Romania has subjected Gabriel and its investments to treatment in breach of Romania's bilateral investment treaty obligations, causing significant losses to Gabriel. In the Request for Arbitration, Gabriel is seeking the full relief owed to it under the provisions of the Treaties for the deprivation of its rights to develop the Project.
- Gabriel continues to seek engagement at a senior level with the Romanian Authorities in order to resolve the dispute amicably. However, Gabriel is also fully committed to the protection of its rights and interests in Romania and, in the absence of any willingness by the Romanian Authorities to engage in dialogue, the Company has been left with no alternative but to seek legal recourse through the Request for Arbitration. Gabriel has engaged White & Case LLP to advise it in this matter.

## Financial Performance

- The net loss for the third quarter of 2015 was \$4.6 million, or \$0.01 per share.

## Liquidity and Capital Resources

- Cash and cash equivalents at September 30, 2015 amounted to \$25.7 million.
- The Company's average monthly net cash usage during Q3 2015 was \$2.1 million, including increased legal services in respect of the arbitration proceedings (H1 2015: monthly average \$1.8 million, 2014: annual monthly average \$2.3 million, 2013: annual monthly average \$3.9 million). Excluding legal and other advisory services in respect of the arbitration proceedings, the average monthly net cash usage during Q3 2015 was \$1.3 million (H1 2015: monthly average \$1.5 million).
- Legal services aside, the ongoing cost-saving measures to align Gabriel's cost base with the prevailing situation in relation to the regulatory assessment and permitting procedures for the Project have a long-term goal of the Company remaining financially strong for the foreseeable future.

## Political Environment

- During 2015 there have been ongoing challenges to the Prime Minister, Victor Ponta, including votes of no confidence in June and September which his government survived. The Romanian press has reported that Mr. Ponta has been charged, and has had assets seized by the National Anti-corruption Directorate ("DNA"), for alleged forgery of private documents and for being an accessory to tax evasion and money laundering, with trial proceedings initiated in late September. On July 12, Mr. Ponta resigned his presidency of the Social Democratic Party pending the outcome of the DNA. Following street demonstrations in the aftermath of a fire at a night club in Bucharest that killed over 40 people, on November 4, Mr. Ponta tendered his resignation as Prime Minister of Romania, citing a view that he no longer enjoyed the support of the people.
- The President of Romania, Klaus Iohannis, has subsequently appointed an interim acting Prime Minister, Sorin Campeanu, who is also Minister for Education. Any candidate proposed for the permanent position of Prime Minister must be approved by the Romanian Parliament as must the new cabinet to be formed and its programme for government of the country. New elections will result if Parliament rejects two nominations, and in any event a general election is scheduled for late 2016.

## Environmental and Other Permitting

- Since the start of 2014, there have been no significant developments in any of the key areas for the Project where decision-making is required by the Romanian Administration.
- As previously disclosed, amongst other matters, all material environmental issues had been extensively considered and concluded upon at prior TAC meetings. Notwithstanding the issue of the Request for Arbitration in July 2015 and a notice of dispute before it in January 2015, Romania has yet to engage with the Company on how it might repair or redress the damage suffered by its failure to advance the environmental permitting process.
- Gabriel thus remains unable to provide guidance on the decision with regard to the EP and is still subject to a lack of progress on additional permits and approvals required to advance the Project to construction, including zonal urbanism plans for the industrial and protected areas, forestry/agriculture land use change permits, as well as other permits and approvals that follow the issuance of the EP.

## Litigation - RMGC Withdrawal from Legal Proceedings

- In light of the prevailing situation of the Project, Gabriel has re-evaluated RMGC's involvement in a number of litigation cases pending before the Romanian courts, in which RMGC is acting as either plaintiff, third party intervenor or defendant in respect of disputes concerning administrative documents / permits / authorizations issued for the Project.
- After taking into account, amongst other matters, the continued failure of the competent authorities to address the assessment procedures of the Project thereby blocking and preventing its implementation, the protracted and uncertain nature of the judicial process and the continued requirement for the Company to reduce its cost base and mitigate its losses, Gabriel has determined, and RMGC has resolved, to withdraw from a number of pending litigation cases, as detailed in Management's Discussion & Analysis which is filed on SEDAR at [www.sedar.com](http://www.sedar.com).

## Outlook

- Notwithstanding the Request for Arbitration, the Company remains open to engagement formally from the Romanian Authorities in order to seek an amicable resolution of the dispute that has been submitted to arbitration. In addition, in the short-term, the Company's objectives also include:
  - the protection of its rights and interests in Romania; and
  - continuing to reduce the Company's activities and costs to those that support the preservation of its core assets and rights and to carefully manage its cash resources.

## About Gabriel

Gabriel is a TSX-listed Canadian resource company whose activities have been focused on permitting and developing the world-class Roşia Montană gold and silver project in Romania over the past seventeen years. The exploitation license for the Project, the largest undeveloped gold deposit in Europe, is held by Roşia Montană Gold Corporation, a Romanian company in which Gabriel currently owns an 80.69 percent equity interest, with the 19.31 percent balance held by Minvest Roşia Montană S.A., a Romanian state-owned mining enterprise. Gabriel and RMGC are committed to responsible mining and sustainable development in the communities in which they operate. It is anticipated that the Project would bring over US\$24 billion (at US\$1,200/oz gold) to Romania as potential direct and indirect contribution to GDP and generate thousands of employment opportunities. Gabriel has sought to build a state-of-the-art mine using best available techniques and implementing the highest environmental standards whilst preserving local and national cultural heritage in Romania.

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

## Forward-looking Statements

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

These forward-looking statements may include statements with respect to the future financial or operating performance of the Company and its subsidiaries, the perceived merit of properties, exploration results and budgets, mineral reserves and mineral resources estimates, work programs, capital expenditures, operating costs, cash flow estimates, production estimates and similar statements relating to the economic viability of a project, timelines, strategic plans, including the Company's plans and expectations relating to the Project, the anticipated outcomes of the application processes for permits, endorsements and licenses, including but not limited to the ongoing review of the environmental impact assessment, required for the Project, or other statements that are not statements of fact.

These forward-looking statements may refer to the Company's intentions, hopes, beliefs, expectations or predictions for the future. In this release, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

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

Forward-looking statements are based upon certain assumptions and other important factors regarding present and future business strategies and the environment in which the Company will operate in the future, which could prove to be significantly

incorrect. Forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and/or its subsidiaries to be materially different from those expressed or implied by such forward-looking statements.

These risks, uncertainties and other factors include, without limitation, the attitudes and actions of the Government of Romania related to the Company's investment in Romania, including the response of the Romanian Authorities to the filing of the Request for Arbitration; the ability of the Company to realize value from its investments in Romania pursuant to the Treaties and international arbitration proceedings in the event that the Company and the Romanian Authorities do not reach an agreement regarding development, construction and operation of the Project; the advancement of any international arbitration proceedings in a customary manner; the outcome of any international arbitration proceedings before arbitration tribunals as provided in the Treaties, including the timing and value of any arbitral award or settlement; the Company's expectation with regards to the amount of costs, fees and other expenses and commitments payable in connection with the arbitration; the availability of future financing on commercially acceptable terms to fund the arbitration through to completion; and any inability or delay in recovering from Romania the amount of any award or settlement.

In addition, such risks, uncertainties and other factors include, without limitation, the political and economic risks of operating in Romania, including those related to controls, regulations, political or economic developments and government instability in Romania; permitting risks, including the risk that permits and governmental approvals necessary to develop and operate the Project will not be available on a timely basis or at all; risks of maintaining the validity and enforceability of necessary permits and risks of replacing expired/cancelled permits and approvals; uncertainties relating to the assumptions underlying the Company's mineral resource and mineral reserve estimates, such as metal pricing, metallurgy, mineability, marketability and operating and capital costs; risks related to the subjectivity of estimating mineral resources and mineral reserves and the reliance on available data and assumptions and judgments used in interpretation of such data; risk related to the acquisition of all necessary surface rights for the development of the Project, including the risk that the Company may not acquire all such rights, or acquire such rights at acceptable prices; risks of defective title to mineral property, including the risk of successful legal challenges to the validity of the Company's exploitation license; risks related to the Company's ability to finance the development of the Project through external financing, strategic alliances, or otherwise; litigation risks, including the uncertainties inherent in current and future legal challenges relating to the Project; uncertainty inherent in litigation including the effects of discovery of new evidence or advancement of new legal theories; the difficulty of predicting decisions of judges and the possibility that decisions may be reversed on appeal; uncertainties relating to prices for energy inputs, labor, material costs, supplies and services; risks related to changes in law and regulatory requirements, including environmental regulation; risks related to the future market prices of gold and silver and other mineral and commodity price fluctuations, and volatility in metal prices; risks related to the need for reclamation activities on the Company's properties and uncertainty of cost estimates related thereto; risks associated with maintaining substantial levels of indebtedness, including potential financial constraints on operations; dependence on cooperation of state-owned joint venture partner in the development of the Project; risks related to the loss of key employees and the Company's ability to attract and retain qualified management and technical personnel; risks related to opposition to the Project from non-governmental organizations or civil society; and other risks identified in the filings by the Company with the Canadian securities regulatory authorities, including Gabriel's annual information form for the year ended December 31, 2014, which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

This list is not exhaustive of the factors that may affect any of Gabriel's forward-looking statements. Forward-looking information contained herein is made as of the date of this press release. There can be no assurance that forward-looking information or statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information or statements. Accordingly, for the reasons set forth above, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

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