

2018 Third Quarter Report

27.11.2018 | [ACCESS Newswire](#)

LONDON, November 27, 2018 - Summary ‐ Arbitration Developments

- [Gabriel Resources Ltd.](#) ("Gabriel" or "Company") remains focused on the progression of its arbitration case against Romania to be determined under the rules of the International Centre for Settlement of Investment Disputes ("ICSID"), part of the World Bank ("ICSID Arbitration").
- On May 25, 2018, Romania supplemented its counter-memorial ("Counter-Memorial") filed on February 22, 2018 by filing a further preliminary objection to the jurisdiction of the Tribunal ("Jurisdictional Challenge") with ICSID.
- On July 11, 2018 and October 2, 2018, respectively, ICSID published, in redacted form, the Company's memorial on the merits and quantum of its claim which it had filed on June 30, 2017 ("Memorial") and the Counter-Memorial.
- On November 2, 2018, Gabriel filed with ICSID a comprehensive rebuttal of the legal and factual contentions raised in the Counter-Memorial and its response to the Jurisdictional Challenge ("Reply").

Other Material Events

- On July 10, 2018, the Company announced the resignation of its President and Chief Executive Officer and the retention of his services as a consultant in connection with the ICSID Arbitration.
- On August 8, 2018, Dragos Tanase was announced as President and Chief Executive Officer of Gabriel.
- The net loss for the third quarter of 2018 was \$17.2 million (Q2 2018 \$13.8 million).
- As at September 30, 2018, the Company held \$11.6 million of cash and cash equivalents.
- The Company is in advanced discussions to secure additional, long-term funding and, while there can be no assurance of completion, Management is of the view that a further financing will be completed by the end of 2018.

Dragos Tanase, Gabriel's President and Chief Executive Officer, stated:

"Gabriel remains very confident in the merits of its ICSID Arbitration claim following the submission of its Reply to Romania's Counter-Memorial, and is fully focused on raising further funding to underpin financially the continuation of that claim through to the hearings in December 2019."

Further information and commentary on the results in the third quarter of 2018 is given below. The Company has filed its Unaudited Condensed Interim Consolidated Financial Statements for Q3 2018 and related Management's Discussion & Analysis, together with the Annual Information Form of the Company for the year ended December 31, 2017 on SEDAR at www.sedar.com and each is available for review on the Company's website at www.gabrielresources.com.

For information on this press release, please contact:

Dragos Tanase
President & CEO
Phone: +4021 223 1351

Max Vaughan
Chief Financial Officer
Mobile: +447823 885503
max.vaughan@gabrielresources.com

Richard Brown
Chief Commercial Officer
Mobile: +447748 760276
richard.brown@gabrielresources.com

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

Further Information

Status of the ICSID Arbitration

- The ICSID Arbitration seeks compensation for all of the losses and damages suffered by the Company and its wholly-owned subsidiary, Gabriel Resources (Jersey) Ltd. (together "Claimants"), resulting from the Romanian State's wrongful conduct and its breaches of the protections afforded by certain treaties for the promotion and protection of foreign investment to which Romania is a party against expropriation, unfair and inequitable treatment and discrimination in respect of the RoE™ia Montanƒ gold and silver project (the "RoE™ia Montanƒ Project") and the prospective gold, silver and porphyry copper deposits in the neighbouring Bucium concession area ("Projects") and related licenses.
- On November 2, 2018, the Claimants submitted their Reply which sets out a comprehensive rebuttal of the legal and factual contentions raised in the Counter-Memorial and includes Gabriel's response to the supplemental preliminary objections in the Jurisdictional Challenge.
- The Reply was filed in accordance with a schedule established by procedural orders of the Tribunal ("Procedural Orders"), including a recent revision to the calendar that prescribed the following key dates:
 - Romania to file its response to the Reply ("Rejoinder") and its reply on the Jurisdictional Challenge by May 10, 2019.
 - Gabriel to file its surrejoinder with regard to the Jurisdictional Challenge by June 14, 2019.
 - The Tribunal will hold a hearing on the merits of the claim from December 2 to 13, 2019.
- Following a process prescribed by the Procedural Orders, redacted versions of the Memorial and the Counter-Memorial were published on the ICSID website on July 11, 2018 and October 2, 2018, respectively. A copy of the Jurisdictional Challenge submission is also available on the ICSID website. A redacted version of the Reply will be published on the ICSID website following completion of a process prescribed by the Procedural Orders.

UNESCO World Heritage List

- At its meeting on July 2, 2018, the UNESCO World Heritage Committee accepted a late request of the Romanian Government to postpone its decision on the inclusion of the RoE™ia Montanƒ Mining Cultural Landscape on the UNESCO World Heritage List due to the "ongoing international arbitration". In media reports, the Romanian Minister of Culture subsequently confirmed that the Romanian Government had requested the postponement of a decision on the file until such time as the ICSID Arbitration is settled in order to "to protect the national assets and financial interests of the Romanian state".

VAT Assessment

- As previously reported, the RON 27m (approximately \$8.6m) VAT assessment (the "VAT Assessment") levied against Rosia Montana Gold Corporation ("RMGC") (together with a further demand of RON 18.6 million (approximately \$6.0 million) in respect of related interest and penalties) by the Romanian National Agency for Fiscal Administration ("ANAF") relates to VAT refunds previously claimed and received by RMGC from the Romanian tax authorities in respect of RMGC's purchase of goods and services from July 2011 to January 2016.
- On April 5, 2018, RMGC initiated an action before the Alba Iulia Court of Appeal (Division for Administrative and Tax Claims) seeking the annulment of the VAT Assessment. The next hearing date for such challenge has been set for January 16, 2019.
- RMGC also filed a request for a stay of enforcement of the VAT Assessment before the Alba Iulia Court of Appeal on August 10, 2017. On October 2, 2017, the Alba Iulia Court of Appeal admitted RMGC's request for a stay of enforcement of the VAT Assessment, pending the determination of RMGC's annulment challenge of the VAT Assessment. ANAF subsequently filed an appeal against this decision with the High Court of Cassation and Justice and RMGC has filed a statement of defence in response to ANAF's appeal. The High Court of Cassation and Justice has set a hearing date of January 17, 2019 for these proceedings.
- The Company intends to pursue all available legal avenues to challenge the VAT Assessment along with the interest and penalties and to fully protect its rights and assets.

Management Changes

- On July 10, 2018 the Company announced that the former President and Chief Executive Officer, Jonathan Henry, resigned from his position. Mr. Henry continues to act as a consultant in connection with the ICSID Arbitration claim against Romania.
- On August 8, 2018, the Company appointed Dragos Tanase as President and Chief Executive Officer. Mr Tanase has been the managing director of RMGC for 10 years, a position in which he continues to serve.

Liquidity and Capital Resources

- As at September 30, 2018, the Company held \$11.6 million of cash and cash equivalents.
- The Company's average monthly cash usage during Q3 2018 was \$4.3 million (Q2 2018: \$2.4 million, excluding the receipt of proceeds of \$3.9m from the sale of a ball mill). At the end of Q3 2018, accruals for costs in respect of the ICSID Arbitration amounted to \$6.2 million (Q2 2018: \$3.4 million). The increase in cash usage since the first half of 2018 is due principally to the significant legal and other advisory services required by the Company for the preparation and submission of the Reply.
- The Company believes that it has sufficient sources of funding to cover its planned activities through to the end of December 2018. The Group requires additional funding in the short-term to maintain its primary assets, as well as its License and associated rights and permits, and to continue to fund the material estimated costs associated with advancing the ICSID Arbitration. The Company is in advanced discussions with its principal securityholders to secure additional, long-term funding. As of the date of this press release, and while there can be no assurance of completion, Management is of the view that a further financing will be completed by the end of 2018.

Financial Performance

- The net loss for the third quarter of 2018 was \$17.2 million which was impacted by higher costs related to the submission of the Reply in the ongoing ICSID arbitration, amounting to \$8.9 million in the current quarter versus \$0.7 million in 2017 comparable quarter, and by contractual termination expenses.

About Gabriel

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

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

Forward-looking Statements

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

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

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

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

- delay or extension to the duration of the ICSID Arbitration;
- required disclosure, costs, process and outcome of the ICSID Arbitration against Romania;
- changes in the liquidity and capital resources of Gabriel, and the group of companies of which it is directly or indirectly parent ("Group");
- access to funding to support the Group's continued ICSID Arbitration and/or operating activities in the future;
- equity dilution resulting from the conversion or exercise of new or existing securities in part or in whole to Common Shares;
- the ability of the Company to maintain a continued listing on the TSX Venture Exchange or any regulated public market for trading securities;
- the impact on business strategy and its implementation in Romania of: unforeseen historic acts of corruption, uncertain fiscal investigations; uncertain legal enforcement both for and against the Group and political and social instability;
- regulatory, political and economic risks associated with operating in a foreign jurisdiction including changes in laws, governments and legal regimes and interpretation of existing and future fiscal and other legislation;
- volatility of currency exchange rates, metal prices and metal production;
- the availability and continued participation in operational or other matters pertaining to the Group of certain key employees and consultants; and
- risks normally incident to the exploration, development and operation of mining properties.

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

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

ENDS

SOURCE: [Gabriel Resources Ltd.](#)

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/314298--2018-Third-Quarter-Report.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer](#)!

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).