



PRESS RELEASE

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February 19, 2025

US\$4 Million Private Placement

Gabriel Resources Ltd. (TSXV: GBU - "**Gabriel**" or the "**Company**") is pleased to announce that it plans to complete a private placement of up to 114,152,000 units (each, a "**Unit**") for a price of C\$0.05 per Unit (the "**Subscription Price**"), for total proceeds of up to US\$4 million (approximately C\$5.7 million) (the "**Offering**"), of which, after the Debt Settlement described below, the Company expects to receive approximately US\$2.46 million in net proceeds from the Offering. Each Unit will consist of one common share in the capital of the Company (each, a "**Common Share**"), one Common Share purchase warrant (each, a "**Warrant**") and one contingent value right (each, a "**CVR**"), as described further below.

In connection with the Offering, the Company has entered into binding subscription agreements, on a non-brokered basis, with certain existing institutional and accredited investors, including Electrum Global Holdings ("**Electrum**"), Paulson & Co. Inc. ("**Paulson**"), Swiss Capital S.A. ("**Swiss Capital**"), and together with Electrum, Paulson and Swiss Capital, the "**Subscribers**"), representing, in aggregate, expected subscription proceeds of US\$3 million. An aggregate of up to US\$1 million may be issued on a brokered or non-brokered basis to certain eligible investors.

The Company has also entered into shares-for-debt settlement agreements (the "**Debt Settlement Agreements**") with each of Electrum, Paulson and Swiss Capital (collectively, the "**Lenders**") pursuant to which the Company has agreed to issue, as part of the Offering, an aggregate of 43,946,956 Units to the Lenders in full and final settlement of US\$1.54 million in outstanding indebtedness (including principal and accrued and unpaid interest) related to the bridge financing loans previously announced by the Company on November 29, 2024 (the "**Debt Settlement**").

The closing of the Offering, which is subject to consent of securityholders (as described below) and the satisfaction or waiver of a number of customary closing conditions, including the final approval of the TSX Venture Exchange ("**TSXV**"), is expected to take place on or around February 28, 2025. There can be no assurance, however, that the Offering will close as contemplated or at all.

The Offering

The Company is proposing to issue up to 114,152,000 Units to raise up to US\$4 million. The Subscription Price of C\$0.05 per Unit represents an approximate discount of 23% to the closing price of the Common Shares on the TSXV on the trading day immediately preceding the date of this announcement of the Offering (the "**Market Price**").

Each Warrant will entitle the holder to purchase one Common Share in the capital of the Company for a period of five (5) years from the date of issue at an exercise price of C\$0.065 per Common Share, being the Market Price.

Each CVR will entitle the holder, subject to certain limitations and exclusions, to a pro rata proportion of up to 65% of any proceeds received by the Company and/or its affiliates pursuant to any settlement or arbitral awards irrevocably made in their favour in relation to any future arbitration claim concerning the Company's investment rights in Romania, subject to a maximum aggregate entitlement of all CVRs issued pursuant to the Offering of up to C\$1.689 billion.

The CVRs will be functionally equivalent to the outstanding 95,625 arbitration value rights ("**AVRs**") of the Company, which entitle the holders thereof to a pro-rata proportion of up to 13.04% of any proceeds received by the Company and/or its affiliates pursuant to any settlement or arbitral awards irrevocably made in their favour in relation to the Company's ongoing ICSID arbitration proceedings against Romania.

Impact of the Offering

Assuming the US\$4 million is raised, the aggregate number of Common Shares to be issued pursuant to the Offering (on a non-diluted basis) would be 114,152,000, representing approximately 47.6% of the issued and outstanding Common Shares (on a non-diluted basis) immediately following completion of the Offering.

Assuming full exercise of the Warrants, current insiders of the Company, who are participating in the Offering (being Electrum and Paulson), will hold approximately 42.3% of all of the issued and outstanding Common Shares, compared to 28.2% prior to giving effect to the Offering. Paulson and Electrum are currently "insiders" of the Company as defined under the applicable rules of the TSXV. Swiss Capital will become an "insider" of the Company upon closing of the Offering.

In aggregate, at the date of this memorandum, approximately 55.2% (on a non-diluted basis) of all of the issued and outstanding Common Shares are held by insiders, not all of whom are participating in the Offering. Assuming full dilution on exercise of the Warrants, in aggregate, all insiders of the Company, as would exist following closing of the Offering, will hold approximately 61.8% of all of the issued and outstanding Common Shares.

Compliance with Multilateral Instrument 61-101

The participation of insiders of the Company in the Offering and the Debt Settlement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Company intends to rely on exemptions from the formal valuation and minority approval requirements provided for in sections 5.5(g) and 5.7(1)(e) of MI 61-101 on the basis that the Company is in serious financial difficulty, the Offering and Debt Settlement is designed to improve the Company's financial position, and the terms of the Offering and Debt Settlement are reasonable in the circumstances.

Requirement for Disinterested Shareholder Approval of the Offering

The terms of the Offering trigger thresholds requiring disinterested shareholder approval of components of the Offering pursuant to the policies of the TSXV as further described below.

Creation of New Control Persons

Pursuant to the policies of the TSXV (Policy 4.1 Private Placements), if the Offering results in the creation of a new Control Person, the TSXV requires the Company to obtain shareholder approval of the transaction on a disinterested basis excluding any Common Shares held by the proposed new Control Persons and its associates and affiliates. Under the policies of the TSXV, a "**Control Person**" is defined as any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of a corporation so as to affect materially the control of the corporation, or that holds more than 20% of the outstanding voting shares of a corporation, except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

Assuming the successful completion of the Offering, each of Electrum, Paulson and Swiss Capital will hold more than 20% of the issued and outstanding Common Shares on a partially-diluted basis and thus constitute new

“Control Persons” of the Company (each a “**New Control Person**”). As a result, disinterested shareholder approval of the creation of each New Control Person is required under Policy 4.1 of the TSXV (the “**New Control Person Approval**”).

Issuance of CVRs

The TSXV has confirmed that they deem the issuance of the CVRs pursuant to the Offering to be a ‘reviewable disposition’ under Policy 5.3 (Acquisitions and Dispositions of Non-Cash Assets) requiring disinterested shareholder approval on the basis that the issuance of the CVRs is considered by the TSXV to be disposition of more than 50% of Gabriel’s assets, business or undertaking. Accordingly, shareholder approval of the issuance of CVRs pursuant to the Offering is required under Policy 5.3 of the TSXV (the “**CVR Approval**”).

Shareholder Consents

In order to avoid the costs and time delays associated with convening a general meeting of securityholders to formally approve the Offering (which the Board and Management believe would not be in the best interests of the Company), the Company intends to obtain the written consent and approval of its disinterested shareholders for the Offering in lieu of holding a meeting of shareholders.

For the purposes of obtaining the disinterested shareholder approvals identified above, the following voting restrictions will apply: (i) for the CVR Approval, the Common Shares held by all participants in the Offering (including the Subscribers), their affiliates and/or associates, will be excluded from the “disinterested vote”; and (ii) for each respective New Control Person Approval, the Common Shares held by that New Control Person, their affiliates and/or associates will be excluded from the “disinterested vote”.

Accordingly, the Company is seeking written consents to the Offering (the “**Written Consents**”) from holders of over 50% of its Common Shares (after excluding from such calculation: (i) in the case of the CVR Approval, the Common Shares held by all participants in the Offering (including the Subscribers), their affiliates and/or associates; and (ii) in the case of the approval of the each respective New Control Person Approval, the Common Shares held by that New Control Person, their affiliates and/or associates of the Offering).

Subject to, amongst other matters, the receipt of the Written Consents, the TSXV has permitted the Company to proceed with the Offering without convening a general meeting of securityholders to formally approve the Offering.

Additional Information About the Offering

Assuming the full US\$4 million is raised, the Company anticipates receiving approximately US\$2.46 million in net proceeds after settling the outstanding bridge financing loans of US\$1.54 million pursuant to the Debt Settlement. The Company intends to use the net proceeds from the Offering for general corporate purposes, including, without limitation, (i) the costs of pursuing the Annulment application; (ii) maintaining the Company’s rights and interest in Romania relating to the Rosia Montana exploitation concession and the Bucium projects; and (iii) maintaining the Company’s real estate assets in Romania.

The Company will not pay any finders’ fees in respect of the procurement of arm’s length subscribers in connection with the Offering.

All securities issued in connection with the Offering will be subject to a four-month hold period from the closing date under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.

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

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

Further Information

About Gabriel

Gabriel is a Canadian resource company listed on the TSX Venture Exchange. The Company's principal business has been the exploration and development of the Roşia Montană gold and silver project in Romania, one of the largest undeveloped gold deposits in Europe. Upon obtaining the License in June 1999, the Group focused substantially all of their management and financial resources on the exploration, feasibility and subsequent development of the Roşia Montană Project. An extension of the exploitation license for the Roşia Montană Project (held by Roşia Montană Gold Corporation S.A., a Romanian company in which Gabriel owns an 80.69% equity interest, with the 19.31% balance held by Minvest Roşia Montană S.A., a Romanian state-owned mining company) was rejected by the competent authority in late June 2024.

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: (i) the ongoing proceedings (the "**ICSID Annulment Proceedings**") concerning the Company's application for annulment of the award dated March 8, 2024 (the "**Arbitral Decision**") issued in its ICSID arbitration case against Romania (ICSID Case No. ARB/15/31); (ii) future actions taken by the Romanian Government, including in relation to the enforcement of the costs order granted under the Arbitral Decision (the "**Costs Order**"); (iii) conditions or events impacting the Company's ability to fund its operations (including but not limited to the completion of the potential financing referred to in this press release); and (iv) 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", "plans" 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 ability of the Company to obtain required approvals from the TSXV and shareholders for the Offering and Debt Settlement;
- the duration, costs, process and outcome of the ICSID Annulment Proceedings;
- the ad hoc committee's decision on whether to maintain the provisional stay of enforcement for the duration of the ICSID Annulment Proceedings;
- access to additional 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 "Roşia 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 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.sedarplus.ca.

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