

Gabriel Resources Ltd.

Unaudited Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2024

NOTE TO READER

NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements.

Unaudited Condensed Consolidated Statements of Financial Position

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

	Notes	September 30 2024	December 31 2023
Assets			
Current assets			
Cash and cash equivalents	6	556	4,611
Other receivables	7	103	54
Prepaid expenses and supplies	8	1,369	260
Total current assets		2,028	4,925
Non-current assets			
Restricted cash	6	167	202
Property and equipment		71	76
Total non-current assets		238	278
TOTAL ASSETS		2,266	5,203
Liabilities			
Current liabilities			
Trade and other payables	10	1,515	1,251
Resettlement liabilities	11	580	567
Arbitral costs order	10	14,582	13,761
Other current liabilities	12	28	749
Total current liabilities		16,705	16,328
Non-current liabilities			
Deferred arbitration fees	10	4,469	4,382
Total non-current liabilities		4,469	4,382
TOTAL LIABILITIES		21,174	20,710
Deficit			
Share capital	14	1,037,384	1,032,948
Other reserves		157,315	157,419
Currency translation adjustment		1,042	1,087
Accumulated deficit		(1,218,506)	(1,210,808)
Accumulated deficit attributable to owners of the parent		(22,765)	(19,354)
Non-controlling interest	15	3,857	3,847
TOTAL DEFICIT		(18,908)	(15,507)
TOTAL DEFICIT AND LIABILITIES		2,266	5,203

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 nine-month periods ended September 30
(Expressed in thousands of Canadian dollars, except per share data)

	Notes	3 months ended		9 months ended	
		2024	2023	2024	2023
Expenses					
Corporate, general and administrative	5	2,193	3,054	7,598	7,914
Interest on arbitral costs order		196	-	425	-
Share-based compensation / (reversal)	12	-	310	(787)	71
Depreciation		3	3	9	9
Operating loss		2,392	3,367	7,245	7,994
Other (income) / expense					
Interest income		(14)	(43)	(51)	(74)
Doubtful debt expense		5	-	41	-
Foreign exchange loss		273	41	463	128
Loss for the period	18	2,656	3,365	7,698	8,048
Basic and diluted loss per share	18	\$0.00	\$0.00	\$0.01	\$0.01

Unaudited Condensed Consolidated Statements of Comprehensive Loss

For the three and nine-month periods ended September 30
(Expressed in thousands of Canadian dollars)

	3 months ended		9 months ended	
	2024	2023	2024	2023
Loss for the period	2,656	3,365	7,698	8,048
<i>Other comprehensive loss</i>				
<i>- may recycle to the Income Statement in future periods)</i>				
Currency translation adjustment	(64)	28	(45)	33
Comprehensive loss for the period	2,592	3,393	7,653	8,081
Comprehensive loss for the period attributable to:				
- Owners of the parent	2,579	3,392	7,643	8,078
- Non-controlling interest	13	1	10	3
Comprehensive loss for the period	2,592	3,393	7,653	8,081

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 nine-month period ended September 30
(Expressed in thousands of Canadian dollars)

	Note	2024	2023
Common shares			
At January 1		1,032,948	1,021,520
Shares issued in private placement - net of issue costs	14	4,344	6,389
Shares issued on exercise of stock options	14	54	-
Shares issued on the redemption of DSUs	17	-	582
Transfer from contributed surplus: exercise of share options		38	-
At September 30		1,037,384	1,028,491
Other reserves			
At January 1		157,419	158,663
Share-based compensation		(66)	(24)
Exercise of share options		(38)	-
At September 30		157,315	158,639
Currency translation adjustment			
At January 1		1,087	1,125
Currency translation adjustment		(45)	(30)
At September 30		1,042	1,095
Accumulated deficit			
At January 1		(1,210,808)	(1,185,872)
Loss for the period	18	(7,698)	(8,048)
At September 30		(1,218,506)	(1,193,920)
Non-controlling interest			
At January 1		3,847	3,853
Currency translation adjustment		10	(3)
At September 30		3,857	3,850
Total shareholders' deficit at September 30		(18,908)	(1,845)

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

Unaudited Condensed Consolidated Statements of Cash Flows

For the nine-month period ended September 30
(Expressed in thousands of Canadian dollars)

	Notes	2024	2023
Cash flows used in operating activities			
Loss for the period		(7,698)	(8,048)
Adjusted for the following non-cash items:			
Depreciation		9	9
Share-based (reversal) / compensation	12	(787)	71
Interest on loan receivable		-	(4)
Doubtful debt expense		42	-
Interest on Arbitral costs order		425	-
Foreign exchange loss		450	43
		(7,559)	(7,929)
Changes in operating working capital:			
Increase in trade and other payables		232	571
(Increase) / Decrease in other receivables		(46)	29
(Increase) / Decrease in prepaid expenses and supplies		(1,109)	14
		(8,482)	(7,315)
Cash flows (used in) / from investing activities			
Repayment of loan receivable		-	31
Purchase of property and equipment		(4)	(3)
		(4)	28
Cash flows from financing activities			
Proceeds from exercise of stock options	14	54	-
Proceeds from private placement	14	4,403	6,443
Private placement costs		(59)	(54)
		4,398	6,389
Decrease in cash and cash equivalents		(4,088)	(898)
Effect of foreign exchange on cash and cash equivalents		33	(79)
Cash and cash equivalents - beginning of period		4,611	5,621
Cash and cash equivalents - end of period		556	4,644

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 nine-month periods ended September 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, in a two to one majority over the dissent of one of the three arbitrators, 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 nine-month periods ended September 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 an application which sets out the grounds under Article 52 of the ICSID Convention that warrant the annulment of the Arbitral Decision (“**Annulment Application**”).

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 (“**Stay of Enforcement**”).

The annulment process prescribed by the ICSID Convention (“**Annulment Proceedings**”) 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 Proceedings 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 therewith may differ materially from Management’s expectations.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

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

1. Nature of operations and going concern (continued)

Appointment of Ad-Hoc Committee

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.

On October 8, 2024, an Ad-hoc Committee was appointed by the Chairman of the Administrative Council of ICSID comprising Dr. Eduardo Zuleta (Colombian), President; Prof. Lawrence Boo (Singaporean) and Prof. Dr. Maxi Scherer (German).

On November 16, 2024, the Claimants submitted a proposal for the disqualification of Prof. Dr. Scherer pursuant to the ICSID Convention and Arbitration rules, on account of facts indicating a manifest lack of independence and impartiality. The Annulment Proceedings are suspended until a determination is made on the disqualification proposal by the remaining members of the Ad hoc Committee, after submissions from the Parties and Prof. Dr. Scherer.

Stay of enforcement of the Costs Order

The Annulment Application, in accordance with Article 52(5) of the ICSID Convention, also requests a Stay of Enforcement until the decision in the Annulment Proceedings is rendered by the Ad-hoc Committee.

On October 9, 2024, the Claimants filed with ICSID a request to continue the Stay of Enforcement of . On November 1, 2024, Romania filed its observations thereon with ICSID and the Claimants’ filed their reply to Romania’s observations on November 11, 2024.

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 imposition of the provisional Stay of Enforcement was notified to the Parties by ICSID on July 12, 2024 and remains effective from that date.

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 (“**NAMR Decision**”). The Company strongly believes that the NAMR Decision is pretextual and politically motivated decision to deny RMGC’s rights to develop the Roşia Montană Project arbitrarily, without due process, and without compensation.

On July 22, 2024, RMGC formally challenged the NAMR Decision by filing an administrative complaint with both NAMR and the Romanian Government. On August 22, 2024, NAMR, now rebranded as the National Regulatory Authority for Mining, Petroleum and Geological Storage of Carbon Dioxide, issued a decision rejecting the complaint as unfounded.

Gabriel and RMGC are committed to protecting their legal rights and interests. To this end, the Company intends to explore all available legal options, including the filing of a claim in the Romanian courts to seek the annulment of the NAMR Decision.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

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

1. Nature of operations and going concern (continued)

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 September 30, 2024, the Company had a working capital deficit of \$14.7 million and had incurred losses of \$2.7 million and of \$7.7 million for the three and nine-month periods ended September 30, 2024 respectively, and has yet to achieve profitable operations resulting in an accumulated deficit of \$1,218 million as at September 30, 2024.

On November 29, 2024, Gabriel announced it has entered into definitive agreements with certain shareholders in connection with short-term unsecured loans to provide an aggregate US\$1.5 million of funding (“**Loans**”) as a pre-cursor to a future financing from which proceeds the Loans would be repaid (see “Post Balance Sheet Events” below).

Gabriel continues to manage its cash resources and its current and future financial obligations carefully and will use the proceeds from the Loans to fund the ongoing costs of the Annulment Proceedings 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 September 30, 2024, and taking into account (i) the proceeds from Loan; (ii) a fee agreement in respect of the deferral of payment of certain ICSID Arbitration costs; and (iii) 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 Annulment Proceedings through to the end of January 2025.

Accordingly, Gabriel will need to secure further funding during January 2025 in order to pursue the Annulment Proceedings and for general working capital purposes, including to preserve its remaining assets, rights and permits.

The adverse Arbitral Decision, combined with Romania’s June 2024 decision not to extend the License, have significantly increased the uncertainty surrounding the Company’s ability to secure funding, and have made more onerous the terms of such funding for both the Annulment Proceedings and the continuation of Gabriel’s significantly curtailed operations.

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.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

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

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.

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 and nine-month periods ended September 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 September 30		9 months ended September 30	
	2024	2023	2024	2023
ICSID Arbitration-related costs	717	1,182	2,034	2,009
Payroll	784	860	2,599	2,590
Finance, audit, accounting and compliance	264	296	953	1,066
Property taxes	124	183	534	551
Legal	77	37	420	243
Information technology	73	72	216	203
Project obligations and community relations*	75	146	331	457
Travel and transportation*	34	80	149	254
Office rental and utilities	19	38	88	138
External communications	-	7	14	26
Other	26	153	260	377
Corporate, general and administrative expense	2,193	3,054	7,598	7,914

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

6. Cash and cash equivalents and restricted cash

	September 30	December 31
As at	2024	2023
Cash and cash equivalents	556	4,611
Restricted cash	167	202
	723	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 September 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:

	September 30	December 31
	2024	2023
Canadian dollar	276	3,725
United States dollar	143	429
UK pound sterling	47	302
Romanian Leu	90	155
Romanian Leu (restricted cash)	167	202
	723	4,813

7. Other receivables

Other receivables of \$0.1 million at September 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 and nine-month periods ended September 30, 2024
(Amounts in thousands of Canadian dollars, unless otherwise stated)

8. Prepaid expenses and supplies

	September 30 2024	December 31 2023
ICSID Arbitration-related costs	1,158	-
Corporate insurance	181	71
Mining tax	-	160
Other	30	29
	1,369	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

	September 30 2024	December 31 2023
As at		
Trade payables	366	207
Payroll liabilities	572	416
Accruals and other payables	577	628
Arbitral costs order	14,582	13,761
	16,097	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 September 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 September 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:

	September 30 2024	December 31 2023
As at		
UK pound sterling	209	168
Canadian Dollar	268	261
United States dollar	8,306	7,684
Euro	1,765	1,710
Romanian Leu	10,018	9,571
	20,566	19,394

Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 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 resettlement liability balance at September 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)
Balance - December 31, 2022	4,708	0.32	1,507
Redeemed	(2,858)	-	(787)
Change in fair value	-	-	29
Balance - December 31, 2023	1,850	0.41	749
Change in fair value	-	-	(721)
Balance - September 30, 2024	1,850	0.02	28

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 September 30, 2024, the Company’s share price had decreased to \$0.015 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 nine-month periods ended September 30, 2024 such charges amounted to less than \$0.1 million (September 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.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

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

13. Related party transactions (continued)

For each of the three and nine-month periods ended September 30, 2024, such recharges by RMGC amounted to less than \$0.1 million (September 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 September 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 nine-month periods ended September 30, 2024, the charges were less than \$0.1 million (September 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 September 30		9 months ended September 30	
	2024	2023	2024	2023
Salaries and other short-term employee benefits ⁽¹⁾⁽²⁾	337	325	997	972
Directors' fees ⁽²⁾	82	82	247	247
Total	420	407	1,244	1,219

⁽¹⁾ 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.

⁽²⁾ 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 a non-brokered 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.

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For the three and nine-month periods ended September 30, 2024
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14. Share capital (continued)

	Number of shares (000's)	Amount ¹
Balance - December 31, 2022	1,000,645	1,021,520
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
Balance - December 31, 2023	1,035,977	1,032,948
Shares issued on the exercise of share options	201	54
Transfer from contributed surplus - exercise of share options	-	38
Shares issued in private placement	220,123	4,344
Balance - September 30, 2024	1,256,301	1,037,384

¹ - Amounts in this column refer to amounts *net* of issue costs

Common Share purchase warrants

All remaining Common Share purchase warrants expired in the three-month period to September 30, 2024. Movements in the number and exercise price of Warrants were as follows:

	Number of warrants (000)	Weighted average exercise price (dollars)
Balance - December 31, 2022	200,820	0.55
Warrants cancelled/forfeited	(2,657)	0.39
Warrants expired	(82,252)	0.49
Warrants exercised	(8,458)	0.39
Balance - December 31, 2023	107,453	0.61
Warrants expired	(107,453)	0.61
Balance - September 30, 2024	-	-

Share Options

The maximum number of Common Shares issuable under the Option Plan is fixed at 59,778,004. The estimated fair value of incentive stock options (“**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.

Range of exercise prices (dollars)	Outstanding			Exercisable		
	Number of options (thousands)	Weighted average exercise price (dollars)	Weighted average remaining contractual life (years)	Number of options (thousands)	Weighted average exercise price (dollars)	Weighted average remaining contractual life (years)
0.195 - 0.30	1,955	0.25	6.6	1,955	0.25	6.6
0.31 - 0.40	11,165	0.36	3.3	11,165	0.36	3.3
0.41 - 0.50	9,433	0.45	4.2	9,433	0.45	4.2
0.51 - 0.65	75	0.65	1.9	75	0.65	1.9
	22,628	0.39	3.9	22,628	0.39	3.9

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14. Share capital (continued)

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.

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

	Number of options (‘000)	Weighted average exercise price (dollars)
Balance - December 31, 2022	33,415	0.45
Options expired	(1,409)	0.39
Balance - December 31, 2023	32,006	0.45
Options expired	(9,177)	0.61
Options exercised	(201)	0.27
Balance - September 30, 2024	22,628	0.39

During the three month and nine-month periods ended September 30, 2024, and September 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 September 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.
Balance - December 31, 2022	3,853
Currency translation adjustment	(6)
Balance - December 31, 2023	3,847
Currency translation adjustment	10
Balance - September 30, 2024	3,857

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 September 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

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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	916	10	34	34	34	34	770
Property lease agreements	39	27	12	-	-	-	-
Total commitments	955	37	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:
- 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
 - 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 and nine-month periods ended September 30, 2024
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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 September 30		9 months ended September 30	
	2024	2023	2024	2023
Loss for the period attributable to owners of the parent	2,656	3,365	7,698	8,048
Weighted-average number of common shares (000's)	1,256,300	1,027,298	1,145,794	1,011,665
Basic and diluted loss per share	\$0.00	\$0.00	\$0.01	\$0.01

As at September 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, and DSUs of 24,477,791 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
For the three-month period ended September 30,	2024	2023	2024	2023	2024	2023
Reportable items in the Unaudited Condensed Consolidated Statements of Loss						
Interest received	-	-	(14)	(43)	(14)	(43)
Depreciation	-	2	3	1	3	3
Reportable segment loss	1,197	2,098	1,454	1,267	2,656	3,365
For the six-month period ended September 30,	2024	2023	2024	2023	2024	2023
Reportable items in the Unaudited Condensed Consolidated Statements of Loss						
Interest received	-	-	(51)	(74)	(51)	(74)
Depreciation	3	8	6	1	9	9
Reportable segment loss	3,208	3,362	4,490	4,686	7,698	8,048
As at September 30,	2024	2023	2024	2023	2024	2023
Reportable segment in the Unaudited Condensed Consolidated Statements of Financial Position						
Reportable segment current assets and assets classified as held for sale	190	286	1,838	4,830	2,028	5,116
Reportable segment non-current assets	234	222	3	517	237	739
Reportable segment liabilities	(1,388)	(1,126)	(19,786)	(6,574)	(21,174)	(7,700)

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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 September 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 the 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.

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20. Financial instruments (continued)

Financial instruments

At September 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 September 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 September 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 September 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.

21. Post Balance Sheet Events

On November 29, 2024, Gabriel announced it has entered into definitive agreements with certain shareholders in connection with Loans to provide an aggregate US\$1.5 million of funding to the Company.

The Company required an immediate infusion of short-term working capital to sustain its participation in the Annulment Proceedings and to fund its immediate operations.

The Company believes that the Loans are fundamental to its ability to complete a further funding round through a proposed private placement of securities (the "**Proposed Financing**") in the near future, the terms of which are under consideration and, if implemented, will be subject to the approval of the Exchange and receipt of all necessary corporate and regulatory approvals. 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.

The Loans will be unsecured but rank senior to any unsecured indebtedness of the Company, will bear interest at a rate of 12% per annum and will mature on the earlier of: (i) the first anniversary of the date of the Loans; (ii) the date which is five business days following the completion of the Proposed Financing; or (iii) upon the occurrence of an Event of Default (as such term is defined in the Loan agreements, including a failure to complete a US\$3 million fundraising by March 31, 2025). It is anticipated that the Loans will be repaid from the proceeds of the Proposed Financing.