

Romania continues to block and prevent implementation of the Rosia Montana gold and silver project without due process and without compensation. The Company is progressing with an arbitration case against Romania before the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") under applicable treaties for the promotion and protection of foreign investment to which Romania is a party. The arbitral tribunal that will hear the case is currently being constituted.

Despite the Company's expressed preference to engage in discussions to seek an amicable resolution of the dispute, the Romanian authorities have failed to respond to the Company's offer to do so.

The Company has signed subscription agreements with a number of existing investors pursuant to which the Company intends to raise up to \$20 million by way of a non-brokered private placement. In addition, the Company intends to enter into arrangements with certain existing security holders to amend certain terms of the securities held by such holders .

As at December 31, 2015, the Company recorded a non-cash write-down of \$631.2 million relating to all mineral property and a material proportion of its property, plant and equipment .

The Company held \$18.6 million of cash and cash equivalents as at December 31, 2015.

"There remains no engagement with the Romanian authorities following the formal notification of our dispute fourteen months ago. It is regrettable that the Company has had to further reduce its workforce, community support and investment in Romania in the last year as a consequence of Romania's failure to address the Project. Our overriding wish remains to achieve an amicable resolution that allows for the construction and operation of a world class gold mine at Rosia Montana.

However, in the absence of such a resolution, the Company is fully committed to protecting its rights and interests through the ICSID arbitration process. To this end, the Company intends to raise up to \$20 million by way of a non-brokered private placement to finance, amongst other things, the ICSID arbitration." , stated Jonathan Henry, Gabriel's President and Chief Executive Officer.

source: Serbia-energy.eu