



G A B R I E L
Rozia Montana
IN PARTNERSHIP

RENEWAL ANNUAL INFORMATION FORM

of

GABRIEL RESOURCES LTD.

FOR THE YEAR ENDED DECEMBER 31, 2007

DATED AS OF MARCH 26, 2008

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PRELIMINARY NOTES

Date of Information

All information in this Renewal Annual Information Form is as of March 26, 2008 unless otherwise indicated.

Currency and Exchange Rates

All dollar amounts in this Renewal Annual Information Form are expressed in Canadian dollars unless otherwise indicated. Gabriel's accounts are maintained in Canadian dollars. All references to "U.S. dollars" or to "US\$" are to U.S. dollars.

The following table sets forth the rate of exchange for the Canadian dollar, expressed in United States dollars in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the noon rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into United States dollars.

<u>Canadian Dollars to U.S. Dollars</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Rate at end of period.....	1.0120	0.8581	0.8598
Average rate for period	0.9304	0.8817	0.8253
High for period	1.0905	0.9099	0.8751
Low for period	0.8437	0.8528	0.7853

The noon rate of exchange on March 26, 2008, as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was Canadian \$1.00 equals US\$0.9823

Metric Equivalents

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

<u>To convert from Imperial</u>	<u>To metric</u>	<u>Multiply by</u>
Acres	Hectares	0.404687
Feet	Metres	0.30480
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)	Grams	34.2857

Glossary of Mining Terms

The following is a glossary of certain mining terms used in this Renewal Annual Information Form.

adit	A horizontal or nearly horizontal passage driven from the surface for the working of a mine.
breccia	A coarse grained clastic rock composed of angular broken rock fragments held together by mineral cement or in a fine-grained matrix. It may originate as a result of talus accumulation, explosive igneous processes, collapse of rock material, or faulting.
crosscut	A mine working which is driven horizontally and at right angles to an adit, drift or level.
dacite	A fine-grained extrusive rock with the same general composition as andesite, but having a less calcic plagioclase and more quartz, quartz andesite, extrusive equivalent of granodiorite and quartz diorite.
deposit	Mineral deposit is a term used to designate a natural occurrence of a useful mineral, in sufficient extent and degree of concentration to invite exploitation.
diamond drill	A type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of the long hollow rods through which water is pumped to the cutting face. The drill cuts a circular channel around a core which can be recovered to provide a more or less continuous and complete columnar sample of the rock penetrated.
drive	To excavate horizontally, or at an inclination, as in a drift, adit or entry for exploration, development or working of a deposit.
epithermal	A term applied to hydrothermal mineral deposits formed at shallow depths from ascending solutions of moderate temperatures and occurring mainly in veins.
g/t	Grams per tonne.
grade	The relative quantity or the percentage of mineral or metal content in a deposit.
halo	Circular or crescentic distribution about the source or origin of a mineral, ore, mineral association, or petrographic nature.
hydrothermal	A term pertaining to hot water, especially with respect to its action in dissolving, re-depositing, and otherwise producing mineral changes within the Earth's crust.

indicated mineral resource	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
inferred mineral resource	That part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
intrusive	A body of igneous rock formed by magma penetrating or intruding into or between other rocks, but solidifying before reaching the surface; in contrast to lavas or tuffs which are extruded upon the surface.
kriging	In the estimation of ore resources or reserves by geostatistical methods, the use of a weighted, moving average approach both to account for the estimated values of spatially distributed variables and also to assess the probable error associated with the estimates. The method recognizes that samples are not independent and that spatial continuity between samples exist.
masl	Metres above sea level.
measured mineral resource	That part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
mineral reserve	The economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when material is mined.
mineral resource	A concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.
mineralization	Rock containing an undetermined amount of materials or metals.

mtpa	Millions of tonnes per annum.
open-pit mine	An excavation for removing minerals which is open to the surface.
porphyry	An igneous rock of any composition that contains conspicuous phenocrysts in a fine-grained ground mass.
ppm	Parts per million.
probable mineral reserve	The economically mineable part of an indicated, and in some circumstances a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
proven mineral reserve	The economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
RON	New Romanian lei, the official currency of Romania
room and pillar mining	A method of mining flat-lying ore deposits in which the mined-out areas, or rooms, are separated by pillars of approximately the same size.
stockwork	A mineral deposit consisting of a three-dimensional network of irregular veinlets closely enough spaced that the whole mass can be mined.
stope	An underground excavation from which ore has been extracted.
tailings	The gangue and other refuse material resulting from the washing, concentration or treatment of ground ore.
wad cyanide	Weak acid dissociable cyanide.

CORPORATE STRUCTURE

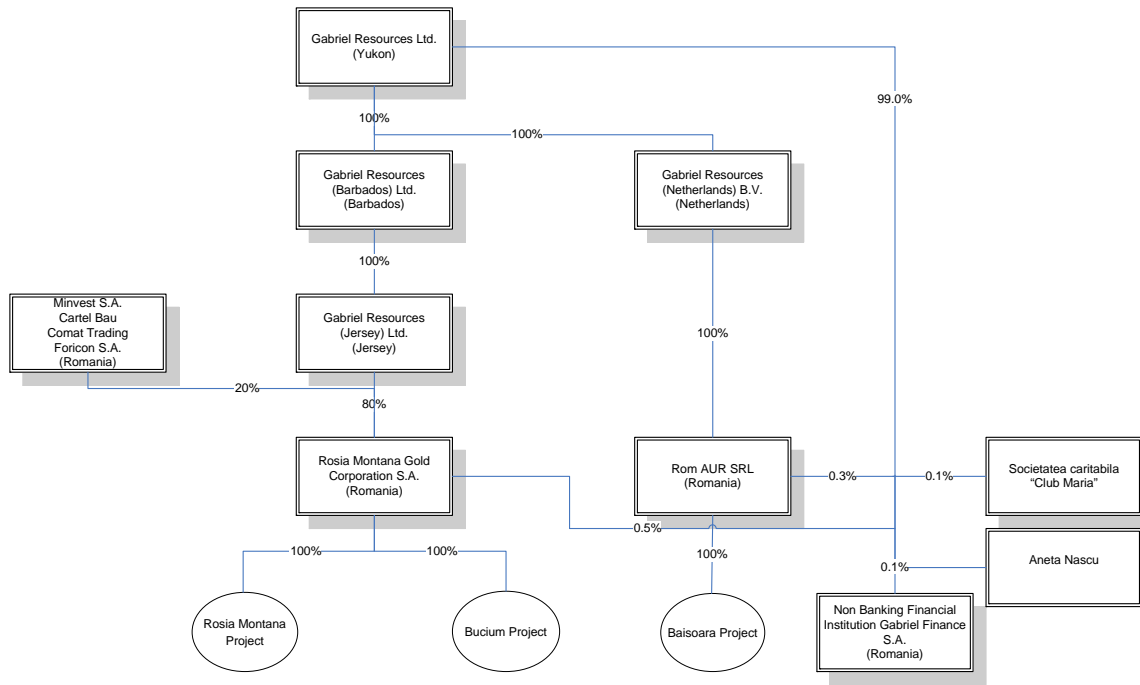
Name and Incorporation

Gabriel Resources Ltd. (“Gabriel”) was incorporated on July 18, 1986 under the Company Act (British Columbia) under the name “PIC Prospectors International Corporation.” The authorized capital of Gabriel at that time consisted of 50,000,000 common shares without par value. On August 22, 1994, Gabriel changed its name to “Starx Resource Corp.” and consolidated its share capital on a four old for one new share basis. On April 11, 1997, Gabriel was continued under the Business Corporations Act (Yukon) and changed its name to “Gabriel Resources Ltd.”. At that time, Gabriel’s authorized share capital was amended to authorize an unlimited number of common shares without par value. In June 2000, Gabriel completed a corporate reorganization by way of statutory plan of arrangement, pursuant to which Gabriel’s authorized capital was amended to authorize an unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in series, without par value.

Gabriel’s registered office is located at Suite 200 Financial Plaza, 204 Lambert Street, Whitehorse, Yukon, Y1A 3T2 and its executive offices are located at Suite 1501 - 110 Yonge Street, Toronto, Ontario, M5C 1T4. Gabriel, through its subsidiaries, maintains administrative and field offices in Bucharest and in Rosia Montana, Romania. Gabriel’s financial year runs from January 1 to December 31.

Inter-Corporate Relationships

The following chart sets forth all of Gabriel’s subsidiaries, their jurisdictions of incorporation, the percentage of voting securities or ownership held by Gabriel:



Note: The 20% interest in Rosia Montana Gold Corporation S.A. is held among Minvest S.A., a Romanian state owned mining company (19.31%), Cartel Bau S.A. (0.23%), Foricon S.A. (0.23%) and Comat Trading S.A. (0.23%).

GENERAL DEVELOPMENT OF THE BUSINESS

Business of Gabriel

Gabriel, through its 80% owned Romanian incorporated subsidiary, Rosia Montana Gold Corporation S.A. (“RMGC”) and its 100% owned Romanian incorporated subsidiary Rom Aur SRL (“Rom Aur”), is engaged in the acquisition, exploration and development of precious metal mineral resource properties in Romania. At the present time, Gabriel has three mineral projects located in Romania. Of the three projects, the Rosia Montana project is the most advanced and can be considered a development stage project. Gabriel’s second project, the Bucium project, can be considered an advanced stage exploration project and does not have any proven and probable reserves at this stage. The third project, the Baisoara project, is an early stage exploration project and does not contain any proven and probable reserves at this stage.

Over the three most recently completed financial years, Gabriel has advanced the development of a new large scale open pit mine at the Rosia Montana project through the completion of feasibility studies, basic engineering and initial detailed engineering stages of development. Gabriel has also initiated the majority of all necessary permitting and approval processes, including environmental, archaeological and land use regulations, as well as the acquisition of all necessary surface rights, in order to allow the commencement of construction of the new mine. Gabriel has also advanced, to the extent possible, discussions regarding financing the construction of the new mine. In addition, Gabriel has placed purchase orders for certain long lead time milling equipment for the new mine and commenced construction of the resettlement site at Alba Iulia. During the fall of 2007, Gabriel began to curtail the majority of its development activities associated with the Rosia Montana project as a result of the Romanian Ministry of Environment indefinitely suspending the review process for the environmental impact assessment (the “EIA”) for the Rosia Montana project.

During 2008, Gabriel’s activities relating to the Rosia Montana project will focus on: (1) reinstating the environmental permitting process; (2) continuing, where practical, all other permitting and approval processes; (3) completing the construction of the resettlement site at Alba Iulia; and (4) contingent upon the resumption of the environmental permitting process, recommencement of the program to acquire all necessary surface rights, and commencing construction of the resettlement site at Piatra Alba. There are significant risks that Gabriel’s plans for the current financial year may be adversely affected by delays in one or more of its scheduled activities due to circumstances beyond its control. See “Risk Factors – Risks Related to Gabriel’s Operations”.

Over the three most recently completed financial years, Gabriel has advanced the exploration of the Bucium project and conducted a series of drill programs sufficient to calculate a preliminary resource estimate and complete a preliminary assessment study, or scoping study, of the Bucium project to assist in determining the next stage of development. See “Description of the Business – Bucium Project”.

During 2007 Gabriel did not undertake any material exploration activities on the Baisoara project.

Romania

General Information

Romania, located in south-east Central Europe, north of the Balkan Peninsula, is an emerging European democracy. Romania is bordered by the Republic of Moldova, the Ukraine, Bulgaria, Hungary, Serbia and Montenegro and the Black Sea. Romania has an area of approximately 238,391 square kilometres and a population of approximately 21.57 million people. The capital city is Bucharest, which

has a population of approximately 2.4 million people. Mountains, hills and plains each cover about one-third of the country's area. Forests still cover approximately 23% of the country.

Government Organization

The Romanian nation-state was born in 1859 through the union of Wallachia and Moldavia, and in 1918, at the end of World War I, all the territories inhabited by Romanians united and formed Greater Romania. After World War II, together with the other Central and East European states, Romania came under the Soviet sphere of influence.

After a long period of communist rule, ending in the revolution of 1989, the new Romanian Constitution approved by Parliament on November 21, 1991, and amended in November 2003, proclaimed Romania a parliamentary democracy. The Parliament has two houses, the Chamber of Deputies and the Senate, and members of each house are selected by the party that wins the majority of the vote and serve a four-year term. The President, elected to a five-year term, is the Supreme Commander of the Armed Forces and Chairman of the Supreme Defence Council. The President nominates a candidate for the office of Prime Minister, while the Cabinet members must be approved by Parliament.

Romania's Accession to the European Union

On January 1, 2007 Romania became a Member State of the European Union. The European Commission has established a mechanism for monitoring and verifying progress in the area of judicial reform in order to ensure Romania continues its reforms after accession. Romania must meet a number of benchmarks established by the European Commission or risk the imposition of safeguard measures set forth in the Treaty with the European Union ("EU"). In April 2005 Romania signed a Treaty of Accession (the "Treaty") with the EU providing for Romania to join the EU on January 1, 2007. Romania also entered into an Accession Protocol and its Annexes, which form an integral part of the Treaty and which contain most of the detailed conditions and arrangements for accession to the EU. The signing of the Treaty followed the European Parliament's vote on April 13, 2005 approving the entry of Romania into the EU in 2007.

Mining Law

The Romanian mining law came into force and effect in June 1998. The mining law was replaced by a new mining law in 2003, which was amended in 2005, and which provides that all mineral resources in Romania are administered by the National Agency for Mineral Resources ("NAMR"). The following are some of the more important aspects of the mining law.

Mineral Ownership

All mineral resources located in Romania and in the portion of the continental shelf of the Black Sea adjoining Romania belong to the State of Romania. Mineral rights in Romania are acquired by way of prospecting permit, exploration concession or exploitation concession granted by NAMR. Under the mining law, an exploration or exploitation concession is a property-related right; distinct and independent from the ownership of the land on and under which it is located, even when both belong to the same person. The rights granted by an exploration or exploitation concession are exclusive to the holder, chargeable, defensible against third parties and are transferable with the consent of the holder and of NAMR.

Exploration Concessions

An exploration concession may be obtained for a maximum period of five years, with a renewal right of a maximum of three years. The exploration concession may be reduced upon the request of the titleholder and with the consent of the NAMR. An annual fee of 1,000 RON (approximately US\$415) per square kilometre is payable to the Government of Romania. The annual fee doubles two years after the issue of the concession and quintuples after four years. The holder of an exploration concession must provide NAMR with semi-annual and annual reports of all exploration activities conducted on an exploration concession. Exploration concessions confer on the holder the exclusive right to explore for any of the mineral substances lying within the perimeter of the concession. Under the current mining law, exploration concessions (such as the Bucium exploration concession) may be converted into exploitation concessions at any time upon the submission of a final report, followed by an application for conversion accompanied by a feasibility study, a mine plan, an environmental impact assessment, an environmental rehabilitation plan and a social impact assessment to be approved by NAMR.

Exploitation Concessions

An exploitation concession is granted for an initial term of a maximum of 20 years and is renewable for successive five year periods. An annual fee of 25,000 RON (approximately US\$10,415) per square kilometre is payable to the Government of Romania. Holders of exploitation concessions must pay to the Government of Romania a gross production royalty, ranging from 4% to 15%, depending on the particular type of mineral resource being extracted, on all production. The production royalty for precious metal production, including gold and silver, is currently 4%. Exploitation concessions confer on the holder the right to explore, exploit, process, refine and trade all mineral substances (except oil, gas and radioactive substances) lying within the perimeter of, and subject to, the concession. In addition, exploitation concessions confer on the holder the right to obtain the right to use the surface of the land and available water to undertake mining activities upon payment of appropriate compensation.

Environmental Laws

In December 2005 the Romanian Government enacted an updated environmental law and associated regulations regarding the preparation of environmental impact assessments for industrial projects, in order to harmonize its environmental laws and regulations with those of the European Union. These laws enable Gabriel to apply for and receive an integrated approval for all environmental aspects of the development and operation of the Rosia Montana project, as well as to ensure appropriate public participation in the permitting process, consistent with the European Union's current practice. Environmental matters are administered by the Ministry of Environment and Sustainable Development. The Romanian Government is required to transpose the provisions of the European Union Mine Waste Directive into domestic Romanian law on or before May 1, 2008.

Taxes

Under Romania's general tax laws, companies are taxed at the rate of 16%. There are no restrictions on the repatriation of capital, dividends or profits. Additional benefits attributed to mining activities were conveyed through the mining law, including an exemption for customs duties for the term of the concession license. Benefits conveyed through exploitation concessions remain valid throughout the duration of the concession.

Disadvantaged Zone

The Rosia Montana and Bucium projects are located in a "Disadvantaged Zone" created by the Romanian government in October 1999. The Disadvantaged Zone has a ten-year life commencing in

October 1999 and may, under certain circumstances, be extended. Assuming the Rosia Montana project were to be placed into commercial production by Gabriel in 2009, it would not benefit from the provisions of the Disadvantaged Zone regarding exemptions from income taxes.

DESCRIPTION OF THE BUSINESS

General

Gabriel has three mineral projects located in Romania. Of the three projects, the 80% owned Rosia Montana project is the most advanced and can be considered a development stage project. Gabriel has completed the exploration, pre-feasibility study, final feasibility study, basic engineering and the initial aspects of the detailed engineering phases of development for a new open pit mine at Rosia Montana. Gabriel, together with the assistance of a number of independent consultants, is presently focusing its development activities relating to the Rosia Montana project on critical path items, including all environmental, archaeological and other permitting and approval activities, together with the construction of the resettlement site at Alba Iulia. During the three most recently completed financial years, Gabriel has expended approximately \$167.8 million on the Rosia Montana project.

Gabriel's second Romanian property, the 80% owned Bucium project, can be considered an advanced stage exploration project and does not have any proven and probable reserves. During the three most recently completed financial years, Gabriel has expended approximately \$3.5 million on the Bucium project.

Gabriel's third Romanian property, the 100% owned Baisoara project, is an early stage exploration project and does not have any proven and probable reserves. As the Baisoara exploration concession was granted in July 2006, Gabriel has only expended approximately \$182,000 on the Baisoara project to date.

Mineral Projects

Gabriel's three Romanian projects are located in or adjacent to the historic "Golden Quadrilateral" area of Romania. This famous mining district in the Apuseni and Metaliferi Mountains of Transylvania covers an area of approximately 900 square kilometres immediately to the north of the City of Deva. The Golden Quadrilateral has been Europe's most important goldfield since pre-Roman times, a period of over 2,000 years.

Geology and Mineralization of Romania

Romania consists of four major areas where Mesozoic and older rocks are exposed: the Southern Carpathians, the Eastern Carpathians, the Apuseni Mountains and Dobrogea. Late Tertiary sedimentary rocks cover areas between these older massifs and rest on older rocks in the Pannonian and Transylvanian Basins and in the Scythian and Moesian Platforms. The Carpathian orogenic belt forms a continuous convex east arc through Romania, however, this arc was created through a series of structural events which began in the Triassic era.

The Southern Carpathians consist of three structural and paleogeographic units, which have been deformed during the Carpathian orogeny by a series of thrust and nappe structures. The deformation is considered to have occurred during the late Cretaceous to early Triassic eras.

The Eastern Carpathians consist of two main paleogeographic and structural units; an inner crystalline zone and an outer flysch zone. The sediments are of shallow marine to non-marine origin and are similar to lithologies exposed in the Southern Carpathians. The various sedimentary units have been

thrust and deformed into a series of nappes. The nappes were created in early Cretaceous times. The flysch zone is also strongly deformed into a series of nappes. Major deformation occurred from early Cretaceous to mid-Cretaceous times.

The Apuseni Mountains are a group of mountains in central Romania, north of the Southern Carpathians and west of the Transylvanian Basin. The mountains consist of two different structural elements, the Northern Apuseni and Southern Apuseni Mountains. Rocks in the Northern Apuseni Mountains consist of Mesozoic shallow marine and non-marine sedimentary rocks overlying Precambrian and Paleozoic sedimentary and metamorphic rocks. A series of thrust faults cut through the rocks, associated with a set of nappes, and were created during early to mid-Cretaceous times.

The Southern Apuseni Mountains consist of several large bodies of mafic and rare ultramafic rocks, which are interpreted to represent a Middle Jurassic ophiolite sequence, along with thick sequences of flysch and molasse sediments of late Jurassic to late Cretaceous age. It appears that several different sedimentary basins have been juxtaposed by a long sequence of Cretaceous structural events.

In the south-eastern area of Romania, a low group of mountains are termed the Dobrogea area. The area can be divided into four northwest trending structural zones, each bounded by faults with probable significant displacements. The Pannonian and Transylvanian Basins are superposed on the various elements of the Carpathian Orogen. The Basins represent post tectonic basins, probably created by extensional forces in the Middle to Late Tertiary.

Three main areas of Tertiary volcanic rocks are present in Romania: the Baia Mare area in the North, the Muntii Calimani-Harghita area in the east and the Apuseni Mountains in west-central Romania. Volcanism in all three areas is predominantly calc alkaline.

All three areas appear to have a similar sequence of eruptive events, which have been divided into three cycles. The first cycle of volcanism appears to be of lower to middle Tortonian age, initially consisting of eruptive andesite and rhyolitic ignimbrite, followed by andesite and ending with rhyodacitic units. The rocks are commonly intercalated with volcanogenic sediments and were hydrothermally altered by later igneous events.

Rocks of the second cycle outcrop extensively and are characterized by a sequence which began with andesite and dacite, followed by a very thick sequence of quartz andesite and ended with pyroxene andesite. The sequence was erupted from the late Tortonian era and into the early Pannonian. Much of the mineralization currently being exploited in Romania is related to the middle and later stages of this cycle. Important deposits of copper, lead, zinc, gold, silver and mercury were deposited during this second cycle of Tertiary volcanism.

The third and final cycle is characterised by the eruption of pyroxene andesite, basaltic andesite and quartz andesites. The volcanism continued into the Quaternary era.

Gold-silver mineralization and copper (gold-silver) mineralization occurs throughout the Southern Apuseni Mountains in an area termed the Golden Quadrilateral. Three major northwest trending belts of mineralization have been identified: The Rosia Montana, Baisoara and Bucium properties form part of the northernmost belt in the Golden Quadrilateral area.

A wide variety of mineralization styles and host lithologies have been identified at all three properties. The main types of mineralization identified to date are: disseminated and stockwork gold-silver mineralization; vein hosted gold-silver mineralization and porphyry copper-gold mineralization. Disseminated and stockwork gold-silver mineralization has been intersected in a wide variety of lithologies including dacite, dacitic breccia, mixed diatreme breccias, volcanogenic sediments and black

shales. Vein hosted gold-silver deposits are hosted in all the exposed lithologies within the Rosia Montana, Baisoara and Bucium properties, and elsewhere within the Golden Quadrilateral. Porphyry copper-gold style mineralization is associated with sub-vertical andesitic intrusives in the Bucium property.

The Baisoara project is situated immediately to the north of the Golden Quadrilateral and is considered to consist of an area of Neogene age andesitic volcanics and associated intrusions hosted in Mesozoic shallow marine and non-marine sedimentary rocks and Precambrian and Paleozoic sedimentary and metamorphic rocks. Historical and current iron mining has focussed on iron-rich skarn deposits associated with the Neogene igneous activity.

Rosia Montana Project

Ownership Interest

Gabriel holds an 80% interest in the Rosia Montana project through RMGC. The Rosia Montana project consists of one exploitation concession covering approximately 2,388 hectares.

Location, Access, Climate and Infrastructure

The Rosia Montana project is located approximately 85 kilometres from the regional centre of Alba Iulia. Access is good via sealed roads from Alba Iulia, through the towns of Zlatna and Abrud to the village of Rosia Montana. The village of Rosia Montana and the town of Abrud are the two main centres located near the Rosia Montana project, housing staff and associated infrastructure for the Rosia Montana project. The project area is characterized by a partly forested, hilly landscape with elevations ranging from 500 masl to 1,100 masl and the climate is considered to be a continental temperate climate, characterized by hot summers, cold winters, significant snowfalls and annual rainfalls ranging from 600 to 800 millimetres. The project site is well serviced from an infrastructure perspective, including roads, electrical power, water and telecommunications, as it is situated in a region with a number of existing large mines.

Project Geology

The Golden Quadrilateral mining district is located in the Apuseni and Melaliferi Mountains of Transylvania, which is part of the Carpatho-Balkan province of the Alpine-Himalayan gold belt. The mining district covers an area of approximately 900 square kilometres to the north-west of the city of Alba Iulia.

At Rosia Montana, a series of dacitic sub-volcanic intrusives and associated volcanic vent breccias, phreato-magmatic breccias and volcanogenic sediments have been emplaced into a maar diatreme complex hosted in a sequence of Cretaceous sediments, predominantly black shales, sandstones and conglomerates. The dacitic, porphyritic intrusives are of Neogene age.

The dacitic bodies appear to have been intruded vertically into the sedimentary sequence and have then spread laterally along at least one stratigraphic boundary. Spatially associated with the dacitic intrusives (both internally and along the intrusive boundaries), are subvertical phreato-magmatic breccia pipes. The deposits on the Rosia Montana property are associated with an extensive zone of intense hydrothermal alteration, dominantly quartz-adularia, quartz-illitepyrite and argillic alteration as well as silification. The three dimensional geometry of the Rosia Montana area is relatively well established due to the extensive network of underground development which has mostly been undertaken since 1918.

Mineralization

The gold-silver mineralized zones outlined to date at Rosia Montana are epithermal low to intermediate sulphidation systems. Gabriel has confirmed that potentially deleterious minerals, such as antimony, mercury, arsenic and telluride minerals, are not present in appreciable levels within the Rosia Montana project.

There are numerous styles of mineralization and host lithologies at the Rosia Montana project and it has been noted that the gold-silver mineralization transgresses lithological boundaries. The following associations have been identified:

- (i) *Sub-vertical breccia pipes within dacitic intrusives.* This style of mineralization is hosted in sub-vertical pipes with breccia fragments of mixed lithologies. The breccias are intensely altered (dominantly silicification and argillic alteration) and contain low to moderate amounts of disseminated fine grained sulphides, both within the matrix and in the breccia fragments. These breccia pipes may have a significant component of tectonic brecciation.
- (ii) *Dacite hosted disseminated gold-silver mineralization.* These are wide zones of disseminated sulphides hosted within breccia zones of the dacitic porphyries. Gold and silver mineralization is associated with sulphides consisting predominantly of pyrite.
- (iii) *Gold-silver mineralized quartz veins within dacites.* A large number of gold-silver mineralized carbonate-quartz-clay veins hosted within dacitic intrusives have been identified and mined, particularly during the era of the Roman and Austro-Hungarian Empires. The veins are generally steeply dipping and are up to one metre wide, which increase in occurrence and size with depth.
- (iv) *Disseminated and vein hosted gold-silver mineralization within the vent breccia and sediments.* Significant gold-silver mineralization has also been identified, hosted within Tortonian volcanogenics and vent breccias, and to a lesser extent within the Cretaceous sediments. Sediment hosted, disseminated gold-silver mineralization has not been extensively explored for to date.
- (v) *Carbonate-Quartz vein hosted gold-silver mineralization hosted within vent breccia.* The quartz vein hosted gold-silver mineralization at Orlea and Tarina has been exploited from Roman times. Series of steeply dipping carbonate-quartz veins, generally less than one metre wide, have been developed within fine to medium grained volcanogenic sediments and vent breccias.

Mining and Exploration History

The Rosia Montana project has been mined from pre-Roman times. Artifacts, headstones and delivery contracts have been recovered both in and near workings dating from the time of the Roman invasion in 105-106 AD. Four principal periods of mining activity are evident at Rosia Montana:

- (i) Pre and post Roman era.
- (ii) Medieval Period.
- (iii) Austro-Hungarian Empire era — End of 17th Century to 1918.
- (iv) Current era — 1959 to present.

There is historical evidence of ancient gold mining activity at Rosia Montana dating back to 131 AD, during the Roman occupation of Dacia. The Roman era workings consist of elongated surface pits and underground voids or 'glory holes' locally termed Coranda. During Dacian and Roman times (up to 200 AD), mining took place both from the surface and underground. It appears that higher grade carbonate-quartz veins and high grade portions of the breccia pipes at the Cetate and Cirmic deposits were exploited initially from the surface and then underground.

The district reached maximum development and peak production during the period of the Austro-Hungarian Empire (from the end of the 17th Century until 1918). Kilometres of underground openings, mainly adits, were developed during this period. The great majority of mining was carried out by underground methods, commonly open unsupported stopes, as found in both the Cetate and Cirmic deposits. During this time an extensive network of adits and horizontal drives were developed. Numerous minor underground stopes have been intersected during more recent underground exploration. Workings from the Austro-Hungarian Empire cover a vertical range of approximately 400 metres.

During the last century, mining has been undertaken by both underground and surface methods. Initially mining was carried out by underground methods including development along individual carbonate-quartz veins and by room and pillar mining. In 1970, Minvest commenced open pit mining on the Cetate deposit in part extracting unmined material and also recovering remnant ore located in pillars from previous room and pillar mining. Underground mining by Minvest ceased in 1985 and all further production at Rosia Montana has taken place from the Cetate and Cirmic open pits. The open pit initially focused on the Cetate mixed breccia but has been extended to the south-west to access material hosted in dacite adjacent to the mixed breccia. Mining continued to exploit the mixed breccia, which forms the pit floor. To date, mining of the open pit has removed approximately the upper 120 metres of Cetate hill. At Cirmic, open pit mining was focused on extracting dacite hosted mineralization on the western flanks of the Cirmic hill. In May 2006 Minvest permanently ceased all of its mining operations at Rosia Montana.

Exploration has also been carried out by Minvest and by the privatised Romanian state-owned exploration company, Minexfor S.A. ("Minexfor"). During the 1970s and 1980s exploration at Rosia Montana was principally carried out by the following methods: surface and underground surveying; surface and underground drilling; rock chip sampling; and underground development by way of adits, drives and cross-cuts. The pace of exploration was greatly reduced during the late 1980s and 1990s due to budgetary constraints following the 1989 revolution in Romania.

Recent Development Activities

During the three most recently completed financial years, Gabriel, with the assistance of a number of independent consultants, has advanced the development of the Rosia Montana project through the completion of feasibility studies, basic engineering and initial detailed engineering stages of development. Gabriel has also initiated the majority of all necessary permitting and approval processes, including environmental, archaeological and land use regulations, as well as the acquisition of all necessary surface rights, in order to allow the commencement of construction of the new mine. Gabriel has also advanced, to the extent possible, discussions regarding financing the construction of the new mine. In addition, Gabriel has placed purchase orders for certain long lead time milling equipment for the new mine and commenced construction of the resettlement site at Alba Iulia. During the fall of 2007, Gabriel began to curtail the majority of its development activities associated with the Rosia Montana project as a result of the Romanian Ministry of Environment indefinitely suspending the review process for the EIA for the Rosia Montana project. Reference is made to "Environmental Approval and Permit."

Summary of Technical and Economic Aspects of the Proposed Mine Development

A summary of the technical and economic aspects of Gabriel's proposed open pit mine at Rosia Montana project, prepared and calculated for 100% of the project is as follows:⁽¹⁾

Plant Throughput	13.4 Mtpa		
Reserves (US\$400 oz Gold) (US\$6.00 oz Silver)	10.1 Moz Gold 47.6 Moz Silver		
Mine Life	15.6 Years		
Average Annual Gold Production (Ounces)	<u>Initial 60 Months</u>	<u>Life of Mine</u>	
	635,000	509,000	
Initial Capital Cost (Millions)	US\$638		
Working Capital (Millions)	(Included in Initial Capital Cost)		
Sustaining Capital (Millions)	US\$278		
Total Cash Costs (Per Ounce)	<u>Initial 60 Months</u>	<u>Life of Mine</u>	
	US\$181	US\$237	
	<u>Gold Price</u>		
	<u>US\$450</u>	<u>US\$500</u>	<u>US\$550</u>
Internal Rate of Return ⁽²⁾	12.8%	17.6%	21.8%
Pay Back Period (Years)	4.6	3.8	3.2

Notes: (1) Based on the NI43-101 Report dated March 30, 2006. These capital costs will be updated when a control estimate is completed upon approval of the EIA. Capital costs are expected to increase in a material manner.

(2) Calculated on 100% equity financing basis, after tax.

Resources

An updated resource estimate, based upon an updated geological and alteration model incorporating more geological controls, especially in the high grade vein and breccia systems, was completed in 2005, and no further work has been performed since that time. The updated model incorporates additional adjustment and restriction of high grade data in consideration of the updated geological constraints and understandings.

High-grade samples from areas adjacent to historically mined veins were restricted in estimation to the vein material. Prior to compositing, all samples with assay grades exceeding 100 g/t Au where gold was visible were reduced to 100 g/t Au. For all other samples only those with assay grades exceeding 200g/t Au were reduced to 200 g/t Au. Eighteen geologic domains were identified and cutting criteria ranging from 1.6 g/t to 43 g/ Au, were applied to the respective domains after compositing.

Current resources for the Rosia Montana project, using a 0.6g/t gold cutoff, a 10mN x 10mE x 10mRL block size and ordinary kriging, are as follows. The model was checked and validated using uniform conditioning.

<u>Measured, Indicated and Inferred Resources</u>							
<u>Category</u>	<u>Tonnes</u>	<u>Grade (g/t)</u>			<u>Contained Ounces</u>		
		<u>Gold</u>		<u>Silver</u>	<u>Gold</u>		<u>Silver</u>
Measured	139,827,000	1.5		8	6,800,000		38,100,000
Indicated	210,521,000	1.2		4	7,800,000		26,800,000
Total M&I:	350,348,000	1.3		6	14,600,000		64,900,000

Inferred	30,285,000	1.2	3	1,200,000	3,000,000
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Notes: Brett Gossage, MAusIMM, is the qualified person responsible for calculating the resource estimate set forth in the table above.

Resource Data Base

The resources are based upon a total of 191,320 metres of sampling, comprising 89,878 metres of reverse circulation and 38,668 metres of surface and underground diamond drilling in 1108 holes for 128,566 metres of drilling, together with 62,754 metres of underground and surface channel sampling in 1688 underground drives and channel sampling runs.

Reserves

Current proven and probable reserves for the Rosia Montana project, using a variable cut-off grade and a US\$400 gold price and a US\$6.00 silver price, are as follows.

<u>Proven and Probable Reserves</u>					
<u>Category</u>	<u>Tonnes</u>	<u>Grade (g/t)</u>		<u>In Situ Metal (ounces)</u>	
		<u>Gold</u>	<u>Silver</u>	<u>Gold</u>	<u>Silver</u>
Proven	113,768,000	1.62	9.0	5,900,000	32,800,000
Probable	101,137,000	1.28	4.6	4,200,000	14,800,000
Total:	214,905,000	1.46	6.9	10,100,000	47,600,000

Notes: John Marek, P.Eng. is the qualified person responsible for calculating the reserve estimate set forth in the table above.

Exploration Potential

The deposits at Rosia Montana have not yet been fully delineated and remain open in most directions and at depth. Significant gold mineralization also exists on the Bucium property, immediately to the southeast of and contiguous with Rosia Montana. A number of areas of existing inferred resources at Rosia Montana remain to be upgraded and a number of areas remain to be tested for the existence of additional resources. Delineation of additional resources, and their upgrading to reserves, would provide the potential to extend the current mine life of the Rosia Montana project.

Proposed Mining Operations

Mining - Mining Method

The new mine at Rosia Montana will be operated as a large scale, bulk tonnage, conventional open-pit mine using an owner-operated truck and shovel mining fleet for primary production. As reserves are distributed among four principal deposits, being Cetate, Cirmic, Orlea and Jig, located in close proximity to one another and straddling the Rosia Montana valley, mining will occur in four separate open pit mine sites. The mine has been designed to operate 24 hours a day, 7 days a week.

Mining - Throughput

Mining will be based on an average ore mining rate of 13.4 mtpa over a mine life of 15.6 years. The current mine plan contemplates a cut-off strategy pursuant to which the mine is operated for the first six (6) years of production at cutoff grades that are higher than the traditional breakeven point. This plan results in the head grades for the first four (4) years of production being in excess of 1.9 g/t gold. The mine plan produces a mine operating life of 14 years through the selection, production and processing of higher grade material in the initial years of operation, while stockpiling lower grade material. Once active

mining operations cease during year 14, the 29.2 million tonne stockpile of lower grade material will be reclaimed and processed during the remaining project life. As the mine plan schedules the Cirnic, Orlea and Jig pits to be mined out prior to the Cetate pit, the Cirnic, Orlea and Jig pits will be backfilled in the later years of the mine life.

Mining - Mine Scheduling

Mining is scheduled to commence at Cetate and Cirnic, as they are situated closest to the process plant and together comprise the majority of the proven and probable reserves. Mining at Cirnic will be completed in year 9 with Cetate continuing for the remainder of the mine life. Mining at Orlea and Jig will begin in year 7 of the mine life. All pits will use bench heights of 10 metres, will have average overall pit slope angles of between 40 and 45 degrees and extend to a maximum depth of between 220 metres and 260 metres.

Mining - Waste

A total of approximately 257 million tonnes of waste material will be removed from the four open pits during the mine life of the project, giving a life of mine average waste/ore stripping ratio of 1.2 to 1. In the early years, waste will be deposited on one of the two principal waste dumps, being the Corna waste dump located south of Cirnic, and the Cetate waste dump, located to the west of Cetate during the initial 9 years of mine life. Starting in year 10, the Cirnic pit will be backfilled with waste material as will the Orlea and Jig pits upon completion of mining in years 12 and 11 respectively.

Mining - Metal Production

The Rosia Montana project will produce an average of 509,000 ounces of gold per year over the life of the mine, ranging from 726,000 ounces of gold per year early in the life of the mine to 275,000 ounces of gold per year later in the mine life. In addition, an average of 1.8 million ounces of silver will be produced per year as a by-product over the life of the mine, ranging from 3.2 million ounces to 0.7 million ounces per year.

Process Plant

The process facilities selected as a result of metallurgical testwork include conventional coarse crushing, SAG and ball mill grinding and carbon in leach ("CIL") recovery. Run of mine material will be dumped directly from the haul truck into the gyratory crusher, from where the sized product will discharge to a surge stockpile. The surge stockpile will provide a consistent feed to the grinding and classification circuit consisting of a conventional arrangement of a single SAG mill, 2 ball mills and a pebble crusher. The resultant slurry will be directed to a CIL circuit consisting of fourteen tanks to handle a nominal feed rate of 1,625 tonnes per hour throughput. Two elution circuits will generate eluate for treatment by electrowinning, with precious metals to be recovered in dore bars.

Tailings slurry will be thickened and subject to cyanide detoxification prior to discharge to the tailings management facility. The cyanide detoxification plant, utilizing the SO₂ / air process, will reduce the concentration of wad cyanide discharged into the tailings management facility to below European Union discharge standards of 10 ppm for new mines set forth in the Directive of the European Parliament and of the European Council on the Management of Waste from the Extractive Industries (the "EU Mine Waste Directive"). The EU Mine Waste Directive was approved by the European Parliament in March 2006 and came into force on May 1, 2006. All members of the EU, including Romania, have a period of two years to incorporate the provisions of the EU Mine Waste Directive into their domestic law. Discharge from the tailings management facility will also meet Romanian water discharge standards for total cyanide concentrations. In addition, an integrated water treatment plant will treat existing and

potential future acid rock impacted drainage water for use in the process circuit or release to the tailing management facility.

The process plant has been designed to operate at a nominal rate of 7 days per week, 24 hours per day.

The process plant will be located on the side of a ridge between the Salistei valley and the Rosia Montana valley. This location was chosen for its proximity to the Cirnic and Cetate pits, which provide the majority of the proven and probable reserves, as well as its proximity to the tailings management facility to be situated in the Corna valley.

Tailings Management Facility

A total of approximately 215 million tonnes of treated tailings from the process plant will be pumped to a tailings management facility (the "TMF") with a design capacity of 245 million tonnes, situated in the Corna valley and located immediately to the southwest of Cirnic.

The construction of the tailings management facility is comprised of two components, the tailings basin and the tailings embankment. The TMF will generally require one additional lift for each year of active mine operations. The TMF will utilize a centerline method of construction which was developed in accordance with all internationally and Romanian accepted standards in order to provide for the safe and environmentally stable storage of process tailings. The final design for the TMF was undertaken by MWH, of Denver, Colorado, an independent international consulting firm specializing in tailings dam design and construction. Romanian dam experts conducted an independent review of the final design prior to application for certification of the design by the Romanian authorities.

The water balance analysis of the tailings facility indicates that there will be an excess of water under average climatic conditions requiring suitable management of the facility. Under normal circumstances, the tailings management facility will not need to discharge water. If discharge from the tailings management facility is required it will meet all Romanian water discharge standards for total cyanide concentrations. Surface water diversion is being incorporated into the design to minimise inflows to the facility and, in any event, adequate storage capacity is being incorporated into the design of the tailings management facility to contain the run-off, including the occurrence of two probable maximum precipitation events.

Initial Capital Costs

Based upon the National Instrument 43-101 Report dated March 30, 2006 (the "Technical Report") prepared for the Rosia Montana project, initial capital costs for the development of a new mine are estimated to be approximately US\$638 million, comprised of approximately US\$45 million for the mining equipment and fleet necessary to conduct mining operations, US\$142 million in process plant costs, US\$43 million in tailings management facility costs, US\$82 million of infrastructure and utilities costs to include necessary water management dams and storm water ponds as well as roads and power, US\$65 million in engineering procurement and construction management ("EPCM") costs, US\$81 million in village resettlement costs, US\$79 million in other indirect costs and US\$55 million in owners' costs. Included in the overall total initial capital costs is a contingency of approximately US\$46 million. Total sustaining and deferred capital costs over the life of mine are estimated to be approximately US\$278 million, including reclamation costs of US \$75 million.

Since the preparation of the Technical Report, the international mining industry has witnessed a material increase in initial capital costs and sustaining capital costs. Therefore, the actual initial capital costs and sustaining costs for a new mine at Rosia Montana will be materially greater than those set forth

in the Technical Report. Gabriel intends to update such costs to produce a control estimate only when it receives its environmental approval to construct a new mine at Rosia Montana.

Operating Costs

Based upon the Technical Report, total cash costs after silver credits including government royalties, are expected to average US\$237 per ounce of gold over the life of the project. All per ounce calculations of costs have been made in accordance with the guidelines established by the Gold Institute and utilize a silver price of US\$8.50 per ounce for purposes of calculating the silver credit.

Since the preparation of the Technical Report, the international mining industry has witnessed a material increase in operating costs. Therefore, the actual operating costs for a new mine at Rosia Montana will be materially greater than those set forth in the Technical Report. Gabriel intends to update such costs to produce a control estimate only when it receives its environmental approval to construct a new mine at Rosia Montana.

Permits and Approvals

General

In order to undertake the construction and operation of the proposed new mine at Rosia Montana, Gabriel must acquire all necessary rights, licenses, permits, approvals and authorizations. A brief summary of certain of the material rights, licenses, permits and approvals is set forth below:

Mineral Rights

Pursuant to an exploitation concession license (the "License") dated December 21, 1998, as amended, between the NAMR, Minvest S.A. ("Minvest"), a Romanian state owned mining company, and RMGC, an exploitation concession license was issued by NAMR to Minvest as titleholder and to RMGC as the affiliated company. The License was approved by Government Decision No. 458/1999 and came into effect on June 21, 1999. The License has an initial term of 20 years and is renewable for successive five year periods. In October 2000, title to the License was transferred from Minvest to RMGC. RMGC is currently the titleholder of the License and Minvest is currently designated as the affiliated company under the License. Minvest permanently ceased its mining operations at Rosia Montana in May 2006. When RMGC makes a production decision to develop a new large scale open pit mine at Rosia Montana, Minvest will cease to be an affiliated company and a party to the License. However, Minvest will be responsible for the closure and remediation of its operations and will continue to be liable for all environmental impacts resulting from its previous operations. Minvest is responsible for all liabilities, including environmental liabilities, associated with its past mining operations, and RMGC is responsible for carrying out and funding all development activities associated with the construction and operation of a new open pit mine at Rosia Montana and will assume all liabilities, including environmental liabilities, associated with its development and operation of the new mine.

If Gabriel proceeds to develop a new large scale mining operation at Rosia Montana, then the Constitutive Act of RMGC provides that Gabriel will be entitled to recover 100% of all expenditures incurred by it on the Rosia Montana project prior to production, before any dividends are paid to the shareholders of RMGC.

Surface Rights

Gabriel must acquire surface rights to all of the land under the footprint of the proposed new mine in order to apply for a construction permit. The Romanian Mining Law provides that the holder of

mineral rights has the legal right to acquire the surface rights corresponding to those mineral rights upon negotiation and payment of adequate compensation to the owner of the surface rights. Gabriel began the acquisition of surface rights in the Rosia Montana and Corna valleys in 2002 and currently owns approximately 78% of the residential properties under the footprint of the proposed new mine. In addition to the residential properties, Gabriel must also acquire the surface rights to a number of industrial and local, county and federal government owned properties.

In 2001, Gabriel prepared a resettlement action plan (the "RAP") in accordance with all relevant World Bank Group requirements and IFC Performance Standards regarding involuntary resettlement. Gabriel regularly updates the RAP to reflect both changes in World Bank guidelines, IFC Performance Standards and local developments. Recent updates to the RAP have reflected general increases in real estate prices in Romania.

The RAP is the document which details the procedures RMGC will follow and the actions that it will take to mitigate adverse effects, compensate losses and provide development benefits to persons and communities affected by the development of the new mine. The RAP outlines eligibility criteria for affected parties, establishes rates of compensation for lost assets, and describes levels of assistance for relocation and reconstruction of affected households. In addition, any owners of properties which currently fall below minimum Romanian standards will receive compensation to at least such minimum standards.

Under the RAP, all affected persons will be entitled to choose from one of the following two options:

- Resettlement, which is the receipt of a new parcel of land with a home chosen from a range of models developed by RMGC at one of two locations; or
- Relocation, which is the receipt of monetary compensation for the value of their current property and the ability to move wherever they choose.

All relocation and resettlement packages were developed by RMGC after extensive consultation with the community, as well as Romanian specialists in valuing buildings and structures as well as residential, farm and forest lands. In addition, all packages comply with relevant World Bank Group guidelines and IFC Performance Standards which require compensation be provided on a full replacement cost basis.

RMGC is presently constructing the Alba Iulia resettlement site in order to provide new residences to those residents of Rosia Montana who have elected to resettle in Alba Iulia. Construction of the Piatra Alba resettlement site has been postponed until such time as Gabriel receives its environmental approval for the proposed new mine.

Land Use Regulations

All land situated under the footprint of the proposed new mine must be zoned and/or classified for industrial uses including mining. The Romanian Mining Law provides that all local and county councils must modify and/or update their land use regulations in order to allow mining operations to proceed in accordance with exploitation concession licenses granted under the Romanian Mining Law. In 2002, the local council of Rosia Montana approved land use regulations designating an industrial zone under the footprint of the proposed new mine at Rosia Montana. Since 2002, Gabriel has updated the design of the proposed mine, reduced the size of the footprint, expanded the protected zone and incorporated a number of additional changes to the proposed mine arising out of public consultation. Accordingly, the local council of Rosia Montana is obligated to update the land use regulations to reflect such changes and modifications. At the request of a number of NGOs, the process to update the land use regulations has

been subjected to the strategic assessment process pursuant to which certain plans and programs are subject to transboundary consultation in accordance with the European Union SEA Directive. Once this process has been completed, which may require one public consultation hearing in Romania, the matter will be referred to the local council of Rosia Montana for approval. Reference is made to the discussion under “Risk Factors – Risks Related to Gabriel’s Operations”.

Environmental Approval and Permit

Gabriel must obtain an environmental approval to construct the new mine together with an environmental permit to operate the new mine. RMGC initiated the environmental permitting process in December 2004 by submitting a project presentation report, or technical memorandum, to the Romanian regulatory authorities. The project presentation report is a summary of the proposed development and was used by the Romanian Ministry of Environment and Water Management (the “Ministry of Environment”) to determine that an environmental impact assessment (the “EIA”) must be prepared for the project.

In May 2005, the Ministry of Environment issued terms of reference for the EIA, which addressed all environmental aspects of the construction, operation and ultimate closure and rehabilitation of the mine development. The EIA forms the basis upon which the Government of Romania will grant an environmental approval for the construction of the project and an environmental authorization for the operation of the new mine.

The EIA was prepared by over 100 independent international, European Union and Romanian environmental consultants in accordance with all Romanian laws and regulations, European Union directives, including the EU Mine Waste Directive, and the Equator Principles. The purpose of the EIA is to ensure that environmental and social considerations are included throughout all phases of the project, including development, construction, operation and closure. During the EIA process, the positive and negative impacts of the proposed development are identified and management plans developed to maximize the positive impacts and mitigate the negative impacts.

On May 15, 2006 the EIA was filed with the Ministry of Environment. One of the integral parts of the environmental permitting process is a public consultation process designed and conducted by the Ministry of Environment. Gabriel participated in the 16 public consultation meetings held in Romania and Hungary during July and August 2006. Pursuant to the provisions of the Espoo Convention on environmental impact assessment in a transboundary context, the Government of Romania was required to notify neighbouring countries that may be impacted by the development of the project. The Government of Romania notified Hungary, Serbia and Montenegro, Bulgaria, Moldavia and the Ukraine and only the Hungarian Ministry of Environment responded with initial comments, which were incorporated in the terms of reference issued for the EIA, as well as additional comments arising out the public consultation meetings held in Hungary.

Following completion of the public consultation meetings, the Ministry of Environment summarized the questions and comments generated during the public consultation process and generated an official list of questions and comments from the interested public to which Gabriel was required to respond. Gabriel received the official list of questions on January 31, 2007 and responded in the form of an Annex to the EIA on May 4, 2007. The Ministry of Environment then convened the technical analysis committee (the “TAC”) to review the EIA and the Annex. After a series of four meetings from July 2007 through August 2007, the Ministry of Environment unilaterally suspended the TAC review process on September 12, 2007. At the present time, Gabriel is awaiting the resumption of the TAC review process and has commenced legal action against the Ministry of Environment, the Minister of Environment and the Secretary of State, to compel the Ministry of Environment to resume the TAC review process. Reference is made to “Legal Challenges to the Rosia Montana Project”.

Archaeological Discharge Certificates

Gabriel must obtain archaeological discharge certificates for the footprint of the proposed new mine. In order to obtain such discharge certificates, Gabriel must conduct an extensive program of preventative archaeology in order to ensure that all valuable historical relics in the area are uncovered and preserved. The archaeological site investigations at Rosia Montana represent the largest preventative archaeological program presently being undertaken in Romania. One of the principal benefits from these programs has been the significant development of modern archaeological techniques within Romania, as well as fostering cooperation and exchanges between international and Romanian archaeologists.

RMGC conducted preventative archaeological programs each year during the period from 2001 to 2004 and as of January 2005, the Romanian Minister of Culture and Religious Affairs had issued archaeological discharge certificates to RMGC for the footprint needed for construction of the new mine and operation for the first seven years. Extensive documentation detailing the results of the programs was compiled, submitted to the Ministry of Culture and Religious Affairs and published as a result of these investigations.

In accordance with Romanian law, RMGC contracted with the National Museum of History of Romania to coordinate and undertake these preventative archaeological programs. The National Museum in turn sub-contracted with archaeological specialists from museums throughout Romania and abroad, including the Toulouse University in France, the National Union Museum of Alba Iulia, the Design Centre for the National Cultural Heritage of Bucharest, the Institute for Archaeology and Art History of Cluj-Napoca and the Dacian and Romanian Civilization Museum of Deva.

To date, RMGC has spent approximately \$15 million dollars on its archaeological research program.

A number of archaeological discharge certificates previously granted to RMGC have become the subject of legal actions. Reference is made to the discussion under “Legal Challenges to the Rosia Montana Project”.

Legal Challenges to the Rosia Montana Project

Since 2004, a number of Romanian and international non-governmental organizations (“NGOs”) opposed to the development of the Rosia Montana project, including Alburnus Maior Goldminer’s Association (“Alburnus Maior”), Center for Legal Resources, the Independent Centre for the Development of Environmental Resources, and the Soros Foundation, have initiated a multitude of legal challenges against most local, regional and national Romanian regulatory authorities that have the administrative authority to grant licenses, permits, authorizations and approvals for any aspect of the exploration and development of the Rosia Montana project. These actions include both civil actions and criminal complaints against both the regulatory authorities and individuals within such regulatory authorities and, in general, claim that such regulatory authorities are acting in violation of Romanian laws with regards to permitting the Rosia Montana project. Generally, the sanction requested by the NGOs is cancellation or annulment of the license, permit, authorization or approval, and in some cases, indefinite suspension of a permitting process. Most of the legal challenges have been initiated in the Alba County court system as a number of NGOs and local public authorities have their headquarters in Alba County.

The publicly stated objective of the NGOs in initiating and maintaining these legal challenges is to use the Romanian court system not only to delay as much as possible, but to ultimately stop, the development of the Rosia Montana project.

Gabriel has applied to the courts to intervene in all of these cases in order to ensure that the Romanian courts considering these actions are presented with a legally correct, fair and balanced analysis as to why the various Romanian regulatory authorities' actions are in accordance with the relevant and applicable Romanian laws, as well as to protect its rights as the holder or beneficiary of the license, permit, authorization or approval.

Legal actions in the Romanian court system often take many months of hearings before an initial decision of the court is rendered, and then there is usually an additional period of time before the reasons for the decision are made public. In all cases, there is at least one appeal from an initial decision of the court, which often results in an additional number of months for the appeal to be heard and a decision on the appeal to be rendered.

Of the approximately 111 separate litigation files regarding the Rosia Montana project initiated by the NGOs since 2004, the following provides a brief summary of certain of the more significant legal actions regarding the Rosia Montana project. Reference is made to the discussion under "Risk Factors – Risks Related to Gabriel's Operations".

Urbanism Certificates

An urbanism certificate is an informational document that sets out the legal, technical and economic status of a particular parcel of land and lists the documents that must be submitted to obtain a construction permit. It is not a permit or an approval and does not grant any rights or authorize the undertaking of any activities. Urbanism certificates generally are valid for a period of one year. Urbanism certificates form part of the procedure in Romania to obtain a construction permit for any kind of construction undertaking. An urbanism certificate does not form part of the procedure to obtain any of the other permits, such as the environmental approval or dam safety permit, that Gabriel will require to construct the proposed new mine at Rosia Montana.

Since 2004 Gabriel has obtained three separate urbanism certificates with respect to the proposed new mine. Each of these urbanism certificates is the subject of legal actions by NGOs to suspend and ultimately annul each of them. The initial two urbanism certificates obtained by Gabriel in 2004 and 2006, both of which are now expired, are still subject to legal challenges maintained by the NGOs and both have been irrevocably suspended by the Alba Court of Appeal pending a final appeal by Gabriel on their annulment. The urbanism certificate obtained by Gabriel in 2007 is the subject of two separate legal challenges in two separate courts. At present, both of these legal actions are in the process of being combined into one action, and both of them are presently before the constitutional court in Bucharest for a review of the constitutionality of the actions. Reference is made to the discussion under "Risk Factors – Risks Related to Gabriel's Operations".

Environmental Permitting Process

On September 12, 2007 the Ministry of Environment unilaterally suspended the TAC review of the EIA. The reasons provided by the Ministry of Environment were that Gabriel did not have a valid urbanism certificate. Gabriel is of the view that the Ministry of Environment acted illegally in suspending the TAC review process. On September 21, 2007 Gabriel filed an administrative complaint with the Ministry of Environment. As the Ministry of Environment did not reverse its decision to suspend the TAC review process, Gabriel initiated legal action against the Ministry of Environment on November 16, 2007 in the Bucharest Court of Appeal seeking an order of the court compelling the Ministry of Environment to reinstitute the TAC review process. It is not possible to estimate how long it will take for this case to proceed through the courts to an initial decision, or through all available appeal processes. Reference is made to the discussion under "Risk Factors – Risks Related to Gabriel's Operations".

Tailings Management Facility – Dam Safety Permit

On March 3, 2008 Gabriel submitted an administrative complaint to the Ministry of Environment requesting that the Ministry of Environment issue the dam safety permits for the TMF, which had previously been approved by the relevant expert dam safety commissions. No reason has been provided by the Ministry of Environment for the refusal to issue the TMF dam safety permits. If the Ministry of Environment does not issue the permits in response to the administrative complaint, then Gabriel has the right to, and will, commence legal action in the Bucharest Court of Appeal seeking an order of the court compelling the Ministry of Environment to issue such permits. Reference is made to the discussion under “Risk Factors – Risks Related to Gabriel’s Operations”.

Rosia Montana Mining License

Alburnus Maior has commenced legal action in the Alba Court of Appeal, seeking an order compelling the NAMR to annul the Rosia Montana exploitation concession license, on the basis of a minor administrative fine imposed on Minvest in 2004. The Bucharest Court of Appeal and the Bucharest Supreme Court have previously rejected similar claims by Alburnus Maior for such an order. If the Alba Court of Appeal grants the requested order, then the decision can be appealed by Gabriel to the Bucharest Supreme Court. It is not possible to estimate how long it will take for this case to proceed through the Alba Court of Appeal to an initial decision, or through an appeal to the Bucharest Supreme Court. Reference is made to the discussion under “Risk Factors – Risks Related to Gabriel’s Operations”.

Archaeological Discharge Certificate No. 4

An NGO commenced legal action in the Alba Court of Appeal in 2004 and obtained an annulment with respect to archaeological discharge certificate no. 4. After a successful appeal to the Romanian Supreme Court and a retrial of the matter on its merits in the Brasov Court of Appeal, a second annulment of archaeological discharge certificate no. 4 was ordered by the Brashov Court of Appeal on November 27, 2007. Gabriel has appealed this second annulment to the Bucharest Supreme Court. It is not possible to estimate how long it will take for this case to proceed through the Alba Court of Appeal to an initial decision, or through an appeal to the Bucharest Supreme Court. If archaeological discharge certificate no. 4 is ultimately annulled, then Gabriel will reapply for a new discharge certificate. Reference is made to the discussion under “Risk Factors – Risks Related to Gabriel’s Operations”.

Archaeological Discharge Certificate No. 5

An NGO has commenced two separate actions in the Alba Court of Appeal seeking annulment of archaeological discharge certificate no. 5. In one case, the order of the Alba Court of Appeal suspending archaeological discharge certificate no. 5 is under appeal to the Bucharest Court of Appeal, while the other case is suspended pending the outcome of the current appeal to the Bucharest Court of Appeal. Archaeological discharge certificate no. 5 is a compilation of the four previously issued discharge certificates and was obtained for administrative convenience only. Gabriel has been informed by its Romanian legal counsel that that the annulment of discharge certificate no. 5 does not automatically result in the annulment of the underlying discharge certificates. Reference is made to the discussion under “Risk Factors – Risks Related to Gabriel’s Operations”.

Land Use Regulations

As indicated above, it is incumbent on the local council of Rosia Montana to update the land use regulations incorporating the changes made to the design of the Rosia Montana project since 2002. Prior to presentation to the local council of Rosia Montana, RMGC must obtain an environmental endorsement of the updated land use regulations. The local environmental inspectorate initially decided that the

proposed changes to the land use regulations did not represent significant impacts on the environment and therefore decided to issue the environmental endorsement under a simplified procedure and not require an environmental assessment and transboundary consultation to be performed. However, as a result of a contestation filed by Alburnus Maior and other NGOs, the inspectorate changed its decision and required a full environmental impact assessment and transboundary consultation to be formed. Gabriel has prepared and submitted the necessary environmental impact assessment and is currently awaiting the local inspectorate's scheduling of the public consultation on the proposed amendments. As the NGOs continue to challenge every procedural step in this process, it is not possible to estimate how long it will take to conclude this process. Reference is made to the discussion under "Risk Factors – Risks Related to Gabriel's Operations".

Closure of State-Run Mining Operations

In May 2006 Minvest permanently ceased all of its mining operations at Rosia Montana. As a result, Minvest has developed a mine closure plan which has been approved by the Romanian Ministry of Economy and Commerce and the NAMR. The Minvest mine closure plan has been developed to integrate into Gabriel's development plans for Rosia Montana in order to avoid any conflict between Minvest's closure activities and Gabriel's development activities.

Non-Governmental Organization Activities

In addition to the legal challenges initiated by the various NGOs detailed under the section entitled "Legal Challenges to the Rosia Montana Project", the various NGOs have maintained a consistent and continuous public relations campaign opposing the Rosia Montana project. Activities of the NGOs have included public protests, issuance of press releases, publishing briefings and reports and maintaining various websites. Most of the information disseminated by the NGOs regarding Gabriel and the Rosia Montana project is factually inaccurate and misleading.

Proposed Ban on the Use of Cyanide in Mining Operations

A private members' bill introducing an amendment to the Romanian Mining Law banning the use of cyanide in mining operations was tabled in the Romanian Senate in April 2007. The proposed bill did not receive sufficient votes to pass in the Senate and was then referred to the Chamber of Deputies for consideration. As of the date of this Annual Information Form, the proposed bill has passed through all three of the Chamber of Deputies' legislative committees that must consider it prior to it being tabled for consideration and a vote in the Chamber of Deputies. It is not possible to estimate whether or if the proposed private members' bill will be tabled in the Chamber of Deputies. Reference is made to the discussion under "Risk Factors – Proposed Ban on the Use of Cyanide in Mining Operations."

Proposed Development Activities for 2008

During 2008, Gabriel's activities relating to the Rosia Montana project will focus on : (1) reinstating the environmental permitting process; (2) continuing, where practical, all other permitting and approval processes; (3) completing the construction of the resettlement site at Alba Iulia; (4) contingent upon the resumption of the environmental permitting process, recommencement of the program to acquire all necessary surface rights, and commencement of the construction of the resettlement site at Piatra Alba; and (5) continue all progress payments on previously ordered long lead equipment items.

There are significant risks that Gabriel's proposed development activities for 2008 could be delayed due to circumstances beyond Gabriel's control. Reference is made to the discussion under "Legal Challenges to the Rosia Montana Project" and "Risk Factors – Risks Related to Gabriel's Operations".

Bucium Project

Ownership Interest

Gabriel holds an 80% interest in the Bucium project through RMGC. The Bucium project consists of one exploration concession license covering approximately 3,212 hectares. Pursuant to an exploration concession license dated April 6, 1999 between NAMR, Minvest and RMGC, an exploration concession license was issued to Minvest as titleholder and was then transferred by Minvest to RMGC as titleholder. The license had an initial term of 5 years and was extended by the NAMR for an additional three years, expiring on May 19, 2007. RMGC satisfied its expenditure commitments of US\$5,000,000 over the initial five year term of the license and satisfied its commitment of US\$3.4 million over the three year extension period. As the holder of an exploration concession license, RMGC has the right to apply to the NAMR for conversion of the license into an exploitation concession license. RMGC made such application to the NAMR in May 2007 and is currently awaiting a response from the NAMR as to when negotiations can begin on the terms and conditions of the new exploitation concession license.

Location and Access

The Bucium project is located approximately 5 kilometres south-east of the Rosia Montana project. Access to the Bucium project is the same as that for the Rosia Montana project.

Project Geology

The Bucium project area is located over a dacitic-andesitic-basaltic volcanic to intrusive complex with a higher proportion of andesitic intrusives than at the Rosia Montana project. The Bucium project area is hosted along the same NNW trending structural corridor as Rosia Montana and a number of major hydrothermal systems situated along the belt displaying alteration comprised of silicification, argillic and advanced argillic alteration assemblages. The belt hosts a number of known mineralized systems including the Bucium Tarnita porphyry copper-gold deposit, the epithermal precious metal Rodu and Frasin deposits and the gold and silver deposits (\pm base metals) at Vipere, Arama, Argint, Corabia and Botes. Strong hydrothermal alteration haloes surround all the deposits outlined to date at Bucium. Northeast-southwest, north-south and northwest-southeast oriented fractures appear to exert a strong control on the localisation of both mineralization and hydrothermal alteration.

From a regional perspective, the Rosia Montana-Bucium area contains a sequence of Aptian to Maestrichian sediments, predominantly fine to medium grained into which Neogene and Quaternary intrusive and volcanic suites have been intruded and extruded. The following four major lithological units form the Neogene to Quaternary intrusives and volcanics: dacite; quartz andesite; andesite; and basalt. In addition to subvolcanic intrusives, volcanics, pyroclastics and contact breccias and explosive breccias have been mapped. Associated with the above lithologies are Miocene (Badenian) volcano-sedimentary units, including mixed lithology breccias and phreato-magmatic and phreatic breccias.

In the southern part of the Bucium project, the host rocks are volcanic andesites and intrusive diorites. To the north, however, dacitic units predominate.

At the northern end of the Bucium project at Rodu and Sesii a sequence of intensely hydrothermally altered dacite rich phreato-magmatic and phreatic and re-worked breccias are intercalated with dark brown breccias probably developed from marls, locally referred to as "Glam". The two units are seen to intrude Cretaceous sediments. The Cretaceous sediments locally consist of fine grained calcareous grits and calcarenites along with minor mixed breccias. The breccias appear to be developed within a maar-diatreme and be associated with the emplacement of the dacite bodies.

Mineralization

Three main styles of mineralization have been identified to date in the Bucium project, epithermal, epithermal to mesothermal gold-silver mineralization and mesothermal copper-gold mineralization. The predominant style for gold-silver mineralization hosted within the andesitic units at the property is a series of sub-parallel quartz-sulphide veins separated by strong to intensely altered wall rock. These predominantly occur in the southern part of the license area. Porphyry copper-gold mineralization has been identified at Bucium Tarnita where drilling of a sub-vertical micro-dioritic plug has returned broad zones of copper and gold mineralization. The microfractured diorite contains partings, fractures and veinlets of chalcopyrite which are associated with intense potassic alteration, including magnetite, secondary biotite and potassium feldspar.

The epithermal low to intermediate sulphidation style gold-silver mineralization intersected at the northern end of the property occurs as disseminations and within carbonate-quartz veins and breccias hosted dominantly with dacites and associated vent breccias and peripheral sediments. Veins and breccias occur as a set of northerly striking, steeply dipping structures. The carbonate-quartz veins occur as stockworks and individual breccias have been located up to 80 metres in width. Early quartz-adularia alteration is seen to be overprinted by a later carbonate-quartz-clay assemblage at Rodu and Frasin. At Rodu and Frasin in the north western part of the Bucium project, gold-silver mineralization is hosted within dacites in the case of Frasin and associated phreato-magmatic (vent breccias) breccias in the case of Rodu.

At the southern end of the Bucium volcanic complex, there is a series of at least 12 sub-parallel veins dipping steeply west and are dominantly hosted within andesites. The main vein, which was reportedly extensively mined by surface methods during the Roman era, was apparently up to 20 metres wide at the southern-most end. The main vein has also been extensively mined by underground methods during more recent times. The remainder of the veins are generally less than one metre wide and outcrop over a 900 metre wide zone. Along the eastern side of the Bucium volcanic complex, a series of steeply dipping epithermal to possibly mesothermal quartz (carbonate and clay) veins have been developed, which contain gold, silver, copper, lead, zinc and germanium.

Mining and Exploration History

The early history of exploration on the Bucium project is similar to that of the Rosia Montana project. Surface excavations from the Roman era still exist in the Corabia, Botes and Arama areas and mining activities continued throughout the period of the Austro-Hungarian Empire. Mining activities restarted following the end of World War II and throughout the 1960s, 1970s and 1980s, Minexfor carried out an extensive programme of exploration. The revolution of 1989 halted exploration and the pace of exploration during the 1990s was greatly reduced due to budgetary constraints. The main methods of exploration included underground development (exploration drives and crosscuts), surface and underground diamond drilling along with surface pitting and trenching. Vertical surface diamond drill holes have been drilled by Minexfor to depths of up to 1,200 metres.

Exploration Activities of Gabriel

Field exploration activities undertaken by Gabriel during 2000 consisted of approximately 12,580 metres of underground channel sampling at Bucium-Tarnita, Rodu-Frasin, Izbicoara and Corabia. Preliminary metallurgical sampling and studies were conducted at Bucium-Tarnita and geological mapping and modelling, airborne magnetics, aerial photography, drill planning and permitting were also undertaken. A total of approximately 23,889 pulps from Minexfor's exploration drill program in the 1980s were acquired for re-assaying in 2001 from the Bucium-Tarnita deposit. During 2001 underground

and surface channel sampling and geological mapping was expanded on the Rodu-Frasin project and by 2002 a total of 9,888 underground and surface channel samples had been collected at Rodu-Frasin.

Exploration field work conducted by Gabriel during 2002 consisted of underground and surface channel sampling and geological mapping, including the Rodu-Frasin, Contu and Arama-Argint prospect areas. The total number of channel samples at Rodu-Frasin was expanded to 29,781. In addition preliminary metallurgical test work was conducted and 26 drill holes completed for a total of 4,746 metres of drilling at Rodu-Frasin. Regional mapping, geochemical sampling and evaluation was expanded into the Botes, Poieni, Haracai and Vipere areas.

A preliminary resource estimate was completed at the end of 2003, based on the additional 25 drill holes completed for a total of 5,096 metres comprised of 3,778 metres of reverse circulation and 1,318 metres of HQ and NQ sized diamond drilling completed during 2003. In addition, 1,089 metres of underground channel sampling was conducted within underground exploration drives during 2003. Regional mapping and sampling was conducted along the structural corridor between Rodu-Frasin and Rosia Montana, including exploration of the sediment hosted gold mineralization at Haracai.

During 2004 Gabriel continued its drill program designed to test the extensions of resources defined within the pervasively silicified, veined and brecciated dacite host at Frasin and vent breccia at Rodu. Gabriel completed an additional 7,278 metres of reverse circulation and 2,827 metres of HQ and NQ sized diamond drilling, for a total of 10,105 metres of drilling in 48 drill holes during 2004. In addition, 1,021 metres of underground and 558 metres of surface channel sampling were completed for use in the updated resource estimate. Drilling confirmed mineralization through out the Frasin dacite and the existence of a high grade multi-phase breccia in the southern Frasin area. In addition, detailed structural mapping at Rodu combined with follow-up drilling confirmed a strong structural control on the emplacement of mineralization along two north northwest trending structures.

During 2005 Gabriel completed a preliminary assessment study of the Rodu and Frasin deposits based upon the updated resource estimate completed in 2004 and additional metallurgical sampling comprised of nine composite samples. An additional 1,879 metres of surface and underground channel sampling were collected from Rodu and Frasin to assist in the evaluation. Other targets within the license area were also evaluated and sampled including the Magulicea, Arama, Volcai-Corabia, Botes and Contu target areas resulting in the collection of 578 channel samples, 62 grab samples, 617 soil samples and 10 stream sediment and 10 panned concentrate samples.

During 2006 Gabriel initiated a scoping study over the Rodu and Frasin deposits as well as over the Tarnita deposit as part of the process of preparing to convert the exploration license to an exploitation license. As part of the study a resource estimate over the Tarnita deposit was also initiated. Additional metallurgical test work was commenced for the study with composite samples from Rodu and Frasin sent for leach test work. Field work focussed on testing the extensions of mineralization at Rodu and Frasin with 434 channel samples being collected in addition to 236 soil samples.

During 2007 Gabriel completed the necessary documentation to make application to upgrade the exploration concession license to an exploitation concession license.

Resource Estimate for Rodu and Frasin Deposits

At Frasin, using a 0.6 g/t gold cutoff, a 40 x 40 x 10 metre parent block size and ordinary kriging, the resource estimate is set forth below for Frasin. Details of the sampling and assaying procedures are also set forth below.

<u>Frasin Deposit</u>						
<u>Category Of Resource</u>	<u>Tonnes</u>	<u>Grade (g/t)</u>			<u>Contained Ounces</u>	
		<u>Gold</u>	<u>Silver</u>		<u>Gold</u>	<u>Silver</u>
Indicated	7,945,000	1.91	5		491,000	1,385,000
Total:	7,945,000	1.91	5		491,000	1,385,000
Inferred	9,285,000	1.70	5		508,000	1,574,000

Notes: Brett Gossage, MAusIMM is the qualified person responsible for calculating the resource estimate set forth in the table above.

For the Rodu deposit, using a 0.6 g/t gold cut-off grades, a 40 x 40 x 10 metre block size and ordinary kriging, the resource estimate is set forth below for Rodu. Details of the sampling and assaying procedures are also set forth below.

<u>Rodu Deposit</u>						
<u>Category Of Resource</u>	<u>Tonnes</u>	<u>Grade (g/t)</u>			<u>Contained Ounces</u>	
		<u>Gold</u>	<u>Silver</u>		<u>Gold</u>	<u>Silver</u>
Inferred	26,079,000	0.97	2		813,000	1,696,000

Notes: Brett Gossage, MAusIMM is the qualified person responsible for calculating the resource estimate set forth in the table above.

The Bucium project does not have proven and probable reserves and proposed programs are an exploratory search for proven and probable reserves.

Proposed Exploration and Development Activities for 2008

Gabriel's proposed activities for the Bucium project in 2008 will depend on the timing of the issuance of the exploitation concession license by the NAMR, as the NAMR will have to approve all proposed activities for the Bucium project in 2008. Once the budget for the program is established, it will be funded by Gabriel from working capital.

Baisoara Project

Ownership Interest

Gabriel holds a 100% interest in the Baisoara project through Rom Aur. The Baisoara project consists of one exploration concession covering approximately 5,030 hectares. Pursuant to an exploration concession license agreement signed on July 13, 2006 between NAMR and Rom Aur. The exploitation concession was issued to Rom Aur as titleholder. The License has an initial term of five years and may be extended by the NAMR for an additional three years. Rom Aur has agreed to a commitment of US\$3.2 million in expenditures over the initial five year term of the license.

Location and Access

The Baisoara project is located approximately 45 kilometres north-east of the Rosia Montana project and 25 kilometres south-west of Cluj-Napoca. Access to the Baisoara project is via sealed road from Cluj-Napoca and is linked to the same road system as that to the Rosia Montana project.

Project Geology

The Baisoara exploration license application area lies within the Apuseni mountain region, also known as the Metaliferi Mountains, in an area historically explored and mined for iron and gold in

western Romania. Neogene and Laramian age andesitic, basaltic and rhyolitic volcanics and sub-volcanic intrusives have been emplaced into a sequence of Cretaceous sediments, predominantly black shales and slates, as well as carbonate units including limestones, with the later being important for skarn formation. A number of skarn, epithermal precious metal and possible porphyry copper occurrences are known to exist with iron skarn units currently being exploited for iron by Minvest, the State Mining Company, in the area.

Mineralization

The Baisoara area has primarily been targeted for iron deposits due to the occurrence of iron skarn deposits, however some exploration and exploitation for epithermal precious metal and base metal targets has also occurred targeting the Neogene age volcanics. A number of skarn units have been historically exploited including the Iara and Lita areas for iron. The skarn units are known to also host gold and, in areas, copper. The area is considered to be prospective for base metal and precious metal skarn and epithermal deposits as well as possible associated mesothermal copper deposits and base metal deposits. These will be the main focus and target of exploration.

Mining and Exploration History

Previous exploration and mining of the Baisoara area has focused predominantly on the iron skarn deposits however some exploration and mining for epithermal precious metal and base metals has also occurred notably in the Nyerghes area where old underground workings driven along vein systems have been located. A number of skarn areas have been historically exploited including the Iara and Lita areas for iron. A number of such targets have been explored and exploited through underground workings. The Iara underground mine run by Minvest, the state mining company, is currently being exploited for iron. The nearby and now closed Lita mine exploited copper-iron skarn ores.

Exploration Activities of Gabriel

Gabriel's initial exploration field activities have consisted of the completion of a regional stream sediment and panned concentrate sampling program over the license area, with follow-up sampling and evaluation of anomalies identified as well as the sampling of material extracted from historical workings. Gabriel has also compiled all known historical data, base maps and background information required to commence field work.

Proposed Exploration and Development Activities for 2008

During 2008 Gabriel plans to locate the source of all precious metal and base metal anomalies defined to date and to determine the potential size and scope of these anomalies. These activities will consist of geochemical sampling, geological mapping and possible geophysical surveying. The budget for these programs is approximately US\$111,000 and will be funded by Gabriel from working capital.

The Baisoara Project does not have proven and probable reserves and proposed programs are an exploratory search for proven and probable reserves.

Sampling and Analysis Practices

Assay Laboratories

ALS Chemex Ltd., an independent assay laboratory based in Perth, Australia, performs all assays for Gabriel at a laboratory owned and managed by it in Gura Rosie, Romania. Check samples are sent to

the SGS laboratory in Welshpool, Western Australia for assaying. The Welshpool laboratory has certification to ISO 9002 with Quality Assurance Services, which is a division of Standards Australia.

Check assays are also performed by ALS Chemex Ltd.'s laboratory in North Vancouver, B.C. Canada. ALS Chemex Ltd. is ISO 9002 certified and registered.

Sample Procedures

Gabriel's diamond core drilling sample procedures include daily core identifying, logging and photographing, followed by marking out into 1 metre lengths and then splitting into half core using a diamond saw with one-half of the core being submitted to the assay laboratory. The half core sample is passed through a jaw crusher and crushed to -6 mm, then pulverized in an LM5 disc pulveriser to 86% passing -200# and a 300 gram split is taken for assay purposes, with the remainder being stored. Duplicate samples of drill core are collected for one in every twenty core samples by riffle splitting after the sample has passed through the jaw crusher. Core is stored in indoor facilities at the company facility in Gura Rosieii.

Gabriel's reverse circulation drilling sample procedure includes daily geological logging of samples, collection of samples every metre with duplicate samples every 20 metres, weighing of samples followed by passing samples through a riffle splitter.

Gabriel's surface and underground channel sampling procedures includes geological and structural mapping, collection of continuous samples along a sampling line with every metre of samples identified, weighed and placed in calico bags and having a maximum weight of 2.5 kilograms. Standard dimensions of each sample are 3x5x100 centimetres. Duplicates are collected every 20 metres.

The entire channel sample, generally weighing between 2.5 and 3.5 kilograms is sent to the laboratory. The entire sample is passed thorough a jaw crusher and crushed to -6mm, then pulverized in an LM5 pulveriser to 85% passing -200# and a 300 gram split is taken for assay purposes, with the remainder being stored.

Analytical Methods

All surface and underground channel samples, reverse circulation samples and diamond drill core samples are assayed for gold at ALS Chemex Ltd.'s Gura Rosieii laboratory using a standard fire assay technique with a 50 gm charge and an atomic absorption spectrometry (AAS) finish. Analysis for silver, copper, lead and zinc are also determined at the Gura Rosieii laboratory using an acid digestion and (AAS) finish. Selected sample suites are assayed for other elements at ALS-Chemex Ltd.'s North Vancouver laboratory and at SGS's Australian laboratory. Samples are also sent to SGS's laboratory at Welshpool, Western Australia and to ALS-Chemex Ltd.'s laboratory in North Vancouver, B.C. for check assays as part of Gabriel's quality control program. Certified international gold and silver standards are inserted into submitted batches of samples at a ratio of one standard per 20 samples with blank samples also submitted at the same ratio.

Employees

As at December 31, 2007, Gabriel and RMGC had approximately 450 employees and contract workers located in Canada and Romania, with the overwhelming majority being in Romania. Gabriel and RMGC also engage a number of contractors to supply work on specific projects. Some of RMGC's employees in Romania are organized under a collective wage agreement and Gabriel and RMGC consider its employee and contractor relations to be good.

Risk Factors

Risks Related to Gabriel's Operations

The following risk factors apply to Gabriel's operations:

Political & Economic Risks of Doing Business in Romania

As all of Gabriel's property interests are located in Romania it is subject to certain risks, including possible political or economic instability which may result in the impairment or loss of mineral concessions or other mineral rights. Mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry, which could include cancellation or renegotiation of mineral concessions and other contracts, changes in Romanian domestic laws or regulations, changes in tax laws, royalty and tax increases, restrictions on production, price controls, expropriation of property, fluctuations in foreign currency, foreign exchange controls, import and export regulations, restrictions on the export of gold, restrictions on the ability to repatriate earnings and pay dividends offshore, restrictions on the ability to hold foreign currencies in offshore bank accounts, environmental legislation, employment practices and mine safety. There can be no assurance that such restrictions and controls will not be imposed in the future and such restrictions, controls or fluctuations may materially affect Gabriel's financial position as well as Gabriel's ability to develop its mineral properties. In the event of a dispute regarding any of these matters, Gabriel may be subject to the jurisdiction of courts outside of Canada which could have adverse implications for the outcome. Any changes in laws, rules or regulations, policies or shifts in political attitudes regarding foreign direct investment in the Romanian mining industry are beyond Gabriel's control and may adversely affect its business.

Romania currently has a minority coalition government comprising members of two political parties. Due to the inherent instability of minority coalition governments, there is a significant risk that the current government may fall, resulting in the need to call new general elections. As well, general and local elections are scheduled in Romania in 2008. Such circumstances are beyond Gabriel's control and may have a negative effect on the development of the Rosia Montana Project and result in delays in the permitting process, or result in additional costs and expenses on its part.

Baia Mare Tailings Spill

The incidents in 2000 at the Baia Mare and Baia Borsa tailings management facilities in Romania, in neither of which Gabriel had any interest or involvement, have dramatically increased public awareness of the environmental and safety hazards of the mining industry. In response to these incidents, both the United Nations and the EU convened missions or task forces to investigate these incidents and to formulate conclusions and recommendations. The EU recommendations included developing a new EU directive relating specifically to the mining industry, which came into force and effect in April 2006, as well as the preparation of an inventory of similar sites in Europe which pose the threat of similar incidents. The International Commission for the Protection of the Danube River (the "ICPDR") has assembled an inventory of high risk tailings facilities in countries surrounding the Danube River, including Hungary, Romania, Slovenia and Ukraine. The Salistei tailings dam, which was operated by Minvest at Rosia Montana until operations ceased in May 2006, although outside the boundaries of the Project, is included in the ICPDR's inventory.

An incident at any one of the facilities included in the ICPDR's inventory, or that occurs elsewhere in Europe, is beyond Gabriel's control and may adversely affect political attitudes in Romania regarding the mining industry. In particular, a shift in such attitudes away from support for the mining

industry may adversely affect Gabriel's ability to, or may prevent Gabriel from, developing a new mine at Rosia Montana.

Project Approval Risks

Environmental Impact Assessment

Gabriel must obtain a large number of permits, approvals and authorizations from the local, county and federal levels of the Romanian Government in order to proceed with the development, construction and operation of the Rosia Montana Project. The laws relating to the permitting of a large-scale project like Rosia Montana are being applied for the first time in this case, under the newly-harmonized EU directives. The environmental approval is one of the more important approvals Gabriel must obtain. In addition to complying with all Romanian laws and regulations, the EIA for the Rosia Montana Project must comply with all EU guidelines and directives. There are significant risks that the governmental review and approval process could be delayed due to circumstances beyond Gabriel's control and any such delays could negatively impact Gabriel's development plans, prevent the development of the Rosia Montana project, or result in additional expenses on its part.

On September 12, 2007 the Ministry of Environment unilaterally suspended the TAC review of the EIA. On November 16, 2007 Gabriel initiated legal action against the Ministry of Environment, the Minister of Environment and the Secretary of State, in the Bucharest Court of Appeal seeking an order of the court compelling the Ministry of Environment to reinstitute the TAC review of the EIA. There are significant risks that the resolution of this legal action could be delayed due to circumstances beyond Gabriel's control, or that the Bucharest Court of Appeal will not grant the order requested by Gabriel, and any such delays or negative court decisions could negatively impact Gabriel's development plans, prevent the development of the Rosia Montana project, or result in additional expenses on its part.

Archaeological Discharge

The validity of all of the archaeological discharge certificates previously issued to RMGC is the subject of a series of legal actions initiated by Alburnus Maior and supported by other NGOs. The court challenges have been commenced against the Ministry of Culture and Religious Affairs, the governmental authority issuing the discharge certificates, and not against RMGC. Any successful challenges could negatively impact the Company's development plans, require additional work and re-application for discharge certificates, result in additional delays and expenses on our part, or prevent the development of the Rosia Montana project.

Land Use Regulations

Gabriel is required to obtain an environmental endorsement of the updated land use regulations incorporating the changes made to the design of the Rosia Montana project since 2002 prior to presentation to the local council of Rosia Montana. There are significant risks that the updating of the land use regulations could be delayed due to circumstances beyond Gabriel's control and any such delays could negatively impact Gabriel's development plans or result in additional expenses on its part. In addition, the local council of Rosia Montana must approve new land use regulations for the portion of the village of Rosia Montana designated as a protected area. There can be no assurance that such land use regulations will be passed in the appropriate form or in a timely fashion and any such delays could negatively impact Gabriel's development plans, result in additional expenses on its part, or prevent the development of the Rosia Montana project.

Risk Associated With Acquisition of Surface Rights and Resettlement and Relocation

Gabriel must acquire all necessary surface rights over the footprint of the new mine in order to apply for its construction permits and to obtain financing for construction of the new mine at Rosia Montana. This process involves the acquisition of properties owned by residents in the Rosia Montana and Corna valleys, the construction of a resettlement site in Alba Iulia and Piatra Alba to house those residents of Rosia Montana wishing to relocate there, as well as the acquisition and replacement of all public buildings, social facilities and other structures in the new village of Piatra Alba. There can be no assurance that Gabriel will acquire all necessary surface rights. There are significant risks that the acquisition of all necessary surface rights could be delayed due to circumstances beyond Gabriel's control and any such delays could negatively impact Gabriel's development plans, result in additional expenses on its part, or prevent the development of the Rosia Montana project.

Project Development Risks

There are significant risks that the commencement of construction of the new mine could be delayed due to circumstances beyond Gabriel's control. Such risks include delays in acquiring all necessary surface rights, delays in completing the acquisition, permitting and construction of the new Piatra Alba and Alba Iulia resettlement sites, delays in obtaining all zoning, environmental, construction and other required permits, approvals and authorizations required to construct and operate the new mine, delays in finalizing detailed engineering and a definitive construction contract, construction cost overruns, availability of all necessary process plant and mining equipment, availability of all necessary engineering services, technical trades and operating personnel, as well as unforeseen difficulties encountered during the construction and commissioning process. In addition, continued opposition to the Rosia Montana project by the NGOs, academics, and other special interest groups, could contribute to such delays.

Project Financing Risks

While Gabriel has sufficient financial resources to fund its current permitting activities, it does not have the financial resources to construct the mine at Rosia Montana. Gabriel will require significant additional financing from external sources to meet its capital requirements. Although Gabriel has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will obtain adequate financing in the future or that the terms of such financing will be favourable. A period of continued uncertainty in the world credit markets could make the debt component of the financing more expensive than anticipated or, in certain cases, unavailable. It is not uncommon for financial institutions to require some form of cost overrun facility and a price guarantee (hedging) program in association with the provision of project debt finance. The amount and cost of the price guarantee is a function of gold prices at the time the hedging program is executed. If gold prices were to fall between the date of this Annual Information Form and the execution of the hedging program, it could have a significant impact on the cost of the hedging program. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of Gabriel's projects with the possible loss of such properties.

In the past few years, gold prices have risen from the low of US\$300-per-ounce level to over US\$950 per ounce, resulting in higher share prices for gold equities. There can be no assurance gold prices will remain high, especially during the time Gabriel will need to raise debt and equity financing for construction of the Rosia Montana project.

Risk Associated With Mineral Tenure Rights

Gabriel currently holds an exploitation concession license with respect to the Rosia Montana project. Gabriel has applied to the NAMR to upgrade the exploration concession license to an

exploitation concession license on the Bucium project and holds an exploration concession license for the Baisoara project. Gabriel has obtained mineral title opinions with respect to its licenses and, based upon such title opinions, Gabriel believes that it has good title to all mineral rights covering the mineral resources and reserves at the Rosia Montana project. Such mineral title opinions should not, however, be construed as a guarantee of title to such mineral rights. Gabriel also believes that all licenses are in good standing and it is not in default of any provisions of such licenses. There can be no assurance that the licenses will not be terminated or cancelled due to an alleged breach of the terms and conditions of the license on the part of Gabriel.

As described in the discussion under “Legal Challenges to the Rosia Montana Project”, Alburnus Maior has commenced legal action in the Alba Court of Appeal seeking an order compelling the NAMR to annul the Rosia Montana exploitation concession license, on the basis of a minor administrative fine imposed on Minvest in 2004. There can be no assurance that the Alba Court of Appeal will not grant the order requested by Alburnus Maior, or that other legal challenges to the licenses will be initiated and succeed.

Risks Associated With the Closure of the State Run Mining Operations

In May 2006, Minvest permanently ceased all mining operations at Rosia Montana and then prepared and delivered a mine closure plan to the Romanian authorities for approval. Although Gabriel understands that such mine closure plan has been approved by the relevant authorities, there can be no assurance that Minvest will obtain the requisite funding in a timely fashion to undertake the activities contemplated by such closure plan and that undertaking such activities will not interfere with the development of the Rosia Montana project.

Likewise, until Minvest’s mine closure plan has been approved and fully implemented, there can be no assurance that such activities will not attract liability to Gabriel, as the titleholder of the Rosia Montana exploitation concession license, under the laws, rules and regulations applicable to mining activities in Romania. Likewise, there can be no assurance that the assumption by Minvest of all liabilities associated with its mining operations and the indemnification of Gabriel from such liabilities will be enforceable against Minvest.

Risks Associated With Legal Challenges

Gabriel faces a number of legal challenges from NGOs to the development of the Rosia Montana project. The objective of these legal challenges is to suspend, annul, terminate, or prevent the issuance of, each of the licenses, permits, approvals and authorizations required by Gabriel to develop the Rosia Montana project. There are significant risks that the success of these legal challenges could result in the suspension, annulment, termination, or prevent the issuance of, such licenses, permits and approvals which could negatively impact Gabriel’s development plans, result in additional expenses on its part, or prevent the development of the Rosia Montana project.

Risks Associated With Proposed Ban on the Use of Cyanide in Mining Operations

There are significant risks that the proposed private members’ bill introducing an amendment to the Romanian Mining Law banning the use of cyanide in mining operations, which was tabled in the Romanian Senate in April 2007, will be passed and become law. Such a law would negatively impact Gabriel’s development plans, result in additional expenses on its part, and possibly prevent the development of the Rosia Montana project.

Uninsured Risks

Gabriel maintains insurance to protect it against certain risks related to its current operations in amounts that it believes are reasonable depending upon the circumstances surrounding each identified risk. Gabriel may elect, however, not to insure against certain risks due to high premiums or for various other reasons. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fire, flooding and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, any future profitability could be reduced or eliminated and result in increasing costs and a decline in the value of Gabriel's securities.

Management

Gabriel currently has a small executive management group, which is sufficient for Gabriel's present stage of development. Given that Gabriel's development to date has depended and in the future will continue to depend, in large part on the efforts of the current executive management group, the loss of members of this group could have a material adverse effect on Gabriel, its business and its ability to develop the Rosia Montana Project.

Enforcement of Civil Liabilities

As substantially all of the assets of Gabriel and its subsidiaries are located outside of Canada, and certain of its directors and officers are resident outside of Canada, it may be difficult or impossible to enforce judgements granted by a court in Canada against the assets of Gabriel or its subsidiaries or its directors and officers residing outside of Canada.

Dividends

All of Gabriel's available funds will be invested to finance the growth of its business and, therefore, investors cannot expect to receive a dividend on their common shares in the foreseeable future.

Risks Related to the Gold Mining Industry Generally

The following risks apply to the gold mining industry generally:

Exploration and Mining Risks

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, none of Gabriel's properties, other than Rosia Montana, have proven and probable reserves. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the construction and operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralised deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, fluctuations in exchange rates, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable

production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Depending on the price of gold or other minerals produced, Gabriel may determine that it is impractical to commence or continue commercial production.

Estimates of Mineral Reserves and Resources and Production Risks

The mineral reserves and resources estimates contained in this Renewal Annual Information Form are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified reserve or resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among other things. Short term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in reserves or resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. The estimated reserves and resources described in this Renewal Annual Information Form should not be interpreted as assurances of mine life or of the profitability of future operations.

Gabriel has engaged expert independent technical consultants to advise it with respect to mineral reserves and resources and basic and detailed engineering, among other things. Gabriel believes that those experts are competent and that they have carried out their work in accordance with all internationally recognized industry standards. However, if the work conducted by those experts is ultimately found to be incorrect or inadequate in any material respect, Gabriel may experience delays and increased costs in developing the Rosia Montana project.

Mineral Prices

The mineral exploration and development industry in general is intensely competitive and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a profitable market may exist for the sale of same. Factors beyond Gabriel's control may affect the marketability of any substances discovered. Mineral prices have fluctuated widely, particularly in recent years. The marketability of minerals is also affected by numerous other factors beyond Gabriel's control, including government regulations relating to price, royalties, allowable production and importing and exporting of minerals, the effect of which cannot accurately be predicted. Depending on the price of gold or other minerals produced, Gabriel may determine that it is impractical to commence or continue commercial production.

Environmental and other Regulatory Requirements

Gabriel's activities are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a

heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Gabriel's current exploration activities, including any development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which may be required for exploration, construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any mining project that Gabriel may undertake. Management of Gabriel believes that Gabriel is in substantial compliance with all material laws and regulations which currently apply to its activities.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Gabriel and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Infrastructure

Exploration, development, mining and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the development and operation of the Rosia Montana project, and the financial condition and results of operations of Gabriel.

Shortages of Industry Consultants, Engineering Firms and Technical Experts

The mining industry has been impacted by increased worldwide demand for critical resources including industry consultants, engineering firms and technical experts. These shortages have caused increased costs and delays in work product.

DIVIDENDS

Gabriel has not paid any dividends on its common shares since its incorporation, nor has it any present intention of paying dividends, as it anticipates that all available funds will be used to undertake

exploration and development programs on its mineral properties as well as the acquisition of additional mineral properties.

DESCRIPTION OF CAPITAL STRUCTURE

Authorized and Issued Shares

The authorized capital of Gabriel consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which 254,898,485 common shares are issued and outstanding as of the date of this Renewal Annual Information Form. No preferred shares are presently issued and outstanding.

Common Shares

The holders of common shares are entitled to one vote per common share at all meetings of shareholders of Gabriel, to receive dividends as and when declared by the directors, and to receive a *pro rata* share of the remaining property and assets of Gabriel in the event of liquidation, dissolution or winding up of Gabriel. The common shares have no pre-emptive, redemption, purchase or conversion rights. There are no sinking fund provisions in relation to the common shares and they are not liable to further calls or to assessment by Gabriel. The Business Corporations Act (Yukon) provides that the rights and provisions attached to any class of shares may not be modified, amended or varied unless consented to by special resolution passed by a majority of not less than 2/3 of the votes cast in person or by proxy by holders of shares of that class.

Preferred Shares

The preferred shares as a class rank senior to the common shares as to the payment of dividends and the distribution of property and assets on the liquidation, dissolution or winding-up of Gabriel. Holders of preferred shares are not entitled to any voting rights as a class except as may be provided under the Business Corporations Act (Yukon) and except that the directors of Gabriel are empowered to attach to any series voting rights relating to the election of directors on a default in payment of dividends.

The preferred shares are issuable in one or more series, each consisting of such number of preferred shares as may be fixed by Gabriel's directors. Gabriel's directors may from time to time, by resolution passed before the issue of any preferred shares of any particular series, alter the constating documents of Gabriel to determine the designation of the preferred shares of that series and to fix the number of preferred shares therein and alter the constating documents to create, define and attach special rights and restrictions to the preference shares of that series, including, without limitation, the following: (i) the nature, rate or amount of dividends and the dates, places and currencies of payment thereof; (ii) the consideration for, and the terms and conditions of, any purchase of the preferred shares for cancellation or redemption; (iii) conversion or exchange rights; (iv) the terms and conditions of any share purchase plan or sinking fund; and (v) voting rights and restrictions.

Options to Purchase Common Shares

Gabriel's incentive stock option plan (the "Stock Option Plan") permits Gabriel's board of directors to grant to directors, officers and employees of Gabriel and its subsidiary companies, incentive stock options to purchase from Gabriel a designated number of authorized but unissued common shares up to but not exceeding 10% of the issued and outstanding shares of Gabriel at any point in time. A total of 12,403,004 incentive stock options have been granted by Gabriel to its directors, officers, employees and consultants as of March 26, 2008 and, after accounting for exercises of options which have occurred, there are 13,057,841 options available for issuance.

Warrants to Purchase Common Shares

Gabriel issued a total of 2,625,000 common share purchase warrants on November 29, 2006 in connection with arranging its project debt financing for the development of the Rosia Montana project. Each whole common share purchase warrant will entitle the holder to acquire one common share of Gabriel at a price of \$4.88 at any time on or before November 28, 2010. As of March 26, 2008 all 2,625,000 common share purchase warrants remain outstanding.

Deferred Share Units

Gabriel's deferred share unit plan (the "DSU Plan") provides that Gabriel's board of directors may permit directors and specified executive officers to elect to receive a portion of their compensation, including annual retainers, meeting fees or employment earnings or bonuses, in the form of deferred stock units ("DSUs") in lieu of cash. A maximum of 1,000,000 DSUs may be issued under the DSU Plan. Under the DSU Plan, notional units are allocated to the recipient based upon the value of the underlying common shares at the date of grant. Upon cessation of employment, the recipient's DSUs are redeemed based upon the then current price of the underlying common shares. As of March 26, 2008 a total of 574,387 DSUs have been granted by Gabriel to certain of its directors and officers.

Shareholder Rights Plan

Gabriel entered into a shareholder rights agreement on February 15, 2000 (the "Rights Plan") with Pacific Corporate Trust Company as rights agent. The Rights Plan became effective on February 15, 2000, was approved by the shareholders of Gabriel on May 18, 2000, was reconfirmed by the shareholders of Gabriel on June 17, 2003 and May 11, 2006 and expires on February 15, 2010.

A copy of the Rights Plan is available on Gabriel's website at www.gabrielresources.com and on the SEDAR website at www.sedar.com under Gabriel's name.

MARKET FOR SECURITIES

Gabriel's common shares are listed and posted for trading on the TSX under the symbol GBU. Gabriel's shares were listed on the TSX on September 29, 2000. The following table sets forth the high and low sales prices and volume of trading of the common shares of Gabriel on the TSX for the most recently completed financial year.

<u>Month – 2007</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
	(Canadian Dollars)		
January	5.00	4.62	22,615,656
February	5.69	4.80	18,760,914
March	5.09	4.10	31,752,263
April	4.56	3.86	41,349,392
May	4.33	3.79	30,459,392
June	4.88	4.15	21,768,112
July	4.95	4.03	21,212,241
August	4.50	3.09	20,532,562
September	3.66	2.00	37,576,482
October	2.65	2.10	21,516,770
November	2.45	1.27	36,516,770
December	2.00	1.32	42,093,751

PRIOR SALES

During the financial year ending December 31, 2007, a total of 614,289 common shares were issued from treasury upon the exercise of stock options for total proceeds to Gabriel of \$1,514,856.

On November 29, 2006 Gabriel issued a total of 2,625,000 common share purchase warrants to purchase common shares of Gabriel as part of arranging project debt financing for the development of the Rosia Montana project. These warrants have an exercise price of \$4.88 per warrant, a four year term and will vest upon achievement of project financing milestones, including public announcement of a committed underwriting by such financial institutions of a syndicated bank credit facility in an amount up to US\$350 million (the “Facility”), execution of definitive credit documentation for the Facility, and first draw-down under the Facility. No other securities of Gabriel were issued during 2007 other than as disclosed in this Annual Information Form.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The names, municipalities of residence, positions or offices held with Gabriel and principal occupation of the directors and officers of Gabriel as of March 26, 2008 are as follows:

Name, Position and Municipality of Residence ⁽¹⁾	Principal Occupation ⁽¹⁾	Director/Officer since
Directors		
Raphael Girard ⁽⁴⁾⁽⁵⁾ Ottawa, Ontario Director	Retired Canadian Ambassador to Romania; Public Policy and International Business Consultant from August 2003 to present, Canadian Ambassador to Romania from June 2000 to August 2003.	April 19, 2005
Alan R Hill Toronto, Ontario President, Chief Executive Officer and Director	Chief Executive Officer of Gabriel since May 2005. Prior to joining Gabriel Mr. Hill was Chairman of Alamos Resources Ltd. (a mining company) from May 2004 to present and prior to that, Executive Vice President Development of Barrick Gold Corporation (a mining company) from 1993 to September 2003.	May 10, 2005
Keith R. Hulley ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ Laguna Beach, California Director	Non-Executive Chairman of Apex Silver Mines Limited (a mining company) from October 2004 to December 2005; President and Chief Executive Officer of Apex Silver Mines Limited from October 2002 to October 2004; and President and Chief Operating Officer from October 1996 to October 2002.	February 13, 2006

Name, Position and Municipality of Residence ⁽¹⁾	Principal Occupation ⁽¹⁾	Director/Officer since
Michael Parrett ⁽⁶⁾ Toronto, Ontario Chairman	Independent Consultant from December 2001 to present; President of Rio Algom Limited (a mining company) from December 2000 to December 2001; Vice President, Strategic Development and Joint Ventures, Rio Algom Limited from March 1999 to December 2000; Vice President and Chief Financial Officer, Rio Algom Limited from 1991 to January 2000.	June 17, 2003
Simon Prior-Palmer ⁽²⁾⁽⁶⁾ London, England Director	Independent Consultant from 2005 to present; Managing Director and Senior Advisor with Credit Suisse First Boston from 1982 to 2005.	October 3, 2006
Ronald S. Simkus Kamloops, British Columbia Director	Independent Consultant. Prior to joining Gabriel's Board, Mr. Simkus held the position of Senior Vice-President, Mining for Corriente Resources Inc. (a mining company) from February 2004 to June 2006, and prior to that President and CEO of Compania Minera Antamina (a mining company) from June 2001 to July 2003.	March 1, 2007
A. Murray Sinclair ⁽²⁾⁽³⁾⁽⁶⁾ Vancouver, British Columbia Director	Managing Director of Quest Capital Corp. (a public merchant banking company) since July 2003.	June 17, 2003
Alan R. Thomas ⁽²⁾⁽³⁾⁽⁴⁾⁽⁶⁾ Toronto, Ontario Director	Independent Director. Prior to joining Gabriel's Board, Mr. Thomas held the position of Vice-President and Chief Financial Officer of ShawCor Ltd. from August 2000 to June 30, 2006.	May 11, 2006
<u>Officers</u>		
Yani Roditis Bucharest, Romania Chief Operating Officer	Chief Operating Officer of Gabriel since May, 2006; prior to that, Vice-President, Projects of Gabriel since July 2005. Prior to joining Gabriel Mr. Roditis spent more than 11 years with Barrick Gold Corporation (a mining company) including Technical Services Manager from 2003 to July 2005.	July 15, 2005

Name, Position and Municipality of Residence⁽¹⁾	Principal Occupation⁽¹⁾	Director/Officer since
Frank D. Wheatley North Vancouver, British Columbia Vice-President, General Counsel and Secretary	Vice-President, General Counsel and Secretary of Gabriel from October 2000 to present; Secretary of Gabriel from April 1999 to present; President and Chief Operating Officer of Gabriel from April 1999 to October 2000	April 18, 1999
Richard Young Mississauga, Ontario Vice- President and Chief Financial Officer	Vice-President and Chief Financial Officer of Gabriel from May 2005 to present. Prior to joining Gabriel Mr. Young was an Independent Consultant from September 2003 to May 2005 and prior to that, Mr. Young spent 13 years at Barrick Gold Corporation (a mining company) in various financial positions, including Vice-President Investor Relations from 2000 to September 2003.	May 10, 2005
Kathy Sipos Toronto, Ontario Vice-President, Investor Relations and Corporate Communications	Vice-President, Investor Relations and Corporate Communications of Gabriel since December 12, 2007 to present. Before joining Gabriel Resources Ltd. in January 2006 as the Director of Investor Relations and Corporate Communications, Kathy Sipos held positions with the Corporate Communications and Investor Relations departments at Barrick Gold Corporation from 1996 – 2006.	December 12, 2007

Notes:

- (1) The information as to place of residence, principal occupation during the five preceding years, and ownership of securities of Gabriel, not being within the knowledge of Gabriel, has been furnished by the respective directors individually.
- (2) Member of the Audit Committee.
- (3) Member of Compensation Committee.
- (4) Member of Corporate Governance Committee.
- (5) Member of Technical, Safety, Environment and Social Responsibility Committee.
- (6) Member of Finance Committee.

Each of the directors of Gabriel has been a director since the last annual meeting of Gabriel and each of their respective terms will expire at the next annual general meeting of Gabriel.

As of March 26, 2008, directors and officers of Gabriel own or control approximately 474,380 common shares of Gabriel representing approximately 0.002% of the issued and outstanding shares of Gabriel.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or officer of Gabriel, or a shareholder holding a sufficient number of shares of Gabriel to affect materially the control of Gabriel, is or within the 10 years before the date of this Renewal Annual Information Form has been, a director or officer of any other corporation that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such corporation access to any exemptions under Canadian securities legislation, for a period of more

than 30 consecutive days, or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such corporation. The foregoing information, not being within the knowledge of Gabriel, has been furnished by the respective directors, officers and any controlling shareholder of Gabriel individually as of March 26, 2007.

No director or officer of Gabriel has been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or, except as hereafter set out, has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision. The foregoing information, not being within the knowledge of Gabriel, has been furnished by the respective directors and officers of Gabriel individually as of March 26, 2007.

No director or officer or a shareholder holding a sufficient number of shares of Gabriel to affect materially the control of Gabriel, or a personal holding company of any such persons, has, during the ten years preceding the date of this Renewal Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets. The foregoing information, not being within the knowledge of Gabriel, has been furnished by the respective directors, officers and any control shareholder of Gabriel individually as of March 26, 2007.

Conflicts of Interest

Gabriel's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which Gabriel may participate, the directors of Gabriel may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of Gabriel's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of Gabriel making the assignment. In accordance with the laws of the Yukon Territory, the directors of Gabriel are required to act honestly, in good faith and in the best interests of Gabriel. In determining whether or not Gabriel will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which Gabriel may be exposed and its financial position at that time.

The directors and officers of Gabriel are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and Gabriel will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the Business Corporations Act (Yukon) and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of Gabriel are not aware of any such conflicts of interests.

AUDIT COMMITTEE

Membership & Experience

The Committee presently consists of three directors, Mr. Prior-Palmer, Mr. Sinclair and Mr. Thomas, each of whom are independent in accordance with the definition of independence of National Instrument 52-110 and are financially literate.

Mr. Thomas, the Chairman of the Committee, is a chartered accountant and graduate of the University of Toronto and before his retirement in 2006 he served as Vice-President and Chief Financial Officer of ShawCor Ltd., an energy services firm headquartered in Toronto with manufacturing and service operations around the world. Prior to serving with ShawCor, Mr. Thomas was CFO of Noranda and General Partner with the Rawlinson & Co. consultancy. Mr. Thomas brings to Gabriel extensive experience in dealing with controlled and public company boards of directors, both as a director and as an officer. He joined the Gabriel Board in May 2006.

Mr. Prior-Palmer has more than 30 years of experience in international financial markets and is recognized for his high professional standards and strategic ability. He brings to Gabriel extensive European business experience and financial expertise having held positions with Credit Suisse First Boston (CSFB) in Europe for more than 20 years. As Chief Executive of UK Investment Banking from 1987 to 1998 he led the UK business for 10 years developing a full breadth of advisory and capital market services. Most recently (1998 - 2005) Mr. Prior-Palmer held the position of Managing Director and Senior Advisor with CSFB. Mr. Prior-Palmer sits on the Board of Postcomm, the UK regulatory Commission overseeing the UK mail industry, and Macmillan Cancer Support, one of the United Kingdom's largest charities. He joined the Gabriel Board in October 2006.

Mr. Sinclair has a Bachelor of Commerce from Queens University and is currently the Managing Director of Quest Capital Corporation, the shares of which trade on the TSX. Mr. Sinclair has extensive public company business experience including facilitating complex financings and business combinations. He is a member of the Audit Committee of Wolfden Resources Inc. and Breakwater Resources Ltd.

Audit Committee Charter

A copy of the Audit Committee Charter is attached as Schedule "A" to this Renewal Annual Information Form.

Pre-Approval Policies & Procedures

The Committee is responsible for the pre-approval of all audit, audit-related and non-audit services provided by the independent auditor. The Chairman of the Committee is responsible for proper implementation of and compliance with this policy. The Committee has delegated to the Chairman the authority to pre-approve all services, not previously approved, up to \$25,000 and to report these to the Committee as a whole at the next Committee meeting.

External Auditor Service Fees

All fees billed by PricewaterhouseCoopers LLP (the "Auditor"), Gabriel's external auditors during the two most recently completed financial years are as follows:

	Year ended December 31, 2007	Year ended December 31, 2006
Audit Fees		
PricewaterhouseCoopers LLP	\$135,000	\$59,771
Audit-Related Fees		
PricewaterhouseCoopers LLP	\$73,530	\$15,000
Tax and Other Fees		
PricewaterhouseCoopers LLP	\$323,626	\$81,1894
All Other Fees		
PricewaterhouseCoopers LLP	\$68,809	Nil
Total		
PricewaterhouseCoopers LLP	\$600,965	\$155,955

Audit Fees: All services performed by the Auditors in connection with the review of annual consolidated financial statements of Gabriel, including services performed to comply with Generally Accepted Auditing Standards.

Audit Related Fees: All services performed by the Auditors in connection with: (i) the review of quarterly financial statements and management discussion and analysis (“MD&A”) in accordance with generally accepted standards for a review; (ii) equity due diligence required by underwriters, regulators and other parties in connection with raising capital for Gabriel; (iii) review of annual and quarterly financial statements of Gabriel’s wholly-owned, offshore subsidiaries; (iv) internal control reviews; (v) translation of financial statements, MD&A and other documents into French or another language; and (vi) such other services as may be designated by the Committee from time to time as Audit Related Services.

Tax and Other Fees: All services performed by the Auditors which are not Audit Services or Audit Related Services including, without limitation: (i) services in connection with tax planning, compliance and advice; (ii) such other services as may be designated by the Committee from time to time as Non Audit Related Services.

LEGAL PROCEEDINGS

There are currently no outstanding material legal proceedings involving Gabriel. Reference is made to the discussion under “Legal Challenges to the Rosia Montana Project”.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, officer or principal shareholder of Gabriel, nor any associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction, which in either case has materially affected or would materially affect Gabriel, during the three most recently completed financial years or during the current financial year.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the common shares of Gabriel is Computershare Investor Services Inc. at its principal offices in Toronto at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, Gabriel has not entered into any material contracts during the most recently completed financial year, or since January 1, 2002 and which are still in full force and effect.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP, Chartered Accountants, are Gabriel's auditors and such firm has prepared an opinion with respect to the Corporation's financial statements as at and for the financial year ended December 31, 2007. PricewaterhouseCoopers LLP, Chartered Accountants have reported that they are independent of Gabriel in accordance with the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

In March 2006 a National Instrument 43-101 technical report on the Rosia Montana project was prepared by RSG Global Pty. Ltd., MWH Americas Inc., Independent Mining Consultants, Inc., Aurifex Pty. Ltd. and Micon International Limited. As of the date hereof, each of the aforementioned companies, and all directors, officers and employees thereof, beneficially own, respectively, directly or indirectly, less than 1% of the securities of the Corporation and its associates and affiliates. In addition, no other director, officer, or employee of any of the aforementioned companies is currently expected to be elected, appointed or employed as a director, officer or employee of Gabriel or of any associates or affiliates of Gabriel.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Gabriel's securities, securities authorized for issuance under equity compensation plans and interests of insiders in material transactions, where applicable, is contained in Gabriel's Management Proxy Circular in respect of its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is available in Gabriel's comparative audited consolidated financial statements, together with the auditor's report thereon, and Gabriel's management discussion and analysis for its most recently completed financial year.

A copy of this Renewal Annual Information Form, Gabriel's Management Proxy Circular for its most recent annual or special meeting and the financial statements (including any interim statements from the past financial year) may be obtained upon request made to the Secretary of Gabriel. A reasonable fee for copying may be charged if the request is made by a person who is not a registered security holder of Gabriel. These documents are also available free of charge from the Internet on the SEDAR website at www.sedar.com.

Schedule “A” to Renewal Annual Information Form for the year ended December 31, 2007

GABRIEL RESOURCES LTD.

AUDIT COMMITTEE

Charter

This charter (the “Charter”) sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Gabriel Resources Ltd. (“Gabriel”).

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented by management of Gabriel; and
- external and internal audit processes.

2.0 Composition and Membership

(a) The Board will appoint the members (“Members”) of the Committee after the annual general meeting of shareholders of Gabriel. The Members will be appointed to hold office until the next annual general meeting of shareholders of Gabriel or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director.

(b) The Committee will consist of at least three directors that meet the criteria for independence and financial literacy established by applicable laws and the rules of the stock exchange upon which Gabriel’s securities are listed, including Multilateral Instrument 52-110 - Audit Committees. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.

(c) The Board will appoint one of the Members to act as the Chairman of the Committee. The secretary of Gabriel (the “Secretary”) will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

3.0 Meetings

(a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.

(b) At the request of the external auditors of Gabriel, the Chief Executive Officer or the Chief Financial Officer of Gabriel or any member of the Committee, the Chairman will convene a

meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

(c) The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, then the Members present may select one their number to act as Chairman of the meeting.

(d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.

(e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without management at each meeting of the Committee.

(f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Gabriel to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

4.0 Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters are to:

4.1 *Financial Reporting and Disclosure*

a) review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, guidance with respect to earnings per share, and any public release of financial information through press release or otherwise, with such documents to indicate whether such information has been reviewed by the Board or the Committee;

b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents;

c) review with management of Gabriel and with external auditors significant accounting principles and disclosure issues and alternative treatments under Canadian generally accepted accounting principles ("GAAP") all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Gabriel's financial position and the results of its operations in accordance with Canadian GAAP;

d) annually review Gabriel's corporate disclosure policy and recommend any proposed changes to the Board for consideration; and

e) review the minutes from each meeting of the disclosure committee, established pursuant to Gabriel's corporate disclosure policy, since the last meeting of the Committee.

4.2 *Internal Controls and Audit*

a) review and assess the adequacy and effectiveness of Gabriel's system of internal control and management information systems through discussions with management and the external auditor to

ensure that Gabriel maintains: (a) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Gabriel's transactions; (b) effective internal control systems; and (c) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of Gabriel at any particular time;

b) satisfy itself that management has established adequate procedures are in place for the review of Gabriel's disclosure of financial information extracted or derived directly from Gabriel's financial statements;

c) periodically assess the adequacy of such systems and procedures to ensure compliance with regulatory requirements and recommendations;

d) review and discuss Gabriel's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;

e) review and assess, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Gabriel's risk management policies and procedures with regard to identification of Gabriel's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by Gabriel; and

f) review and assess annually, and in the Committee's discretion make recommendations to the Board regarding, Gabriel's investment policy.

4.3 External Audit

a) recommend to the Board a firm of external auditors to be engaged by Gabriel;

b) ensure the external auditors report directly to the Committee on a regular basis:

c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;

d) review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;

e) review the audit plan of the external auditors prior to the commencement of the audit;

f) establish and maintain a direct line of communication with Gabriel's external and internal auditors;

g) meet in camera with only the auditors, with only management, and with only the members of the Committee at every Committee meeting;

h) review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;

i) oversee the work of the external auditors appointed by the shareholders of Gabriel with respect to preparing and issuing an audit report or performing other audit, review or attest services for Gabriel, including the resolution of issues between management of Gabriel and the external auditors regarding financial disclosure;

j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Gabriel, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;

k) discuss with the external auditors their perception of Gabriel's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;

l) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board; and

m) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

4.4 *Associated Responsibilities*

a) monitor and periodically review the whistleblower policy and associated procedures for:

i) the receipt, retention and treatment of complaints received by Gabriel regarding accounting, internal accounting controls or auditing matters;

ii) the confidential, anonymous submission by directors, officers and employees of Gabriel of concerns regarding questionable accounting or auditing matters; and

iii) any violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure, or violations of Gabriel's Code of Business Conduct & Ethics; and

b) review and approve Gabriel's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditor of Gabriel.

4.5 *Non-Audit Services*

a) pre-approve all non-audit services to be provided to Gabriel or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

4.6 *Oversight Function*

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Gabriel's financial statements are complete and accurate or are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities

of Gabriel, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Gabriel's financial information or public disclosure.

5.0 Reporting

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

6.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding Gabriel and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at Gabriel's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

7.0 Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.