

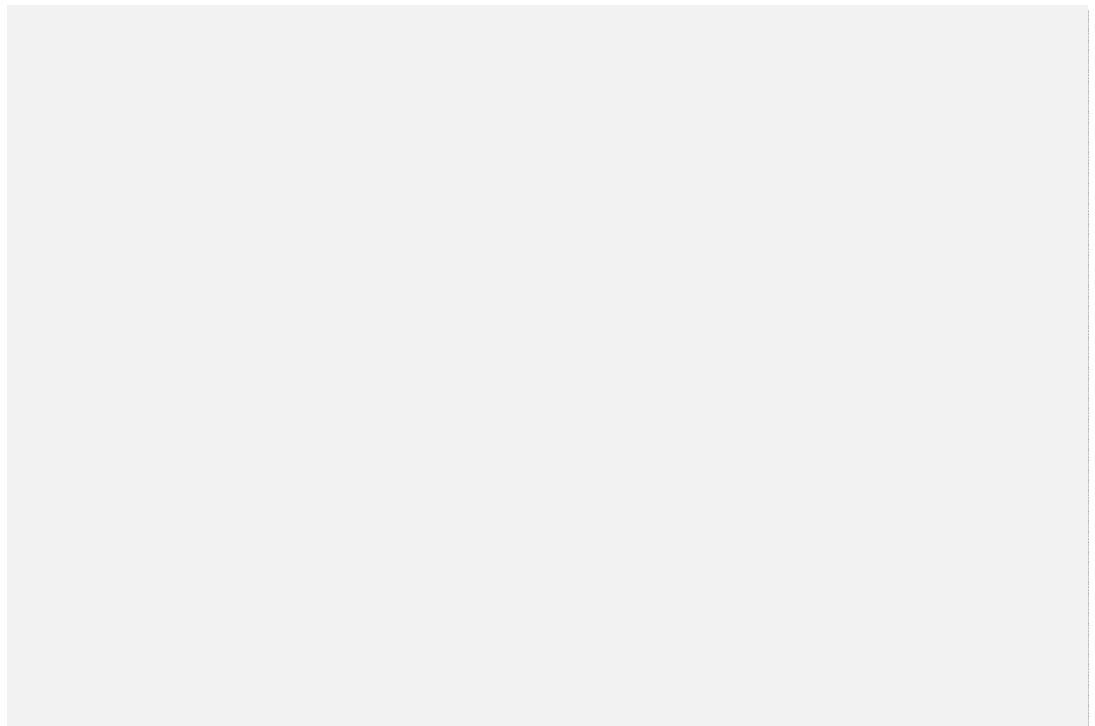


GOVERNMENT OF ROMANIA

DEPARTMENT FOR INFRASTRUCTURE PROJECTS
AND FOREIGN INVESTMENT

**CONCESSION OF PERIMETERS AND
NEGOTIATION OF THE EXPLOITATION
CONDITIONS FOR THE MINING PROJECT
ROȘIA MONTANĂ**

-Presentation Sheet-



1. GENERAL INFORMATION

Roşia Montană Project is owned and managed by RMGC. The company Gabriel Resources (RMGC's main shareholder).

1.1 Company information¹

ROŞIA MONTANĂ GOLD CORPORATION SA

Shareholders legal entities:

- THE NATIONAL COMPANY OF COPPER, GOLD AND IRON MINVEST SA DEVA (COMPANIA NATIONALA A CUPRULUI, AURULUI, FIERULUI MINVEST SA DEVA)

Profit and loss participation share: 19.31% / 19.31%

- GABRIEL RESOURCES (JERSEY) LTD

Profit and loss participation share: 80.69% / 80.69%

Financial situation for the year 2011

Average number of employees - 31.12.2011: 478

- Gross loss - Financial year 2011: 161030402 RON

Net turnover - Financial year 2011: 11801 RON

1.2 Project information

The exploration works began in May 1995 by means of a drilling program on the inactive tailings pond of Roşiamin excavation in Gura Roşiei. The tailings pond is located in the southern part of the current ore processing plant in Gura Roşiei, along Abrud Valley, parallel with Abrud-Câmpeni road. At that time an agreement existed between Gabriel Resources and Regia Autonomă a Cuprului Deva (now Minvest) to allow drilling activities in such deposits.

¹According to the data supplied by the National Trade Register Office

2. PROJECT DESCRIPTION

Current situation

i. Legislative data/documents

The concession license for exploitation in Roșia Montană perimeter number 47/1999 was concluded under and according to the procedures provided by the former Mining Law no. 61/1998 in force at the conclusion date of the License. The Roșia Montană License was executed between the National Agency for Mineral Resources ("NAMR"), on the one hand and the National Company of Copper, Gold and Iron "Minvest" S.A. ("Minvest"), as titleholder and Euro Gold Resources S.A. (which subsequently changed its name into Roșia Montană Gold Corporation S.A.), as affiliate, on the other hand. The Roșia Montană License was approved by the Government Resolution no. 458/10.06.1999, published in the Official Journal of Romania, Part I, no. 285/21.06.1999.

The transfer of the Roșia Montană License from Minvest to RMGC was performed according to the provisions of art. 14 (1) of the Mining Law no. 61/1998, which provides that "the titleholder of a license can transfer to another legal entity the rights obtained and the obligations undertaken, only with the written approval of the competent authority". The approval of the transfer was carried out by the NAMR Order no. 310/9.10.2000, published in the Official Journal of Romania, Part I, no. 504/13.10.2000. In art. 2 of the aforesaid legislative act, the following is specified: "NCCGI "Minvest" SA shall remain an affiliated company, under the conditions set forth in the license". We mention that no legal provision prohibits the affiliate capacity within an exploitation license owned by a titleholder. Moreover, the provisions of art. 15 of the former Mining Law no. 61/1998 expressly stipulate that: "within the limits of an exploitation perimeter, the competent authority can grant, in accordance with the legal provisions, exploitation and/or exploration rights for some mineral resources to legal entities, other than the titleholder of the license, with its consent".

According to art. 3, point 31 of the former Mining Law no. 61/1998 (definition also taken in the Law no. 85/2003), the titleholder is "any Romanian or foreign legal entity or natural person, authorized to conduct mining activities by virtue of a license or permit". The mining activities include both exploitation and exploration;

Concurrently, art. 30 of the Government Resolution no. 1208/2003 regarding the approval of the Norms for the application of the Mining Law no. 85/2003 provides that the following activities can be executed under the exploitation license: "the erection and assembly of plants, equipment and of other specific facilities necessary for the extraction, processing, transport, temporary storage of mining products, tailings and residual products, surface and/or underground works for the extraction of mineral resources/reserves, their processing and delivery in specific forms, as well as research works for increasing the knowledge level of mineral resources/reserves."
;

In its turn, the exploration activity, as defined by art. 3, point 12 of the Mining Law no. 85/2003 includes "the assembly of studies and activities for the identification of the deposits, their quantitative and qualitative evaluation, as well as the assessment of the technical and economic conditions for their use".

All the regulatory documents of the operations related to the Concession License for exploitation in Roşia Montană perimeter number 47/1999 were concluded and issued pursuant to the legal competencies of the National Agency for Mineral Resources and with the observance of the applicable legal provisions.

To this end, the National Agency for Mineral Resources has the legal authority to negotiate and establish the clauses and terms of licenses, according to art. 55(1) letter a) of the Mining Law no. 85/2003, to art. 40 (1) letter b) of the former Mining Law no. 61/1998 and to art. 2 letter b) of the Government Resolution no. 756/2003 regarding the organization and functioning of the National Agency for Mineral Resources: "The National Agency for Mineral Resources has the following main attributions: negotiates and establishes, together with the other concedents of the public domain of the state, as the case may be, the clauses and terms of the petroleum agreements and of the mining licenses and permits, concludes such agreements, licenses and permits and regulates the performance of the petroleum operations and mining activities by norms, regulations and technical guidelines issued for the application of the legislative acts in force".

The Roşia Montană License is granted for a period of 20 years, with the possibility of being extended, according to the Mining Law. In accordance with the legal provisions, the object of the Roşia Montană License is the exploitation of the mining resources in Roşia Montană perimeter.

ii. Economic and financial data

The proven reserve (the industrial - mineable reserve) underlying the feasibility study is of **214,905 thousand tons with an average grade of 1.462 g/t Au and 6.889 g/Ag from which it can be obtained 247,053 kg of gold and 904,883 kg of silver.**

By the exploitation of these reserves, according to the feasibility study, **a revenue of USD 7,537,384 million** is estimated. Out of this amount, pursuant to the legislation in force, a percentage of **4%, namely USD 301,495 thousand, is due to the state as royalties**, to which an **exploitation fee of 497,075 RON/year** is added.

According to the technical project, the amount representing the mining royalty shall be received by the state, during the 17 years of exploitation, proportionally with the exploited quantities and the revenues obtained from their capitalization.

As at 01.01.2013, the participation quota to the share capital of S.C. ROŞIA MONTANĂ GOLD CORPORATION S.A. is:

- 19.31% the National Company of Copper, Gold And Iron "MINVEST" S.A.
- 80.69% Gabriel Resources Ltd Canada

The current percentage of 80.69% for Gabriel Resources and of 19.31% for the National Company of Copper, Gold and Iron MINVEST S.A. resulted following the initial contribution and the subsequent contributions of the shareholders to the company's share capital, Gabriel Resources paying in advance all the expenses and costs related to the activities of development - exploitation and authorization of the mining project from Roşia Montană.

Up to 01.01.2013, S.C. ROŞIA MONTANĂ GOLD CORPORATION S.A. **has invested USD 520 million in this project.** Due to the expenses driven by the project preparation and the delay of its commencement, the net asset value of S.C. Roşia Montană Gold Corporation S.A. has dropped below half of the company's share capital value in the years 2004 and 2009. Therefore, based on article 153 of the Law no. 31/1990 on trading companies, it was imposed the performance of successive capital increase operations and the National Company of Copper, Gold and Iron MINVEST S.A. was able to maintain its participation share by subscription of cash within these increase operations, only as result of the loans received from Gabriel Resources as follows:

- **on 13.12.2004 the National Company of Copper, Gold And Iron MINVEST S.A. concluded the first loan agreement for an amount of USD 937,911.83 and**
- **on 16.12.2009 the National Company of Copper, Gold And Iron MINVEST S.A.: concluded the second loan agreement for an amount of USD 38,628,596.**

Both loans did not bear interest and were granted without securities, following to be reimbursed by the National Company of Copper, Gold and Iron MINVEST S.A. from the dividends to be paid by S.C. Roşia Montană Gold Corporation S.A. to the National Company of Copper, Gold and Iron MINVEST S.A., in its capacity as shareholder.

Currently, the National Company of Copper, Gold and Iron MINVEST S.A. Deva is in a difficult financial situation, the company's entry into insolvency proceeding and the risk of the Romanian state to lose the participation share in S.C. Roşia Montană Gold Corporation S.A being possible at any time.

2.2 Status of the evaluation in the Technical Approval Commission (TAC) of the Environmental Impact Study (EIM) from the Ministry of Environment and Forests²

The last meeting of TAC was in November 2011, during which the entire analysis of the chapters from the environmental impact study were covered in the presence of RMGC's representatives, answering to all the questions raised by the commission; TAC is waiting the notice of the Ministry of Culture concerning the declassification of Cărnic massif from the list of natural landmarks (declassification was approved in July 2011);

² Appendix 1 - documents submitted with the Ministry of Environment and Forests

In February 2012, the Ministry of Environment and Forests requested the Ministry of Economy, Commerce and Business Environment to analyze the opportunity of initiating a Government Resolution whereby this project to be declared of high public interest. The Ministry of Foreign Affairs expressed the same opinion, considering that the project is of regional and not local interest (in 2011 Alba County Council adopted a council decision whereby the project was declared to be of county high public interest). This request is necessary in order to comply with one of the provisions of the Directive 2000/60/EC (water framework directive), art. 4 par. (7)

The necessity to enact the Government Resolution draft regarding the declaration of the mining exploitation project Roșia Montană as objective of high public interest

The legislative draft proposes Roșia Montană mining exploitation project to be defined as objective of high public interest, in the context of achieving the economic policy of the Romanian State and managing the subsurface natural resources.

In accordance with the provisions of art. 4 of the Water Framework Directive, transposed into the national legislation (the Water Law no. 107/1996, as subsequently amended and supplemented), all Member States have the obligation to act for the achievement of „good status of waters, for all types of water, and where this status is already achieved to prohibit its deterioration. Art. 4 of the Directive also stipulates a series of exceptions from this provision and allows the alteration of „good status, among which, even those set forth in point 7 (taken in the Water Law no. 107/1996 at art. 2).

Following the analysis conducted by the Technical Approval Commission of the Ministry of Environment and Forests, it results that the condition according to which the reasons underlying these modifications or changes **are of high public interest and/or the benefits brought by the execution of this project to the environment and society are smaller than the benefits of the new modifications or changes for human health, maintaining human safety or for sustainable development** must be complied with.

The execution of the mining exploitation project, proposed to be developed on the area of four administrative-territorial units within Alba county, implies, besides the execution of the actual mining activities (quarries, warehouses, processing plant, mine tailing piles, tailings pond) and the development of the transport infrastructure in the area related to the project, the restoration and valorization of historical monuments, performance of greening works of the old mining objectives, exploited in the past by the Romanian State.

Therefore, under the proposed project, S.C. Roșia Montană Gold Corporation SA has undertaken the obligation to invest USD 140 million in restoration and rehabilitation works of the cultural patrimony, as well as over USD 37 million in rehabilitation works of the environment polluted by the mining activities conducted in the past by the Romanian State.

Furthermore, S.C. Roşia Montană Gold Corporation S.A. has undertaken the obligation to execute, within the mining exploitation project, rehabilitation and construction works of the transport infrastructure, as well as of the drinkable water supply and sewage infrastructure in the area related to the project, which shall contribute to the development of the local communities and to the decrease of the impact on public budgets.

It therefore results that, if Roşia Montană mining exploitation project shall be executed in the form proposed by S.C. Roşia Montană Gold Corporation S.A., it shall have a highly important economic and social positive impact by means of:

- the increase of the revenues of the Romanian State; it is estimated that, in case of the execution of the mining exploitation project, the revenues of the Romanian State shall be of approximately USD 3.2 billion (generated by the receipt of royalties, fees and taxes, dividends etc.), the amount thus computed considering a price for gold of 1500 USD/ounce
- the resumption of mining exploitation works in Roşia Montană perimeter shall ensure the conditions for placing Romania as a leader in the gold industry within the European Union, following the extracted mineral resources to be exploited under the conditions of competitive market,
- the development of the industries related to the mining industry (transportation, production of vehicles and equipment)
- the reduction of the unemployment rate, especially within the communities where the project is to be implemented,
- the reduction of the impact on the state budget of some greening and rehabilitation expenses of certain decommissioned mining objectives, operated in the past by the Romanian state,
- the reduction of the impact on the state budget of some restoration expenses of historical monuments.

The actual execution of Roşia Montană mining exploitation project, with all the works implied, shall be possible only after completion of the analysis of its environmental impact and after procuring, according to the law, all the necessary notices and authorizations.

2.3 Status of the renegotiation of the economic clauses of RMGC agreement

The Government authorized the Ministry of Economy, Commerce and Business Environment (in 2010) to begin the renegotiation of the agreement with Gabriel Resources/ RMGC. Following the negotiations, it was reached an agreement by the majority investor. The main clauses provided in the agreement are:

- The agreement shall enter into force and shall be effective between the parties subject to its approval by the Government of Romania under Government Resolution

- Gabriel Resources undertakes to cause the transfer, by its relevant affiliate, to Minvest of an additional share of 5.69% in RMGC share capital („Additional Share”), as follows:

A share of 3.19% shall be transferred within 90 days from the entry into force of the agreement and, as a consequence thereof, Minvest shall hold a resulting participation of 22.5% in RMGC share capital; and

The remaining 2.5% of the share shall be transferred within 30 days from the issuance of the last building permit necessary for the project’s building stage and for the implementation of the exploitation stage of the Project. Following this transfer, Minvest shall hold a final and fixed participation of 25% in RMGC share capital.

- the payment owed to Gabriel Resources’s relevant affiliate in exchange for the transfer of the Additional Share to Minvest shall be of USD 15 million, amount which shall be paid from the dividends due to Minvest for its participation in RMGC share capital;

- Minvest agrees to irrevocably assign to Gabriel Resources, until full reimbursement of the price, its rights over any dividends in RMGC and agrees that the payment of these dividends shall be made directly by RMGC to Gabriel Resources’s relevant affiliate.

- the Romanian State, under Government Resolution, shall undertake not to request the subsequent increase of its participation share to RMGC capital, by Minvest or in any other form, during the mining license.

Gabriel Resources, by means of its relevant affiliate, and RMGC agree to accept an increase of the mining royalty value applicable to the gold and silver production within the project, from the current value of 4% up to a maximum value of 6%, if such increase is regulated by a relevant legislative amendment. The parties to the mining license shall conclude an addendum thereto, which shall reflect the respective approval and shall certify that, except for a possible royalty increase, no other royalty increase shall be applied during the project and that all the rights provided in favor of RMGC in the mining license according to the applicable legislation at its signature date shall continue to be effective for RMGC’s benefit, in accordance with the terms set forth currently herein, throughout the entire project.

The agreement must be submitted to the Government’s analysis, as it was never discussed at this level until now.

2. INVESTMENTS AND ESTIMATED REVENUES

APPENDIX 2 (ACCORDING TO FEASIBILITY STUDY)

APPENDIX 1 - DOCUMENTS SUBMITTED WITH THE MINISTRY OF ENVIRONMENT AND FORESTS

YEAR	DOCUMENT/ INITIATED ACTIVITY	OBSERVATIONS/EXPLANATIONS
2004	SC Roşia Montană Gold Corporation SA submitted the application regarding the issuance of the environmental agreement for Roşia Montană project at Alba Environmental Protection Agency on 14.12.2004.	The documentation submitted by the titleholder includes: the technical sheet, the appendix to the town planning certificate and the project presentation report
2004	Taking into consideration that the project is subject to the provisions of the Espoo Convention on the environmental impact assessment in a transboundary context, the Ministry of Environment requested the Ministry of Foreign Affairs under the letter no. 4596 dated 21.12.2004 to deliver notifications to the possibly affected states: Hungary, Serbia and Montenegro, Bulgaria, Moldova, Ukraine, Slovakia.	Hungary confirmed its participation in the impact assessment procedure of Roşia Montană project in a transboundary context. Hungary even sent a preliminary proposal regarding the content requirements for the Report to the environmental impact assessment study for Roşia Montană project. Bulgaria replied to the notification stating that it shall not participate in the impact assessment procedure of Roşia Montană project in a transboundary context. The Republic of Moldova replied to the notification stating that it shall not participate in the impact assessment procedure of Roşia Montană project in a transboundary context, but requested the Report to the impact assessment study after it shall be elaborated. Serbia and Montenegro, Ukraine and Slovakia did not officially reply to the notification.
2005	On 14.04.2005 took place the inspection of the location of Roşia Montană project whereat representatives of the Ministry of Environment and Sustainable Development, Sibiu Regional Agency for Environmental Protection, Alba Environmental Protection Agency and of the titleholder participated.	Following the inspection of the location, a minutes was concluded and it was proceeded to the completion of the Control List according to the legislation in force
2005	On 10.05.2005 took place the meeting of the technical analysis commission (TAC) at central level for the classification and determination stage of the assessment area.	TAC (composed of representatives of the Romanian Academy, the Ministry of Education and Research, the Ministry of Internal Affairs, the Ministry of Health, the Ministry of Transport, Construction and Tourism, the Ministry of European Integration, the Ministry of Culture and Cults, NCMR, the "Romanian Waters"

		National Administration) established the issues to be covered by the report to the environmental impact assessment study. In addition to the problems identified by the Romanian institutions represented in this commission, the titleholder has the obligation to also cover the issues requested by the Hungarian environmental authorities.
May 2006	Minvest permanently stopped all mining operations in Roşia Montană and delivered a mine closure plan which was approved. According to the Mining Law no. 85/2003, art. 52, the titleholder of license 47, RMGC, requested the mine closure. Pursuant to art. 31, the mining concession ceases	
2006	On 15.05.2006, the project owner presented the Report to the impact assessment study.	The Report to the environmental impact assessment study was submitted to public debates in the period 24.07.2006 - 25.08.2006, in 14 different localities in Romania (Roşia Montană, Abrud, Câmpeni, Alba Iulia, Zlatna, Brad, Cluj-Napoca, Turda, Bistra, Baia de Arieş, Lupşa, Bucharest, Deva, Arad); Public debates also took place in Hungary at Szeged, Budapest, as result of Hungary's participation in the environmental impact assessment procedure for Roşia Montană project in a transboundary context; Based on the results of the public debates, the Ministry of Environment and Sustainable Development evaluated the public's justified proposals / remarks and requested the titleholder to enclose an appendix to the report on the environmental impact assessment study, which shall contain solutions for solving the indicated problems.
2007	On 31.01.2007, the Ministry of Environment and Sustainable Development sent to the project owner, SC Roşia Montană Gold Corporation SA, the form with the public's observations and remarks received during the period of public consultation.	
2007	On 04.05.2007, the project owner submitted with	The Ministry of Environment and Sustainable Development sent the appendix to

	the Ministry of Environment and Sustainable Development its answer regarding the public's observations and remarks, answer that forms an appendix to the report on the environmental impact assessment study;	the report on the environmental impact assessment study in electronic format - CD - to the public that formulated the observations and remarks The technical analysis commission created at central level (TAC) met on 26.06.2007, 10.07.2007, 19.07.2007 and 09.08.2007. 4 chapters of the report to the environmental impact assessment study were analyzed
2007 - 2010	During September 2007 - 2010, the Ministry of Environment and Forests was not able to continue the environmental impact assessment procedure.	as one of the documents submitted by the titleholder in support of the request, namely the town planning certificate no. 105/2007, was suspended de jure.
2010	On 03.05.2010 SC Roşia Montană Gold Corporation SA submitted the town planning certificate no. 87/2010.	
2010	In June 2010, the Ministry of Environment and Forests sent to the members of the Technical Analysis Commission at central level the documents submitted by SC RMGC SA for the issuance of an opinion, given the modification of the environmental protection legislation during 2006-2010.	
2010	The Technical Analysis Commission at central level met on September 22nd 2010 in order to discuss the opinions presented by TAC members	The update of the documentation which was the subject of discussion, both in form and content, was required, according to the amendments of the specific legislation brought during 2006-2010.
2010	On 26.10.2010 SC RMGC SA submitted addenda to the initial documentation, according to the ministry's request	
2010	On 02.11.2010, the Ministry of Environment and Forests sent the documentation received from SC RMGC SA to TAC members for analysis.	
2010	On 30.11.2010 SC RMGC SA submits the second set of addenda	
2010	On December 22nd 2010, the Technical Analysis	

	Commission at central level began to analyze the entire documentation submitted by SC RMGC SA	
2011	In January 2011, the Ministry of Environment and Forests presented to Hungary the addenda submitted by SC RMGC SA related to the information and answers to the questions raised on the procedure in a transboundary context regarding Roşia Montană project.	
2011	In the context of complying with the provisions of the Convention on access to information, public participation in decision-making and access to justice in environmental matters, ratified by the Law no. 86/2000 and with the environmental legislation specific to the environmental impact assessment procedure, the Ministry of Environment and Forests submitted to public consultation, during the period March 1st 2011 - April 1st 2011, by notice on its official website, all the environmental impact assessment documentation presented by SC RMGC SA at the end of 2010 and invited the concerned public to formulate justified proposals / remarks / observations.	Due to the complexity of the submitted documents and in order to ensure an efficient consultation, the Ministry of Environment and Forests has extended the consultation deadline until May 5th 2011.
2011	During the meeting of the Technical Analysis Commission at central level held on March 9th 2011, the Ministry of Environment and Forests read the public's remarks and observations included in the Appendix with solutions to the problems indicated by the public (91 volumes) prepared by the project owner (following the public debates conducted between 24.07.2006-	Within the assembly, the Ministry of Environment and Forests requested the titleholder to answer TAC members regarding the solutions presented in the Appendix, following the new questions to be answered to by the titleholder during the following TAC meetings.

	29.08.2006 in 14 localities in Romania)	
2011	The Ministry of Environment and Forests evaluated the justified observations/ remarks received from the concerned public (517 observations, protests, opinions favorable to the project and other remarks were received during the period 01.03.2011 - 05.05.2011 by e-mail or post) and, on 29.07.2011, sent to the project owner, SC Roşia Montană Gold Corporation SA, the form with the public's observations and remarks received during that period. In accordance with the legal provisions, the answers shall be formulated by the titleholder, submitted with the Ministry of Environment and Forests and analyzed within the Technical Analysis Commission at central level.	
2011	On 26.08.2011 SC RMGC SA presented to the Ministry of Environment and Forests the set of answers to the public's observations and remarks included in the Form sent by MEF on 29.07.2011 to the project owner.	
2011	Following the analysis of the documents submitted by the project owner (SC Roşia Montană Gold Corporation SA) during the performance of the environmental impact assessment procedure for the project "Mining objective Roşia Montană", the Ministry of Environment and Forests requested additional information on 26.09.2011:	
2011	Following the inspection of the location of the project "Mining objective Roşia Montană", a	

	minutes was concluded on 20.10.2011 by the members of the Technical Analysis Commission within the Ministry of Environment and Forests, in the presence of the project owner's representatives (S.C. Roşia Montană Gold Corporation SA) and of the representatives of T.A.C. member authorities:	
2011	The Technical Analysis Commission at central level met on November 29th 2011 during which the analysis of the report to the environmental impact assessment study was resumed, including of the redone chapters 4.1 Water and 4.6 Biodiversity and of the answers submitted by the titleholder to the questions invoked by the Ministry of Environment and Forests on 26.09.2011.	