FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 - Name and Address of Company

Gabriel Resources Ltd. ("**Gabriel**" or the "**Company**")
Suite 200-204
Lambert Street
Whitehorse, Yukon
Canada Y1A 1Z4

Item 2 - Date of Material Change

July 4, 2017

Item 3 - News Release

News releases announcing the material change were disseminated to the market through FSC and filed on SEDAR on June 29, 2017 and July 4, 2017.

Item 4 - Summary of Material Change

Gabriel Resources Ltd. ("Gabriel" or the "Company")[1] confirmed that on June 30, 2017 it filed its statement of claim (the "Memorial") against Romania before the World Bank's International Centre for Settlement of Investment Disputes ("ICSID"), in accordance with the provisions of the Canada-Romania and UK-Romania bilateral investment treaties (together the "Treaties"). Gabriel seeks compensation for all of the losses it has incurred as a result of Romania's breaches of the Treaties in an amount equivalent to $5.7 billion[2].

Item 5 - Full Description of Material Change

By licensing and then blocking the implementation of the Projects[3], without due process and without compensation, Romania has deprived Gabriel entirely of the use, benefit and value of its investments in Romania, including its rights to develop the Projects. Gabriel's claim is based on violations by Romania of several provisions of the Treaties, including due to:

- the expropriation of its investments in Romania without compensation;
- the failure to accord to its investments fair and equitable treatment and full protection and security; and
- the impairment of its investments by discriminatory and unreasonable measures.

The Romanian Government unlawfully blocked the permitting of the Roșia Montană Project in actions tantamount to expropriation of Gabriel's investments in Romania. The move to arbitration follows exhaustive and diligent efforts by Gabriel to comply with all Romanian legal requirements in respect of the development of the Projects, complemented by the Company's substantial contributions to the region's social, environmental and historic preservation needs.

The Memorial details factual and legal arguments supporting Gabriel's claim against Romania and the quantum of the damages sustained due to Romania's violation of the Treaties. The next steps in the current schedule of the ICSID proceedings include:

[1] The Company, and its wholly-owned subsidiary, Gabriel Resources (Jersey) Ltd. ("Gabriel Jersey") are claimants in the arbitration claim. For the purposes of this release both the Company and Gabriel Jersey are designated as "Gabriel" or the "Company".
[2] The claim, based on a damages assessment performed by an independent expert, seeks compensation in the amount of US$4.4 billion, the Canadian dollar equivalent uses the closing foreign exchange rate on June 27.
[3] For the purposes of this release the Roșia Montană gold and silver project (the "Roșia Montană Project") and the prospective gold, silver and porphyry copper deposits in the neighbouring Bucium concession area are referred to collectively as the "Projects".

- Romania to file its response to the Memorial ("Counter-Memorial") by February 15, 2018.
- Gabriel to file a reply to the Counter-Memorial ("Reply") by September 5, 2018.
- Romania to file its response to the Reply ("Rejoinder") by February 19, 2019.
- A hearing on the merits of the claim before the Tribunal, scheduled to occur from September 9 to 20, 2019.

For over two decades, Gabriel has operated in good faith and has developed and committed to a comprehensive plan of investment for the sustainable development of the Roșia Montană region and all stakeholders, including protections for cultural heritage and cleaning up the widespread environmental damage caused by historic State mining activities. Gabriel's plan for Roșia Montană has always had the support of the majority of local residents.

As a member of the World Bank and a party to the ICSID Convention, Romania is bound by the terms of Treaties. Romania's treatment of Gabriel and its investments has clearly breached its obligations set forth in the Treaties. The three-member tribunal constituted to hear the ICSID arbitration claim against Romania ("ICSID Arbitration Claim") will determine the liability of Romania and any compensation due to Gabriel. The Memorial is subject to the confidentiality provisions of Procedural Order No.3 which can be found on the ICSID website[4]. Gabriel anticipates that the Memorial will be published in due course in accordance with those provisions and the determination of the Tribunal as appropriate.

By failing to comply with its obligations, the Romanian Government has caused harm to Romania's national economy. Romania has sought, and badly needs, foreign direct investment. The Roșia Montană Project alone represented one of the largest proposed foreign direct investments in Romania, with the potential to contribute US$24 billion[5] into the country's economy. The Romanian Government's actions will likely be viewed with apprehension by prospective investors.

Item 6 - Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 - Omitted Information

No information has been omitted from this report.

Item 8 - Executive Officer

The name of the executive officer of Gabriel who is knowledgeable about this material change and this report is Jonathan Henry, President and Chief Executive Officer, who can be reached at +44 7798 801 783.

Item 9 - Date of Report

July 4, 2017

[4] https://icsid.worldbank.org/en/Pages/cases/casedetail.aspx?CaseNo=ARB/15/31

[5] at an assumed gold price of US$1,200/oz