

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

May 24, 2022

Item 3 - News Release

A news release announcing the material change was disseminated to the market through Accesswire and filed on SEDAR on May 24, 2022.

Item 4 - Summary of Material Change

On May 24, 2022, the Company announced that it had entered into definitive subscription agreements with certain investors in connection with a non-brokered private placement pursuant to which the Company intends to raise up to US\$5.6 million by way of a private placement (the “**Private Placement**”) of common shares of the Company (“**Common Shares**”).

The Company noted that it is progressing with its arbitration case against Romania before the World Bank’s International Centre for Settlement of Investment Disputes (“**ICSID Arbitration**”) and that it intends to use the proceeds of the Private Placement to finance the costs of the ongoing ICSID Arbitration and for general working capital requirements.

Item 5 - Full Description of Material Change

Pursuant to the Private Placement, up to 33,105,117 Common Shares will be issued at a price of \$0.215 per Common Share (“**Purchase Price**”) for gross proceeds of up to US\$5.6 million (approximately \$7.1 million), subject to stock exchange and other approvals as applicable.

The Purchase Price has been fixed at the closing price of the Common Shares on the TSX Venture Exchange (“**Exchange**”) on May 20, 2022, the trading day immediately preceding the announcement of the Private Placement.

The Private Placement was unanimously approved by the independent directors of the Company. Other than the subscription agreements, the Company has not entered into any agreement with an interested party or a joint actor in connection with the Private Placement.

Closing of the Private Placement

The closing of the Private Placement is subject to certain conditions, including, but not limited to, the approval of the Exchange and the receipt of all other applicable approvals. Accordingly, there is no assurance that the Company will be successful in completing the Private Placement.

On receipt of approvals, it is anticipated that the Private Placement will close on or about June 20, 2022 or such earlier or later date as may be determined by the Company, subject to satisfaction or waiver by the relevant party of the conditions of closing.

Subject to the receipt of all regulatory approvals, including the approval of the Exchange, the Company may pay a cash finder's fee of up to US\$5,600 in connection with the Private Placement in respect of the procurement of certain arm's length subscribers.

Anticipated Effect of the Private Placement

Completion of the Private Placement will improve the financial position of the Company and will enable the Company to continue to progress with the ICSID Arbitration.

Resultant Total Securities in Issue

Prior to the announcement of the Private Placement, the Company had 967,540,188 Common Shares issued and outstanding. The aggregate number of Common Shares to be issued pursuant to the Private Placement is 33,105,117 representing approximately 3.4% of the Common Shares issued and outstanding prior to the Initial Closing, on a non-diluted basis.

Private Placement Participation of Related Parties

The subscribers to the Private Placement include Electrum Group Holdings L.P. ("**Electrum**"), Paulson & Co. Inc. ("**Paulson**"), certain funds managed by The Baupost Group, L.L.C. ("**Baupost**"), certain funds managed by Kopernik Global Investors, L.L.C ("**Kopernik**"), and Enescu Investments L.L.C, an entity managed by Tenor Capital Management Company, L.P. ("**Tenor**"). Electrum, Paulson, Baupost, Kopernik and Tenor are collectively referred to as the "**Principal Subscribers**", each of whom are deemed insiders as they each exercise control and direction over 10% or more of the issued and outstanding Common Shares of the Company immediately prior to the closing of the Private Placement. Insiders of the Company have subscribed for 24,069,424 Common Shares for gross proceeds of US\$4.07 million (approximately \$5.18 million) under the Private Placement.

The Private Placement was negotiated on an arm's length basis with all subscribers, notwithstanding the participation of the insiders.

In aggregate, prior to giving effect to the Private Placement and on a non-diluted basis, approximately 70.52% of all of the issued and outstanding Common Shares are owned or controlled, beneficially or otherwise, by insiders who are Principal Subscribers.

The anticipated effect of the Private Placement on the percentage of Common Shares beneficially owned or controlled by the Principal Subscribers is not material, either on an individual or aggregated basis. After giving effect to the Private Placement, such insiders who are Principal Subscribers would own or control approximately 70.59% (on a non-diluted basis) of all of the issued and outstanding Common Shares.

In connection with the Private Placement, the Principal Subscribers have been granted the right to participate in future equity security and debt issuances of the Company on a pro-rata basis in order to maintain their fully diluted proportionate ownership interest in the Company. Any future equity issuances of the Company to which these pre-emptive rights apply will be subject to the approval of the Exchange.

Review Process and Reliance on Certain Exemptions

The issuance of Common Shares to insiders pursuant to the Private Placement will constitute a “related party transaction” within the meaning of Exchange Policy 5.9 and as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company intends to rely on certain exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a), 5.5(b) and 5.7(1)(a) of MI 61-101 in respect of related party participation in the Private Placement, as the Company is not listed on specified markets and neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves the related parties, exceeds 25% of the Company’s market capitalization (as determined under MI 61-101).

This material change report is being filed less than 21 days before the expected date of the closing of the Private Placement, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Private Placement in an expeditious manner.

The Common Shares to be issued on closing of the Private Placement are subject to a statutory 4-month hold period. U.S. investors will be subject to applicable resale restrictions. Subject to the foregoing, the securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws and accordingly may not be offered or sold within the United States or to “U.S. Persons”, as such term is defined in Regulation S promulgated under the U.S. Securities Act, except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom.

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 Richard Brown, Chief Financial Officer, who can be reached at +44 774 876 0276.

Item 9 - Date of Report

May 24, 2022