

2021 Second Quarter Report

03.08.2021 | [ACCESS Newswire](#)

LONDON, August 3, 2021 - [Gabriel Resources Ltd.](#) (TSXV:GBU) "Gabriel" or the "Company") announces the publication of its Second Quarter Financial statements and Management's Discussion and Analysis Report for the period ended June 30, 2021.

Summary

- Gabriel remains focused on the progression of its arbitration case brought by the Company and its wholly-owned subsidiary, Gabriel Resources (Jersey) Ltd., (together "Claimants") against the Romanian State ("Respondent") under the rules of the International Centre for Settlement of Investment Disputes ("ICSID"), part of the World Bank ("ICSID Arbitration"):
 - Following the second oral hearing on the merits of the claim held in Q4 2020 ("Second Hearing"), on February 18, 2021 and April 23, 2021 the Claimants and Respondent each filed simultaneous further written submissions ("Post-Hearing Briefs") in order to comment in conclusion on the evidentiary record, the final substantive submissions by the parties in the ICSID Arbitration.
 - In the absence of any further questions from the arbitral tribunal ("Tribunal") or other procedural interventions, it is anticipated that the Tribunal will now focus on its deliberations and preparation of its final decision ("Award"). There is no specified timeframe in the ICSID Rules in which an Award is to be made by the Tribunal.
- On July 27, 2021 the Ro?ia Montan? Mining Cultural Landscape, an area covering the footprint of the Project, was inscribed by UNESCO on its World Heritage List ("Inscription") and added to its List of World Heritage in Danger. The Inscription materially undermines the possibility of an amicable resolution of the ICSID Arbitration dispute with Romania that would allow for the development of the Project and is consistent with, and further evidence of, Romania's political repudiation of the Project and its joint venture with Gabriel.
- On June 10, 2021, the Company announced it had completed a non-brokered private placement (the "2021 Private Placement") of 30,444,800 common shares of the Company ("Common Shares") for gross proceeds of US\$6.0 million (approximately \$7.5 million).
- The net loss for the second quarter of 2021 was \$6.0 million (Q1 2021 \$8.6 million).
- As at June 30, 2021, the Company held \$ 7.0 million of cash and cash equivalents (Q1 2021 \$2.5 million). The Company believes that it has sufficient funding necessary to cover its planned activities through to January 2022 and will need to raise additional financing to fund ICSID Arbitration costs and working capital requirements thereafter.
- On July 2, 2021, Gabriel announced the repayment of the outstanding \$90,862,000 convertible unsecured notes ("Notes"), following maturity on June 30, 2021, through the issue of 313,587,558 Common Shares. Gabriel also announced the expiry of 103,867,820 Common Share purchase warrants on the same date.
- All resolutions were passed at the annual general meeting of shareholders of ("AGM") held earlier today.

Dragos Tanase, Gabriel's President and Chief Executive Officer, stated:

"We face the second half of 2021 confident that we have presented our case in the ICSID Arbitration, a new financing has been completed, and our capital structure simplified significantly by the repayment of the convertible notes. We remain indebted to our shareholders for their patience and continued financial support as we await a final decision from the Tribunal, which we hope will recognize the merit of Gabriel's claims. We are disappointed that Romania chose to pursue the UNESCO listing, which severely undermines the possibility of a future amicable resolution of the dispute."

Further information and commentary on the results in the second quarter of 2021 is given below. The Company has filed its Unaudited Condensed Interim Consolidated Financial Statements for Q2 2021 and related Management's Discussion & Analysis on SEDAR at www.sedar.com and each is available for review on the Company's website at www.gabrielresources.com.

For information on this press release, please contact:

Dragos Tanase
President & CEO
Phone: +40 730 399 019
dt@gabrielresources.com

Richard Brown
Chief Financial Officer
Mobile: +44 7748 760276
richard.brown@gabrielresources.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Further Information

Status of the ICSID Arbitration

- The ICSID Arbitration seeks compensation for all of the loss and damage suffered by the Claimants, resulting from the Respondent's wrongful conduct and its breaches of the protections afforded by certain treaties for the promotion and protection of foreign investment to which Romania is a party, including against expropriation, unfair and inequitable treatment, discrimination and other unlawful treatment in respect of the Ro?ia Montan? gold and silver project, together with the gold, silver and porphyry copper deposits defined in the Bucium concession area ("Projects") and related licenses.
- Subsequent to the Second Hearing, which focused on the technical and feasibility-related aspects of the Projects, and the quantum of the damages claimed, the Post-Hearing Briefs were filed on February 18, 2021 and April 23, 2021, which mark the final substantive submissions after which the Tribunal may pose further questions, or focus on its deliberations ahead of an Award.
- There is no specified timeframe in the ICSID Rules in which an Award is to be made by the Tribunal. The Company is informed that it is typical for tribunals in this type of arbitration to require twelve to eighteen months to finalize and issue a decision after Post-Hearing Briefs are submitted. However, there can be no assurances that the ICSID Arbitration will advance in a customary or predictable manner or be completed or settled within any specific or reasonable period of time.

UNESCO World Heritage

- Romania's nomination to designate the 'Ro?ia Montan? Mining Landscape' as a UNESCO World Heritage site was considered by UNESCO at the deferred 44th session of the World Heritage Committee, held in a virtual online format from Fuzhou, China between July 16 and July 31, 2021.
- On July 27, 2021 the Ro?ia Montan? Mining Cultural Landscape, an area covering the footprint of the Project, was inscribed by UNESCO on its World Heritage List and added to its List of World Heritage in Danger.
- The Inscription is incompatible with mining in the Project area and thus materially undermines the possibility of an amicable resolution of the dispute with Romania that would allow for the development of the Project.
- Romania's application to UNESCO and the subsequent Inscription are fundamentally at odds with Romania's obligations under its investment treaties in relation to Gabriel's investments and these acts, together with other measures taken by Romania, further evidence Romania's political repudiation of the Project and its joint venture with Gabriel.

Financial Performance

- Operating loss for the second quarter was \$ 3.3 million, some \$ 2.6 million lower than the corresponding period in 2020, arising from \$ 1.8 million lower costs related to the ongoing ICSID Arbitration, reflecting the more limited activity in the second quarter of 2021 finalizing the Post-Hearing Briefs, \$ 0.5 million of lower costs related to payroll, and \$ 0.2 million lower share-based payments.
- The net loss for the second quarter of 2021 was \$6.1 million, a decrease of \$2.8 million from a net loss of \$ 8.9 million in the corresponding period in 2020, primarily reflecting the \$ 2.6 million reduction in operating loss noted above together with a \$ 0.4 million lower foreign exchange loss in the second quarter of 2021, offset by \$ 0.2 million higher finance costs incurred in respect of the Notes prior to repayment.

Liquidity

- Cash and cash equivalents at June 30, 2021 were \$ 7.0 million.

- The Company's average monthly cash usage during Q1 2021 was \$1.0 million (Q1 2021: \$1.3 million), the decrease primarily reflecting the reduction in payments related to ICSID Arbitration costs compared to the prior quarter where significant costs had accrued for payment following the Second Hearing.
- At June 30, 2021, accruals for costs in respect of the ICSID Arbitration amounted to \$ 3.4 million (Q1 2021: \$3.0 million), the increase reflecting completion of Post-Hearing Briefs in the period and the continuation of a fee agreement in respect of the deferred payment of certain ICSID Arbitration costs until an Award is issued.

Financing

- On May 27, 2021, the Company announced the 2021 Private Placement of up to 30,444,800 Common Shares at a price of \$0.245 each for gross proceeds of up to US\$6.0 million (approximately \$7.5 million) and on June 10, 2021 the Company announced that it had closed the 2021 Private Placement in the full amount.
- The Company intends to use the proceeds from the 2021 Private Placement to finance the ongoing costs of the ICSID Arbitration and for general working capital requirements.

Repayment of Convertible Notes

- As previously announced, the Company has exercised its option ("Common Share Repayment Right") to repay all of the principal amount of Notes outstanding by issuing Common Shares to holders of the Notes ("Noteholders"). In aggregate, 313,587,558 Common Shares have been issued pursuant to the Common Share Repayment Right, calculated on the basis of the 'Current Market Price' of \$0.28975, being the price equal to 95% of the volume weighted average trading price of a Common Share over a 20 trading day period to June 23, 2021 ("Note Repayment Price").
- Prior to maturity, the Notes were convertible at the option of the Noteholders into Common Shares at a price of \$0.3105 per share ("Conversion Price"). As the Note Repayment Price was lower than the Conversion Price, approximately 21m more Common Shares have been issued than would have been the case upon conversion by Noteholders at the Conversion Price.
- The repayment of the Notes through exercise of the Common Share Repayment Right has received the final approval of the TSX Venture Exchange ("Exchange"). The Common Shares have been issued in reliance on applicable prospectus and registration exemptions, are (subject to compliance with applicable securities laws) freely tradeable on the Exchange and are not subject to any statutory hold period.

Capital Resources

- The Company believes that it has sufficient cash to enable the Group to fund general working capital requirements together with the material estimated costs associated with the Company advancing the ICSID Arbitration through to January 2022. There can be no assurances that the ICSID Arbitration will advance in a customary or predictable manner or within any specific or reasonable period of time. Accordingly, Gabriel believes that it will need to raise additional financing in 2021 in order to preserve its remaining assets, including the exploitation license for the Ro?ia Montan? Project ("License") and associated rights and permits, post January 2022 while it awaits an Award from the Tribunal.
- Thereafter, the Group will require further funding for general working capital purposes, and to pursue the long-term activities required to see the ICSID Arbitration through to its conclusion, which may include, as appropriate, costs of any potential annulment proceedings and/or costs of enforcement of any Award.
- Notwithstanding the Company's recent and historic funding, there is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all.

Annual General Meeting

- The Company held its AGM earlier today, August 3, 2021, in Vancouver, British Columbia. All of the matters submitted to shareholders for approval, as set out in the Company's Management Information Circular dated June 29, 2021, were approved by the requisite majority of votes cast at the AGM. The resolutions included: (i) re-electing Jeffrey Couch, Dag Cramer, Anna El-Erian, Ali Erfan, Daniel Kochav, James Lieber and Dragos Tanase as directors of the Company; (ii) re-appointing PricewaterhouseCoopers LLP as auditors of the Company for the ensuing year; and (iii) approving the continuation of the amended and restated incentive stock option plan of the Company.

Impact of Coronavirus

- With respect to the outbreak of the novel coronavirus (COVID-19), Gabriel continues to consider carefully its impact, noting the widespread disruption to normal activities and the uncertainty over the duration of this disruption. The highest priority of the Board of Directors and Management is the health, safety and welfare of the Group's employees and contractors. Gabriel recognizes that the situation is extremely fluid and is monitoring the relevant recommendations and restrictions on work practices and travel. At this time, these recommendations and restrictions do not significantly impact Gabriel's ability to continue the ICSID Arbitration process or conduct the limited operations in Romania, nor has there been a significant impact on the Group's results or operations to date.
- The Group will continue to seek new investment and is also looking to sell its long lead-time equipment. The market and timing for each initiative may be adversely affected by the effects of COVID-19. As a result, Gabriel will react to circumstances as they arise and will make any necessary adjustments to the work processes required. Should any material disruption from COVID-19 affect the Group for an extended duration, Gabriel will review certain planned activities in Romania and take remedial actions if it is determined to be necessary or prudent to do so.

About Gabriel

Gabriel is a Canadian resource company listed on the TSX Venture Exchange. The Company's principal business had been the exploration and development of the Ro?ia Montan? gold and silver project in Romania. The Ro?ia Montan? Project, one of the largest undeveloped gold deposits in Europe, is situated in the South Apuseni Mountains of Transylvania, Romania, an historic and prolific mining district that since pre-Roman times has been mined intermittently for over 2,000 years. The exploitation license for the Ro?ia Montan? Project is held by Ro?ia Montan? Gold Corporation S.A., a Romanian company in which Gabriel owns an 80.69% equity interest, with the 19.31% balance held by Minvest Ro?ia Montan? S.A., a Romanian state-owned mining company.

Upon obtaining the License in June 1999, the Group focused substantially all of their management and financial resources on the exploration, feasibility and subsequent development of the Ro?ia Montan? Project. Despite the Company's fulfilment of its legal obligations and its development of the Ro?ia Montan? Project as a high-quality, sustainable and environmentally-responsible mining project, using best available techniques, Romania has unlawfully blocked and prevented implementation of the Ro?ia Montan? Project without due process and without compensation. Accordingly, the Company's current core focus is the ICSID Arbitration. For more information please visit the Company's website at www.gabrielresources.com.

Forward-looking Statements

This press release contains "forward-looking information" (also referred to as "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. All statements, other than statements of historical fact, are forward-looking statements.

In this press release, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein.

Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: the ICSID Arbitration, actions by the Romanian Government, conditions or events impacting the Company's ability to fund its operations (including but not limited to the completion of further funding noted above) or service its debt, exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "is of the view", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation:

- the outbreak of the coronavirus (COVID-19) may affect the Company's operations and/or the anticipated timeline for the ICSID Arbitration;
- the duration, costs, process and outcome of the ICSID Arbitration;
- Romania's actions following the inscription of the "Roşia Montan Mining Landscape" as a UNESCO World Heritage site;
- changes in the liquidity and capital resources of Gabriel, and/or the group of companies of which it is directly or indirectly parent;
- access to funding to support the Group's continued ICSID Arbitration and/or operating activities in the future;
- equity dilution resulting from the conversion or exercise of new or existing securities in part or in whole to Common Shares;
- the ability of the Company to maintain a continued listing on the TSX Venture Exchange or any regulated public market for trading securities;
- the impact on business strategy and its implementation in Romania of: any allegations of historic acts of corruption, uncertain fiscal investigations; uncertain legal enforcement both for and against the Group and political and social instability;
- regulatory, political and economic risks associated with operating in a foreign jurisdiction including changes in laws, governments and legal regimes and interpretation of existing and future fiscal and other legislation;
- global economic and financial market conditions;
- volatility of currency exchange rates; and
- the availability and continued participation in operational or other matters pertaining to the Group of certain key employees and consultants.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements.

Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this press release that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies which can be viewed online at www.sedar.com.

SOURCE: [Gabriel Resources Ltd.](http://GabrielResourcesLtd.com)

View source version on accesswire.com:
<https://www.accesswire.com/658292/2021-Second-Quarter-Report>

Dieser Artikel stammt von [GoldSeiten.de](https://www.goldseiten.de)

Die URL für diesen Artikel lautet:

<https://www.goldseiten.de/artikel/504829--2021-Second-Quarter-Report.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by GoldSeiten.de 1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).