



PRESS RELEASE

FOR IMMEDIATE RELEASE

TSX Trading Symbol: GBU

December 29, 2011

Corporate Update

Gabriel Resources Ltd. ("Gabriel" or "the Company") announces the following update regarding the Rosia Montana gold and silver project (the "Project").

Royalty Rates

Gabriel notes the short press release published on the Romanian Government's website on December 27 in respect of the adoption of an increased rate of royalties for all mineral resources regulated by the Mining Law in Romania, and specifically that the royalty payable to the Romanian state for precious metals production will be increased from 4% to 8%. Gabriel awaits a formal clarification from the Romanian Government on if, or how, the published statement would apply to the Project.

The Company confirms that it continues to work together with the Romanian Government in respect of potentially amending the ownership of the Project and royalty rates payable by it, in the context of the overall expected returns to Romania as well as to Gabriel shareholders from the Project. A proposal in this regard is currently with the Romanian Government for consideration. These discussions remain ongoing and Gabriel awaits a response from the Romanian Government on its proposal.

The Company will make a further announcement as appropriate.

Technical Assessment Committee ("TAC") Meeting

The TAC is a Romanian state body that meets to review the Environmental Impact Assessment ("EIA") for any project. A further meeting of the TAC took place on November 29, 2011 to discuss technical and other issues in respect of the Project. The Company is encouraged by the constructive nature of the discussions held and is awaiting formal feedback from the TAC as to whether further meetings or documentation will be requested.

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About Gabriel

Gabriel is a Canadian TSX-listed resource company focused on permitting and developing its world-class Rosia Montana gold and silver project. Gabriel and RMGC are committed to responsible mining and sustainable development in the communities in which they operate. The Project will generate thousands of employment opportunities. Gabriel intends to build a state-of-the-art mine using best available techniques and implementing the highest environmental standards whilst preserving local and national cultural heritage in Romania. For more information please visit the Company's website at www.gabrielresources.com.

Forward-looking statements

This press release contains forward-looking information as defined in applicable securities laws relating to the Company and/or the Project (referred to herein as "forward-looking statements") that are based on management's current expectations, estimates and projections. Specifically, this press release contains forward-looking statements regarding the returns to Romania of a change in equity and royalty rates applicable to the Project. All statements other than statements of historical facts included herein, including without limitation, those incorporated by reference, those which may refer to the Company's financial position, business strategy, plans, objectives of management for future operations (including development plans and objectives relating to the Company's business) the economic impact, job creation, costs estimates, patrimony plans, future ability of the Company to finance the Project, Project delivery and estimates regarding the timing of completion of various aspects of the Projects' development or of future performance are forward-looking statements.

The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "projects", "may", "will", "schedule", and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors which are difficult, or may be beyond Gabriel's ability, to predict or control and that may cause the actual outcomes, level of activity, financial results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include, without limitation, changes in the worldwide price of precious metals; fluctuations in exchange rates; legislative, political or economic developments including changes to mining and other relevant legislation in Romania; geopolitical uncertainty, uncertain legal enforcement; changes in, and the effects of, the government policies affecting the Company's operations; uncertainties related to timelines for awaited approvals; changes in general economic conditions, and the financial markets; operating or technical difficulties in connection with exploration, development or mining; environmental risks; the risks of diminishing quantities or grades of reserves; and the Company's requirements for substantial additional funding.

Accordingly, readers should not place undue reliance on forward-looking statements. Gabriel undertakes no obligation to update publicly or otherwise revise any forward-looking statements contained herein whether as a result of new information or future events or otherwise, except as may be required by law.