

FORM 53-901F SECURITIES ACT (BRITISH COLUMBIA) MATERIAL CHANGE REPORT UNDER SECTION 85(1)

FORM 27 SECURITIES ACT (ALBERTA) MATERIAL CHANGE REPORT UNDER SECTION 118(1)

FORM 27 SECURITIES ACT (ONTARIO) MATERIAL CHANGE REPORT UNDER SECTION 75 (2)

(YUKON) MATERIAL CHANGE REPORT UNDER NATIONAL POLICY 40

FORM 27 SECURITIES ACT (QUEBEC) MATERIAL CHANGE REPORT UNDER SECTION 73 OF THE ACT

[NOTE: Every report required to be filed under the foregoing Acts shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure"]

[NOTE: If this report is filed on a confidential basis, put at the beginning of the report in block capitals "CONFIDENTIAL ", and everything that is required to be filed shall be placed in an envelope to the Commission marked "CONFIDENTIAL"]

1. Reporting Issuer

Gabriel Resources Ltd. ("Gabriel")
1501 – 110 Yonge Street
Toronto, Ontario
M5C 1T4

Phone: (416) 955-9200

2. Date of Material Change

October 3, 2002

3. Press Release

The press release was dated October 3, 2002 and was released to The Toronto Stock Exchange and through various other approved public media.

4. Summary of Material Change

The resettlement program associated with the development of the Rosia Montana gold project in Romania, 80% owned by Gabriel Resources Ltd ("Gabriel"), is progressing as follows:

- (a) more than 600 property owners are currently engaged in negotiations with Gabriel;
- (b) 71 properties have been acquired by Gabriel and a total of US \$1,870,000 has been paid to date in the form of relocation compensation payments;
- (c) three resettlement sites have been selected and approved by the local community; and
- (d) the Resettlement Action Plan is being updated and upgraded.

5. Full Description of Material Change

The resettlement and relocation program associated with the development of the Rosia Montana project in Romania is well underway. To date, Gabriel has held meetings with over 600 property owners

impacted by the mine development to discuss details of their resettlement and relocation packages. The owners of 71 properties have concluded their negotiations and 66 owners have already received their relocation packages and completed their moves away from Rosia Montana.

All relocation and resettlement packages have been developed by Gabriel after extensive consultation with Romanian specialists in valuing buildings and structures as well as residential, farm and forest lands. In addition, all packages comply with relevant World Bank Group/IFC guidelines which require compensation be provided on a full replacement cost basis. Any owners of properties which currently fall below minimum Romanian standards will receive compensation to at least such minimum standards. To date, the overwhelming majority of residents in Rosia Montana have been pleased with the compensation packages proposed by Gabriel.

In order to maintain its current development schedule of obtaining all approvals necessary to commence construction of the new mine during 2003, Gabriel must successfully complete negotiations on resettlement and relocation packages for approximately 500 properties, including 150 houses. An additional estimated 1500 properties, including 770 houses, will need to be acquired over the approximate 17 year life of the mine. The only significant delays experienced by Gabriel to date have been associated with the surveying of individual properties and the updating of land cards to accurately document legal titles. To date, titles for 583 of the 2000 impacted properties have been updated, with over 350 titles presently in the process of being updated.

Gabriel is currently well funded and has the necessary cash resources on hand to acquire all properties required in order to commence construction of the mine.

Resettlement Sites

Three resettlement sites, two of which are in the immediate vicinity of Rosia Montana, have been identified and selected by Gabriel based upon a range of detailed evaluation criteria and discussions with local residents and county councils. Gabriel is currently in the process of acquiring these sites and making application for the permits necessary to allow the commencement of construction of new residences for those individuals wishing to resettle.

Community Information Program

Gabriel has instituted a comprehensive local community information program and has distributed a series of gazettes to local residents to provide information and to address relevant issues concerning the resettlement and relocation process. These gazettes address the overall consultation process, including individual, group and public meetings, the determination of resettlement and relocation packages and the specific steps, documents and legal agreements needed to conclude the process.

As part of this community program, Gabriel has established a public information centre in Rosia Montana to provide up to date information on the status of the development of the Rosia Montana project as well as the resettlement program.

Upgraded Resettlement Action Plan ("RAP")

Gabriel is currently upgrading and improving its resettlement action plan (the "RAP") to bring it into more detailed compliance with all relevant World Bank Group/IFC policies and guidelines. Once the upgraded RAP is completed, which is currently expected to be in January 2003, Gabriel will make the revised RAP available on its website and in the community information center in Rosia Montana. Until the upgraded RAP is completed, Gabriel will continue to negotiate resettlement and relocation packages and

enter into legal purchase agreements with local property owners, however it will delay making any final payments until the upgraded RAP is completed and published. As compensation to the property owners affected by the delay in making final payments, Gabriel has agreed to pay each property owner a one time delay payment in an amount equal to 3% of the value of their property.

- 6: Reliance on Section 85 (2) of the *Securities Act* (British Columbia) or
Reliance on Section 118 (2) of the *Securities Act* (Alberta) or
Reliance on Section 75 (3) of the *Securities Act* (Ontario) or
Reliance on National Policy No. 40 (Yukon) or
Reliance on Section 73 of the *Securities Act* (Quebec)**

Not applicable

- 7. Omitted Information**

Not applicable.

- 8. Senior Officers**

The following senior officer of Gabriel is knowledgeable about the material change and may be contacted by the Commission at the following address and telephone number:

Frank D. Wheatley
Vice-President and General Counsel
Suite 1501 – 110 Yonge Street
Toronto, Ontario
M5C 1T4

(416) 955-9200

- 9. Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 11th day of October, 2002.

“Frank D. Wheatley”

Frank D. Wheatley
Vice-President and General Counsel