

MATERIAL CHANGE REPORT

Section 75 of the *Securities Act* (Ontario)
Section 85 of the *Securities Act* (British Columbia)
Section 146 of the *Securities Act* (Alberta)
Section 84 of the *Securities Act* (Saskatchewan)
Section 73 of the *Securities Act* (Quebec)
Section 81 of the *Securities Act* (Nova Scotia)
Section 75 of the *Securities Act* (Newfoundland and Labrador)

1. Reporting Issuer

Gabriel Resources Ltd. ("Gabriel")
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2. Date of Material Change

July 5, 2005.

3. Press Release

The press release was dated July 5, 2005 and was released to The Toronto Stock Exchange and through various other approved public media.

4. Summary of Material Change

- Restructuring of project development activities
- Establishment of corporate office in Bucharest to facilitate Permitting, Development and Operations
- Alignment of Gabriel and Rosia Montana Gold Corporation S. A.'s activities
- Archaeological Discharge Certificate appeal filed
- Concentration of development activities on completion of EIA

5. Full Description of Material Change

Corporate Developments

Restructuring of Project Development Activities

Gabriel has restructured and refocused its project development activities for the Rosia

Montana project by opening a corporate office in Bucharest. Gabriel's expanded presence in Bucharest will enable it to more effectively communicate with the Romanian Government, the regulatory authorities, as well as its consultants and suppliers during the permitting, construction and operational phases of the development of the Rosia Montana project.

Gabriel has closed its existing office in Alba Iulia, eliminated a number of staff positions not immediately relevant to its permitting and other development efforts, and relocated all remaining staff to either Bucharest or the project site in Rosia Montana. Once the permitting phase of development is substantially complete, Gabriel will begin expanding its work force in Romania to prepare for final engineering, construction and operations.

Alignment and Coordination of Gabriel's and RMGC's Activities

In order to more effectively advance the development of the Rosia Montana project, Gabriel has redirected the activities of its 80% owned Romanian subsidiary Rosia Montana Gold Corporation S.A. ("RMGC") to coordinate with its own activities. As part of this redirection, Mr. Alan R. Hill, Gabriel's President and Chief Executive Officer, has assumed the role of Chief Executive Officer of RMGC and additional members of Gabriel's senior executive management group have been appointed to the Board of Directors of RMGC to assist in the redirection and coordination of RMGC's activities.

Appointment of Additional Executive Management

As previously announced, Mr. Yani Roditis has been appointed Gabriel's Vice President – Projects and will be based in Gabriel's Bucharest office to assist in the development of the environmental impact assessment for the Rosia Montana project, as well as to direct the engineering and construction of the new mine. Additional technical and legal personnel required to support Gabriel's permitting, engineering and construction efforts will be engaged and based in Bucharest.

Development of Communications Program

Gabriel is currently developing a communications program designed to outline Gabriel's plans for building a world class project at Rosia Montana, confirm Gabriel's commitment to international standards of corporate, social, environmental and cultural responsibility and address current misconceptions regarding the project.

Archaeological Discharge Certificate

On June 20, 2005 the Alba Iulia Court of Appeal (the "Court") granted Alburnus Maior's (a Romanian NGO opposing the development of a new mine at Rosia Montana) petition against the Romanian Ministry of Culture (the "Ministry") for the annulment of archaeological discharge certificate no. 4 for the Carnic massif, issued by the Ministry on January 15, 2004 pursuant to RMGC's application. RMGC has appealed the decision of the Court and is awaiting the establishment of a date for the appeal to be heard. Irrespective of its appeal, Gabriel can reapply for a new archaeological discharge certificate at any time either before or after its appeal of the Court's decision is heard.

Rosia Montana Project Development

Finalization of the Environmental Impact Assessment

On May 30, 2005, the Romanian Ministry of Environment issued the terms of reference (the "TOR") for the environmental impact assessment ("EIA") for the Rosia Montana project. The TOR provides an outline of the matters that must be addressed in the EIA and, after an initial review, are as expected. Gabriel's experienced team of Romanian, European Union and international environmental consulting firms will now proceed to finalize the EIA in compliance with requirements specified in the TOR, relevant Romanian laws and regulations, both current and draft European Union directives as well as the Equator Principles.

6. Reliance on Subsection 75 (3) of the Ontario Securities Act or Equivalent Provisions

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:

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9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 6th day of July, 2005.

"Frank D. Wheatley"

Frank D. Wheatley
Vice-President and General Counsel