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

November 2, 2005

3. Press Release

The press release was dated November 2, 2005 and was released to The Toronto Stock Exchange and through various other approved public media.

4. Summary of Material Change

- A loss of $1.75 million or $0.01 per share in third quarter 2005, compared to a loss of $1.67 million or $0.01 per share in the year-earlier period;
- Update of mineral resource estimate;
- Update of resettlement action plan including introduction of option program;
- Appeal filed against decision to annul archaeological discharge certificate no. 4 for part of the Carnic massif;
- Communications initiative continues;
- Company is in the process of turning the EIA documents over to the independent team of specialists, which are scrutinizing the documents from a Romanian legislative and experience perspective; and
- Positive government statements regarding the Project.

5. Full Description of Material Change

Loss for the period

Gabriel Resources Ltd. ("Gabriel") incurred a loss of $1.75 million or $0.01 per share in third quarter 2005, compared to a loss of $1.67 million or $0.01 per share in the year-earlier period. For the nine months ended September 30, 2005, Gabriel lost $6.44 million or $0.04 per share, compared to a loss of $6.37 million or $0.05 per share in the first nine months of 2004. For the three month period, higher stock option compensation offset higher interest income earned on the higher cash balances this year compared to the year-earlier period. Overall for the nine-month period, lower project financing costs were offset by reorganization severance costs and an increase in non-cash charges related to stock option compensation.

"Our progress this quarter keeps us on track," said Alan R. Hill, President and Chief Executive Officer. "We've made significant efforts to improve our communications program – meeting with key constituencies in the village of Rosia Montana and the surrounding area, as well as Bucharest and Brussels. We've advanced the EIA towards our first quarter 2006 target date for submittal and prepared a new options program to help secure surface rights in the Industrial Zone that we're rolling out in the fourth quarter: All of it consistent with the model for responsible mining we plan at Rosia Montana."

Development activities

Gabriel invested $3.2 million in our two development projects during third quarter 2005, compared to $6.0 million in the year-earlier quarter. The reduction in expenditures during the third quarter, as well as year-to-date through 2005, reflects our decision to delay most expenditures that are not directly related to the permitting process. As a result, village relocation and engineering costs, as well as finance and administration overheads, were significantly lower than the year-earlier third quarter and nine-month periods.

Liquidity and capital resources

Gabriel has $28.9 million in working capital as at the end of September 2005, which could be bolstered by $30 million by year end, if warrants currently outstanding that expire at year end are exercised in full. Gabriel averaged monthly total expenditures for the Company of $1.5 million per month during the quarter, marginally lower than the first ($1.7 million) and second ($1.8 million) quarters of this year. Gabriel expects monthly expenditures of approximately $2.0 million per month through fourth quarter 2005 as Gabriel see increased activity in permitting, village relocation and communications. As a result, Gabriel expect to have between $22 and $23 million in working capital at year end, excluding warrants.

Rosia Montana Project Development

Mineral Resource Estimate Update

The update resource estimate for the Rosia Montana project, using a 0.6g/t gold cutoff, a 10 x 10 x 10 metre block size and ordinary kriging, is as follows:

Measured, Indicated and Inferred Resources

		Grade (g/t)		Contained Ounces	
Category	**Tonnes**	**Gold**	**Silver**	**Gold**	**Silver**

Measured	139,830,000	1.5	8	6,750,000	38,080,000
Indicated	210,520,000	1.2	4	7,820,000	26,850,000
Total M&I:	350,350,000	1.3	6	14,570,000	64,930,000
Inferred	30,290,000	1.2	3	1,190,000	2,990,000

All numbers (tonnes and ounces) have been rounded to the nearest 10,000.

Resource Data Base

The resources are based upon a total of 199,960 metres of sampling, comprising 89.878 metres of reverse circulation and 38,258 metres of surface and underground diamond drilling in 890 holes, together with 71,824 metres of underground and surface channel sampling.

Qualified Person

Ben Palich, Senior Consultant, and Brett Gossage, Supervising Principal of RSG Global are the qualified persons (as defined in National Instrument 43-101) responsible for the updated resource estimate. Gary O'Connor, Vice President - Exploration of Gabriel was responsible for the design and supervision of the drilling and channel sampling programs, which formed the basis of the updated resource estimate. Ben Palich, Brett Gossage and RSG Global corroborated the data collection, including sampling, analytical and quality control data, on which the resource estimate is based and prepared the resource model and estimate.

Sampling Protocol

Samples from both the drill program and the channel sampling program were assayed at SGS Ltd's laboratory in Gura Rosiei, Romania using a standard fire assay technique and an AAS finish. Duplicates, repeats, blanks and known gold standards are inserted according to standard industry practice, with independent check assays carried out by ALS – Chemex Ltd.'s laboratory in Vancouver and SGS Ltd.'s laboratory in Perth. Both SGS and ALS - Chemex are ISO 9002 certified.

Gabriel is in the process of updating the capital and operating cost estimates for the project, putting us in a position to update our reserves based on the new cost structure of the project and higher gold and silver prices. Gabriel does not expect a significant change over the current proven and probable reserve of 10.6 million ounces, calculated at $300 gold, as Gabriel is updating the reserve estimate using the existing pit outlines and only converting a portion of the internal waste within the pits to ore. Higher operating costs are expected to mitigate to some extent any increase in proven and probable reserves based on higher gold and silver prices. Gabriel expects to announce an updated reserve estimate, as well as our updated capital and operating cost estimates for the project with our 2005 year end results.

Acquisition of Surface Rights

During third quarter 2005, Gabriel completed the update of our resettlement action plan (the "RAP") to reflect changes in local conditions and circumstances. The updated RAP introduces a mechanism for the residents of the village of Rosia Montana to enter into option agreements with respect to the acquisition of their properties, thereby allowing us to continue the process of securing rights to the surface area required to develop the Rosia Montana project without the significant cost outlay of an outright purchase. The option program will allow us to expedite the acquisition of properties once Gabriel receives the approval of the EIA.

Archaeological Discharge Certificate

Gabriel received a copy of the Alba Iulia Court of Appeal's (the "Court") written reasons for its decision to annul our archaeological discharge certificate no. 4 for part of the Carnic massif, a portion of the Rosia Montana project. We, together with the Romanian Minister of Culture, have appealed the decision of the Court, to the High Court of Justice in Bucharest, based upon our view that it incorrectly construed and applied the relevant laws and regulations governing archaeological discharges, and based its decision on a number of matters Gabriel considers irrelevant to the granting of archaeological discharges. Neither the decision of the Court nor our appeal prevents us from continuing our archaeological discharge program, and Gabriel remains free to reapply for a new archaeological discharge certificate at any time. A archaeological discharge is required for all of the area under the footprint of the proposed mine.

The court challenge to our discharge certificate is one example of a multitude of legal challenges initiated over the past year by a local non-government organization (NGO), against virtually every local, regional and national Romanian regulatory authority that has the administrative authority to grant permits, authorizations and approvals for any aspect of the exploration and development of the Rosia Montana project. These actions include both civil actions and criminal complaints against both the regulatory authorities and individuals within such regulatory authorities, claiming in most cases that such regulatory authorities are acting in violation of Romanian laws. Generally, the sanction requested is cancellation of the permit or authorization. While Gabriel is typically not the primary target in these claims, Gabriel have intervened in the majority of these cases in order to ensure that the Romanian courts considering these actions are presented with a legally correct, fair and balanced analysis as to why the various Romanian regulatory authorities' actions are in accordance with the relevant and applicable Romanian laws.

Environmental Impact Assessment

During third quarter 2005, Gabriel incorporated the matters identified in the terms of reference issued by the Romanian Government ("TOR") into our environmental impact assessment ("EIA"). The last step in the EIA process is underway. Gabriel is in the process of turning the EIA documents over to the independent team of specialists, which are scrutinizing the documents from a Romanian legislative and experience perspective. The independent team of specialists will complete, finalize and submit our EIA in both Romanian and English to meet the requirements of the Romanian Government and the International Espoo Convention. Our target date for submission of the EIA is the end of the first quarter 2006.

Broad Communications Program

For many years, public discourse on the Rosia Montana project has been a monologue, conducted by certain NGO's and others opposed to the project. Predictably, public opinion has been negative, if also shallow in terms of the knowledge on which negative impressions were based.

As a complement to our coordinated communications campaign, a paid media campaign, including television, print and billboards, is critical to creating a more positive climate of opinion on the many benefits of building the Rosia Montana mine. By creating a true dialogue with the public Gabriel will develop a deeper understanding of the positive attributes of the project.

During the third quarter, our communications program emphasized face-to-face meetings. Our new management team met with Romanian Government officials, hosted press conferences with the Romanian media as well as sessions with Romanian business leaders to introduce the new corporate and Romanian management teams and highlight the project benefits. At quarter's end, Alan Hill, our President and Chief Executive Officer and Raphael Girard, a director of the Company, met with senior European Union officials to introduce the new management team and brief them on the benefits of the Rosia Montana project.

"Over the next three months Gabriel will conduct a broad communications campaign in Romania designed to improve public opinion toward the project by highlighting the benefits of responsible mining to an area plagued by environmental and economic problems," said Mr. Hill.

Rosia Montana Project Timeline Update

As indicated in our second quarter report, our plan calls for submission of the EIA to the Romanian Government at the end of first quarter 2006. Completion of the archaeological discharge program is scheduled for the summer of 2006, while acquisition of all necessary surface rights will immediately follow receipt of approval for the EIA. Application for construction permits will follow immediately upon receipt of the necessary surface rights and our plan continues to be to acquire construction permits in the second half of 2006. The project should take approximately two years to construct, putting our projected first gold pour in the second half of 2008 or early 2009.

Positive Government Statements Regarding Project

The quarter also saw a key development in government-to-government relations with an impact on the Rosia Montana project. At the first-ever joint cabinet meeting between Romanian and Hungarian authorities, held October 20, 2005 in Bucharest, Romanian Prime Minister Calin Tariceanu observed in the closing press conference that "the Rosia Montana project will progress in line with the permits issued by the Romanian authorities, while observing the domestic and European environmental norms."

During the joint Romanian-Hungarian session, the Romanian Environment Minister presented the Hungarian side a note regarding the implementation of the 1991 Espoo Convention in the case of the Rosia Montana project. Under the Convention, ratified by both Romania and Hungary, the countries of origin must involve, in the decision-making process, all states that could be impacted by a project. The Hungarian Prime Minister Ferenc Gyurccany "praised the fact that Romanian authorities had taken into consideration all proposals tabled by the Hungarian experts."

Romanian Accession to European Union Update

On October 25, 2005 the European Union (the "EU") released its 2005 comprehensive monitoring report (the "Report") on progress Romania has made in its preparations for membership in the EU, currently scheduled for January 1, 2007. The Report covers the political and economic requirements for membership, the reforms undertaken by Romania to meet those requirements, as well as the progress in aligning its legislation with the EU legal order. While the Report highlights the significant progress Romania has made so far, it also highlights a number of areas of concern which will require immediate and significant action from Romania. The Accession Treaty signed by Romania and the EU envisages the accession of Romania on January 1, 2007, however the Report indicates that if Romania is manifestly unprepared to meet the requirements of membership in a number of important areas, then accession of Romania may be postponed by one year.

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 9th day of November, 2005.

"*Frank D. Wheatley*"

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Frank D. Wheatley
Vice-President and General Counsel