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")
1501 – 110 Yonge Street
Toronto, Ontario
M5C 1T4

Phone: (416) 955-9200

2. Date of Material Change

August 4, 2006

3. Press Release

The press release was dated August 4, 2006 and was released to The Toronto Stock Exchange and through various other approved public media.

4. Summary of Material Change

On August 4, 2006 Gabriel announced that it has entered into an underwriting agreement with a syndicate of underwriters led by RBC Capital Markets, as sole bookrunner, and Sprott Securities Inc. as co-lead manager, and including BMO Nesbitt Burns Inc., Canaccord Capital Corporation, GMP Securities LP, Dundee Securities Corporation, Orion Securities Inc. and Paradigm Capital Inc. (collectively the "Underwriters"), to sell a total of 27,000,000 common shares (the "Offering") at a price of Cdn $3.15 per share (the "Offering Price") to raise gross proceeds of Cdn $85,050,000. Gabriel has granted the Underwriters an over-allotment option (the "Option") to purchase up to an additional 4,050,000 common shares at the Offering Price for a period of thirty (30) days after the closing of the Offering, for additional gross proceeds to Gabriel of Cdn $12,757,500.

5. Full Description of Material Change

On August 4, 2006, Gabriel announced that it has entered into an underwriting agreement with a syndicate of underwriters led by RBC Capital Markets, as sole bookrunner, and Sprott Securities Inc. as co-lead manager, and including BMO Nesbitt

Burns Inc., Canaccord Capital Corporation, GMP Securities LP, Dundee Securities Corporation, Orion Securities Inc. and Paradigm Capital Inc. (collectively the "Underwriters"), to sell a total of 27,000,000 common shares (the "Offering") at a price of Cdn $3.15 per share (the "Offering Price") to raise gross proceeds of Cdn $85,050,000. Gabriel has granted the Underwriters an over-allotment option (the "Option") to purchase up to an additional 4,050,000 common shares at the Offering Price for a period of thirty (30) days after the closing of the Offering, for additional gross proceeds to Gabriel of Cdn $12,757,500.

The common shares (the "Shares") will be offered by way of a short form prospectus in all of the provinces of Canada. A preliminary short form prospectus with respect to the Offering has been filed by Gabriel by way of SEDAR with the securities regulatory authority in each of the provinces of Canada. Closing of the Offering is subject to certain conditions, including, but not limited to, receipt of all necessary securities regulatory approvals (including the approval of the Toronto Stock Exchange).

The Company intends to use the net proceeds of the Offering to finance the development of the Rosia Montana gold deposit in Romania.

Newmont Canada Limited ("NCL"), a subsidiary of Newmont Mining Corporation ("Newmont"), has elected to fully participate in the Offering to acquire 5.4 million common shares and to participate in the Option, if exercised by the Underwriters, to acquire up to 810,000 common shares for an aggregate purchase price of Cdn $19,561,500 all in accordance with the subscription agreement entered into between Gabriel and NCL in August 2004. As of August 3, 2006, Newmont holds 33,448,900 common shares or 18.8% of the outstanding common shares before completion of the Offering. Assuming completion of the Offering and exercise of the Option, Newmont will hold 39,658,900 common shares or 19% of the then issued and outstanding common shares. Newmont acquired the shares for investment purposes only and not for the purpose of influencing control or direction of Gabriel; however, Newmont will review its holdings from time to time and may increase of decrease its position as future circumstances dictate.

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:

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 4th day of August, 2006.

"*Frank D. Wheatley*"

____
Frank D. Wheatley
Vice-President and General Counsel