

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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Phone: (416) 955-9200

2. Date of Material Change

September 12, 2007.

3. Press Release

The press release was dated September 13, 2007 and was released to The Toronto Stock Exchange and through various other approved public media.

4. Summary of Material Change

On September 12, 2007, Gabriel's 80% owned Romanian subsidiary, Rosia Montana Gold Corporation S.A. (RMGC), received a letter from the Romanian Ministry of Environment and Sustainable Development (the "Ministry") indicating that the review process for the Environmental Impact Assessment ("EIA") for the Rosia Montana project has been suspended by the Ministry due to a court challenge by Alburnus Maior and the Open Society Institute to the validity of an urbanism certificate.

5. Full Description of Material Change

On September 12, 2007 Gabriel Resources Ltd's ("Gabriel") 80% owned Romanian subsidiary, Rosia Montana Gold Corporation S.A. (RMGC), yesterday received a letter from the Romanian Ministry of Environment and Sustainable Development ("the Ministry") indicating that the review process for the Environmental Impact Assessment (EIA) for the Rosia Montana project has been suspended by the Ministry due to a court challenge by Alburnus Maior and Open Society Institute (a Soros foundation) to the validity of an urbanism certificate wholly unrelated to the EIA process.

"We are extremely disappointed by the actions of the Ministry of Environment," commented Alan R. Hill, President and Chief Executive Officer of Gabriel and RMGC, "as it seems to display a total disregard for the rule of law in Romania". Mr. Hill continued: "to suspend the

EIA review process, which has been proceeding since May 2006 when RMGC first submitted its EIA to the Romanian Government, on the interpretation that a mere information document (the urbanism certificate) somehow underpins the entire EIA review process, amounts to the Ministry taking upon itself the functions of a court of law – interpreting and enforcing the provisions of a law that does not have any application to the review process for the Rosia Montana EIA. For the Ministry to suspend the process before the court has even heard the case is outrageous.”

An urbanism certificate is merely an information document detailing the list of documents needed to apply for a construction permit. It is not a permit or approval and does not authorize the undertaking of any activities. Anyone is entitled to ask for an urbanism certificate and the relevant local council is obligated to provide a copy to anyone who asks. Therefore, unlike a permit or approval, an urbanism certificate is not a type of document that is capable of being challenged in court.

Alan Hill commented further: “For the foreign funded NGO’s against the development of our Rosia Montana project to abuse the Romanian court system by launching frivolous lawsuits challenging a mere information document, is but further evidence of their lack of respect for the rule of law in Romania, as well as their desperation to stop the Rosia Montana project at all costs.”

As a result of the Ministry of Environment’s unjustifiable actions, it appears that Gabriel’s target to receive EIA approval during the summer of 2007 will not be met. Assuming the Ministry of Environment will follow the law, we expect the next TAC meeting to be rescheduled in a timely fashion, Gabriel would work to receive EIA approval during the fourth quarter of 2007, pushing the timetable back by one quarter. With the purchase of the outstanding properties and receipt of the other permits and approvals, construction permits would be expected in the first quarter of 2008 enabling construction to begin in the first quarter of 2008. This would result in a first pour of gold in the first quarter of 2010.

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
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9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 21st day of September, 2007.