Alhambra Resources Ltd.
700, 839 - 5th Avenue S.W.
Calgary, Alberta
T2P 3C8
Telephone: (403) 260-8400
Facsimile: (403) 264-1461

October 24, 2001

VIA SEDAR

ALBERTA SECURITIES COMMISSION
19th Floor, 10025 Jasper Avenue
Edmonton, Alberta, T5K 3Z5

CANADIAN VENTURE EXCHANGE INC.
10th Floor, 300 - 5th Avenue S.W.
Calgary, Alberta, T2P 3C4

BRITISH COLUMBIA SECURITIES COMMISSION
200 - 865 - Hornby Street
Vancouver, B.C. V6Z 2H4

Dear Sirs:

Re: Alhambra Resources Ltd.
MATERIAL CHANGE REPORT UNDER SECTION 118 of the *SECURITIES ACT* (ALBERTA) AND SECTION 75(2) OF THE *SECURITIES ACT* (BRITISH COLUMBIA)

This letter is intended as a statement setting forth certain matters that may be considered a material change in the affairs of Alhambra Resources Ltd. (the "Corporation"). For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Alberta) and Form 27 of the *Securities Act* (British Columbia). Concurrent with this filing, this letter is being filed with the Canadian Venture Exchange Inc., being the only exchange on which the Corporation's shares are currently listed.

Item 1 - Reporting Issuer

Alhambra Resources Ltd.
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Telephone Number: (403) 260-8400
Facsimile Number: (403) 264-1461

Item 2 - Date of Material Change

The material change occurred on October 24, 2001.

Item 3 - Publication of Material Change/Press Release

A press release was issued on October 24, 2001.

Item 4 - Summary of Material Change

See below.

Item 5 - Full Description of Material Change

Alhambra Resources Ltd. (the "Corporation") has entered into a Letter of Intent with Altyn-Arka CJSC a closed joint stock company incorporated in the Republic of Kazakhstan, and a Memorandum of Understanding with Saga Creek Gold Company, a company also incorporated in the Republic of Kazakhstan to purchase the assets, liabilities and operations of each entity, either by way of purchase of assets or by acquisition of all of the issued and outstanding shares of each entity. Both transactions have been negotiated at arm’s length and are independent of each other.

Altyn-Arka’s main asset is the Jerek gold License located 36 kilometers southwest of Semipalatinsk in northeast Kazakhstan.

Infrastructure on the Jerek project consists of roads, power line, 120 man camp, crushing facility, gold recovery plant and two leach pads. Altyn-Arka also owns mining equipment capable of handling approximately 3.3 million tonnes of material per annum.

The Letter of Intent requires the Corporation to: a) issue 4.0 million common shares at a deemed price of $0.25 per share, and b) a $US100,000.00 debenture. The debenture is proposed to mature three years from the date of closing of the proposed transaction, will bear interest at a rate of 12% per annum and will be secured against Altyn-Arka’s assets.

Saga Creek Gold Company holds the Uzboy and Sary-Arka gold exploration and exploitation Licenses located in north central Kazakhstan approximately 800 kilometers northeast of Semipalatinsk. The Licenses cover approximately 10,510 square kilometers of mineral rights. The Uzboy License hosts the Uzboy east and Uzboy west zones of oxide and sulphide gold mineralization. The Uzboy east zone is located approximately 200 meters along strike from the Uzboy west zone. The dimensions of the oxide and sulphide gold mineralization on both zones has not been defined by the exploration completed to date.

The Memorandum of Understanding requires the Corporation to: 1) issue 4.0 million common shares at a deemed price of $0.25 per share; and 2) grant a sliding scale royalty based on gold price as follows: 2.5% if gold is less than $US300.00 per ounce, 2.75% if gold is less than $US350.00 per ounce and 3.0% if gold exceeds $US350.00 per ounce. The Corporation will also be required to provide a secured interest free loan to Saga Creek Gold Company in the amount of $US130,000.00 to fund a trenching and reverse circulation drilling program to be completed on the Uzboy west zone prior to year end. The loan which will be secured against a 5% interest in the Licenses is to be repaid on or before December 31, 2002 if the transaction is not consummated.

Technical reports on the Licenses for both companies has been submitted to the CDNX for their review. Additional information related to the Licenses will be released when such information is available.

Closing of one or both of these transactions are independent of each other, will not result in a change of control of the Corporation and are subject to various conditions precedent, including but without limitation, the approval of the Canadian Venture Exchange Inc., execution of definitive purchase agreements, shareholder approval if required and approval of the board of directors of the Corporation.

Item 6 - Reliance on Section 118(4) of the *Securities Act* (Alberta) and Section 75(3) of the *Securities Act* (British Columbia)

Not applicable

Item 7 - Omitted Information

Not applicable

Item 8 - Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

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700, 839 - 5th Avenue S.W.
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Attention: Michael E. Hriskivich
Telephone: (403) 260-8400
Facsimile: (403) 264-1461

Item 9 - Statement of a Senior Officer

The foregoing accurately discloses the material change referred to in this report.

DATED at Calgary, Alberta, this 9th day of November, 2001.

Yours truly,

Alhambra Resources Ltd.

Per: ***"signed"***
Michael E. Hriskivich
President and Chief Executive Officer