# FORM 51-102F3
## *MATERIAL CHANGE REPORT*

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**Item 1 Name and Address of Company**

**ALHAMBRA RESOURCES LTD**.(the "Company")
#330, 700 – 6th Avenue SW
Calgary, AB T2P 0T8

**Item 2 Date of Material Change**

June 7, 2007

**Item 3 News Release**

Issued June 7, 2007 and distributed through the facilities of Canadian News Wire and SEDAR.

**Item 4 Summary of Material Change**

**CALGARY**, Alberta – Alhambra Resources Ltd. ("Alhambra" or the "Corporation") announces its financial and operating results for the quarter ended March 31, 2007. Effective May 1, 2006 the Corporation declared commercial operations for accounting purposes. As a result, the financial statements for the first quarter of 2007 have limited comparability related to 2006. **All amounts related to the financial results are expressed in Canadian dollars unless otherwise indicated.**

**Item 5 Full Description of Material Change**

See attached news release dated June 7, 2007.

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not Applicable

**Item 7 Omitted Information**

Not Applicable

**Item 8 Executive Officer**

The following executive officer of the Company is knowledgeable about the material change:
Ihor P. Wasylkiw, Chief Information Officer of Alhambra. Telephone: (403) 508-4953.

**Item 9 Date of Report**

DATED at Calgary, Alberta, this June 7th, 2007.

NEWS RELEASE

**FOR IMMEDIATE RELEASE – June 7, 2007**
**FOR: Alhambra Resources Ltd.**
**SUBJECT: Financial and Operating Results for First Quarter ending March 31, 2007**

**CALGARY**, Alberta – Alhambra Resources Ltd. ("Alhambra" or the "Corporation") announces its financial and operating results for the quarter ended March 31, 2007. Effective May 1, 2006 the Corporation declared commercial operations for accounting purposes. As a result, the financial statements for the first quarter of 2007 have limited comparability related to 2006. **All amounts related to the financial results are expressed in Canadian dollars unless otherwise indicated.**

## HIGHLIGHTS

- Revenue from gold sales amounted to $2,609.0 thousand based on the sale of 3,512 ounces
- Generated $616.6 thousand of cash flow and $147.5 thousand of net income from mining operations
- The Corporation recorded positive cash flow of $153.5 thousand ($0.00/share) and a net loss of $955.8 thousand ($0.01/share)
- Debt free with $1,677.7 thousand of cash and cash equivalents
- Spent $1,870.3 thousand on mining assets
- Operating costs were $388.85 per ounce
- Completed 6,416 metres of drilling
- Stacked 3,286 ounces of recoverable gold
- The recoverable gold in work in process as of March 31, 2007 was 20,916 ounces

## OVERVIEW

In the first quarter of 2007, equipment problems suffered by the Corporation's blasting contractor negatively impacted the amount of ore stacked on the heaps. The amount of material stacked fell short of the original target of 250,000 tonnes, however adjustments to blasting operations have been made to increase stacking. The contractor is assuring the Corporation that it can make planned production and subsequent to March 31, 2007, three drill and blast rigs were drilling at the Uzboy gold deposit.

## FINANCIAL HIGHLIGHTS

| (in C$ except per share amounts) | Three Months ended March 31 | |
|---|---|---|
| | 2007 | 2006 |
| Revenue from gold sales | $ 2,608,975 | N/A |
| Net loss | (955,842) | (675,744) |
| Per share (basic and diluted) | (0.01) | (0.01) |
| Weighted average shares outstanding | | |
| Basic and diluted | 69,248,091 | 52,135,059 |
| Shares outstanding at end of period | 69,313,980 | 55,509,643 |

For the first quarter of 2007, the Corporation recorded a net loss of $955.8 thousand, or $0.01 per basic and diluted share. This compares to a net loss of $675.7 thousand or $0.01 per basic and diluted share in 2006. Cash flow from operating activities for the quarter was $153.5 thousand or $0.00 per basic and diluted share as compared to cash flow used in operating activities of $353.7 thousand or $0.01 per basic and diluted share in 2006. This represents a positive increase in cash flow of $507.2 thousand from 2006.

Revenue from the sale of gold amounted to $2,609.0 thousand. This was realized from the sale of 3,512 ounces ("ozs") of gold at an average price of $742.85 per ounce ("/oz"). The per oz operating cost for the quarter was $388.85/oz of gold sold, being only 3% higher than the average of $376.23/oz incurred during 2006. Alhambra continues to be optimistic that its operating cost per oz will be reduced when normal stacking operations are resumed.

At March 31, 2007, the Corporation had $1,677.7 thousand in cash and cash equivalents and remained debt free. The average rates of exchange for the C$ per US$1.00 was 1.1716 for the first quarter of 2007.

## OPERATIONS REVIEW

The Uzboy gold deposit hosts the West and East zones of gold mineralization which consists of an upper layer of oxide mineralization and a lower layer of sulphide (primary) mineralization. Currently, Alhambra is mining only the oxide mineralization on a year-round basis. The mining operation consists of three main activities: mining and stacking of the ore, leaching of the ore stacked on heap leach pads and recovery of gold from solution utilizing ion resin technology.

During the first quarter, a total of 138,430 tonnes of waste was mined and 123,250 tonnes of ore at a grade of 1.19 grams per tonne ("g/t") of gold was stacked on the heap leach pads. A further 29,250 tonnes of material was mined and moved to the ore warehouse for additional sampling to determine the average gold grade. A decision to stack this material will be made once the gold grade is confirmed.

The Corporation began the quarter with 21,142 ozs of recoverable gold in work in progress. After stacking 3,286 ozs of recoverable gold and selling 3,512 ozs, the Corporation exited the quarter with 20,916 ozs of recoverable gold in work in progress.

## EXPLORATION PROGRAM

The 2007 exploration program commenced in mid January. The program's main focus is to continue to delineate the sulphide (primary) gold mineralization in the West and East zones of the Uzboy gold deposit and to diamond drill five other zones of gold mineralization. The program consists of diamond drilling, reverse air blast circulation ("RAB") drilling and hydro-core lift ("KGK") drilling totaling 76,500 metres ("m") and 50,000 m of trenching.

A total of 6,416 m were drilled in the first quarter of 2007. This was comprised of 3,177 m of diamond drilling and 3,239 m of RAB drilling.

The main components of the exploration program conducted during the first quarter are highlighted below.

### Uzboy Gold Deposit

The Uzboy gold deposit is the main focus of the Corporation's 2007 exploration program. Diamond drilling commenced on the West zone in mid January, 2007. A total of four diamond drill holes ("DDH") (1,060 m) were completed in the West zone during the quarter. Three DDH were completed on Section 85 which represents a 240 m step out from the gold mineralization intersected on Section 61 in 2006. These holes failed to intersect significant gold mineralization. DDH C691 was completed on Section 69 to test the strike extension of the gold mineralization intersected on Section 61 in 2006. This hole intersected two narrow intervals of lower grade gold mineralization including one interval from 230.0 to 236.0 m that averaged 0.55 g/t of gold. Diamond drilling down dip of these mineralized intervals is planned to test the possibility of a southwest plunging mineralized zone.

Exploration on the East zone consisted of 1,364 m of RAB drilling on the northwest flank of the East zone to test intervals of gold mineralization previously located by KGK drilling. The analytical results for the RAB drilling are pending.

**Uzboy Extension**

During the quarter, 1,875 m of RAB drilling were completed in an area located approximately seven kilometres northeast of the Uzboy gold deposit. This area contains 16 gold anomalies with gold values ranging from 0.10 g/t to 3.30 g/t within an area that is 6,000 m long by 2,500 m wide. The largest of the gold anomalies measures 3,000 m long by 700 m wide. The analytical results for the RAB drilling are still pending.

**Shirotnaia**

During the quarter, 18 DDH totaling 2,117 m were completed over a strike length of 1,400 m. The diamond drilling was completed to test the depth extent of the gold mineralization outlined by the 2005 and 2006 trenching programs. The analytical results for 12 of the 18 holes have been received.

The preliminary interpretation of the drilling results suggests that two mineralized zones have been located. The first mineralized zone is located between Sections 12 and 32 (a distance of 200 m), dips steeply ($75^{o}$) to the west, ranges from 10 to 70 m in thickness and has been intersected to a depth of 125 m below surface on Section 28. DDH 28-1 returned a weighted average gold grade of 1.79 g/t over an interval of 73 m and DDH 28-2 returned a weighted average grade of 1.80 g/t gold over an interval of 40 m. DDH 28-2 was terminated at a depth of 142.8 m. The last sample in this hole yielded a grade of 1.33 g/t of gold.

DDH 24-3 is interpreted to have intersected the second zone of gold mineralization located approximately 50 m to the east of the mineralized interval intersected in DDH 24-1. DDH 24-3 intersected an upper interval that averaged 7.88 g/t of gold over 4.0 m and a lower interval that averaged 3.05 g/t of gold over 24.0 m (including 16.8 g/t of gold over an interval of 4.0 m).

The preliminary interpretation of the analytical results suggests that the two zones of mineralization appear to be open to the northeast and is open at depth.

The Shirotnaia zone is a priority area in the 2007 exploration program. Further exploration of this zone includes a combination of diamond, RAB and KGK drilling planned for later in 2007 when drier ground conditions are expected. Bottle roll and column leach tests are planned for the oxide gold mineralization to determine the percentage gold recovery.

## CAPITAL EXPENDITURES

In the first quarter of 2007, $1,870.3 thousand was spent on mining assets. Of this amount, 51% or $961.8 thousand was spent on exploration and 42% or $793.9 thousand was spent on machinery and equipment at the resin stripping plant and the Uzboy mine site. The remaining 7% or $114.6 thousand was spent on exploration of the Dot Property and in the capitalization of stock-based compensation.

## MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”) and FINANCIAL RESULTS

A full MD&A and Financial Report of the First Quarter of 2007 is available on the Corporation’s website, can be obtained on application from the Company and is available under the Company’s profile on SEDAR at www.sedar.com.

Elmer B. Stewart, MSc. P. Geol., President of Alhambra, is the Corporation’s nominated Qualified Person responsible for monitoring the supervision and quality control of the programs completed within the Uzboy Project. Mr. Stewart has reviewed and verified the technical information contained in this news release.

## ABOUT ALHAMBRA

Alhambra is a Canadian based gold exploration and production corporation engaged in the exploration of and production from its 100% owned Uzboy Project. Alhambra is currently in its sixth year of operations in the Republic of Kazakhstan.

Alhambra common shares trade on The TSX Venture Exchange under the symbol ALH and in Germany on the Frankfurt Open Market under the symbol A4Y. The Corporation’s website can be accessed at www.alhambraresources.com.

**The TSX Venture Exchange Inc. has neither approved nor disapproved the information contained herein.**

*For further information please contact:*


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|---|---|---|
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*This news release contains forward - looking information including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations and potential mineral recovery processes. Forward - looking information includes disclosure regarding possible future events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action, and therefore, involves inherent risks and uncertainties. For any forward looking information given, management has assumed that the analytical results it has received are reliable, and has applied geological interpretation methodologies which are consistent with industry standards. Although management has a reasonable basis for the conclusions drawn, actual results may differ materially from those currently anticipated in such statements. For such statements, we claim the safe harbor for future.*