FORM 51-102F3
Material Change Report

1. Name and Address of Company

IGC Resources Inc.
P.O. Box 1609, 12406 Wright Avenue,
Summerland, BC V0H 1Z0

2. Date of Material Change

July 22, 2005

3. News Release

Date of Issuance: July 26, 2005
Method of Issuance: CCN Matthews

4. Summary of Material Change

On July 22, 2005, an aggregate of 1,028,000 common shares of the Company were issued to Commercial & General Capital Limited ("C&G") in consideration of the exercise of a non-transferable share purchase warrant to purchase 800,000 common shares of the Company at a price of $0.15 per share and the conversion of the balance of the principal owing under a convertible note in the amount of $38,700 into 258,000 common shares of the Company at the conversion rate of $0.15 per share. Proceeds from the conversion and exercise netted the Company $158,700. Clive Hartz, President, CEO and a director of the Company, and Alastair Walker, a director of the Company, are related parties of C&G The 1,058,000 common shares will be subject to resale restrictions applicable to a control person.

5. Full Description of Material Change

An aggregate of 1,058,000 common shares of the Company were issued to Commercial & General Capital Limited ("C&G") on July 22, 2005 in consideration of the exercise of a non-transferable share purchase warrant to purchase 800,000 common shares of the Company (the "Warrant Shares") at a price of $0.15 per share and the conversion of the balance of the principal owing under a convertible note in the amount of $38,700 into 258,000 common shares of the Company at the conversion rate of $0.15 per share. Proceeds from the conversion and exercise netted the Company $158,700. Clive Hartz, President, CEO and a director of the Company, and Alastair Walker, a director of the Company, are related parties of C&G. The 1,058,000 common shares will be subject to resale restrictions applicable to a control person.

As announced in the Company's news release August 5, 2003 the issuances were made pursuant to a loan from Commercial & General Capital Limited ("C&G") in the principal amount of $120,000 (the "Loan") under a loan agreement dated August 5, 2003, between C&G and the Company and to a private placement of a convertible promissory note (the "Note") issuable to C&G as security for the Loan.

Under the terms of the Loan, the principal amount of the Note may be converted in common shares of the Company (the "Conversion Shares") at the deemed price of $0.15 per Conversion Share if converted on or before August 5, 2005, at $0.25 per Conversion Share if converted on or before August 5, 2006 and thereafter, subject to an annual increase of $0.10 per Conversion Share. The accrued and unpaid interest on any principal outstanding under the Note may be converted into common shares of the Company at the market price of the Company's common shares at the time of conversion.

In consideration of the Loan, the Company issued to G&C the non-transferable share purchase warrant entitling C&G to purchase the Warrant Shares exercisable for two years from the date of the Note at a price of $0.15 per Warrant Share.

The July 24, 2005 news release containing the announcement of the issuance of the common shares is attached hereto as Schedule "A".

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

Not Applicable.

7. Omitted Information

Nil.

8. Executive Officer

Contact: Linda Holmes, Corporate Secretary
Telephone: 1-250-404-0310

9. Date of Report

July 26, 2005

SCHEDULE "A"

IGC RESOURCES INC.
Contact: Linda Holmes
P.O. Box 1609, Summerland, BC V0H 1Z0
Tel: 250-404-0310 Fax: 250-404-0311
Email: igcresources@shaw.ca

NEWS RELEASE 05-06
TSX Venture Exchange
Symbol: IGC
12.5 million shares outstanding
www.igcresources.com

IGC RESOURCES COMMENCES EXPLORATION FOR URANIUM, COPPER AND GOLD IN FRASER RANGE, WESTERN AUSTRALIA

July 26, 2005, Vancouver, British Columbia - IGC Resources Inc. ("IGC"), www.igcresources.com, is pleased to announce that Exploration Licences for the Fraser Range Project have been granted. Through its 100% owned Australian subsidiary, Goldport Pty Ltd, IGC holds a sub-lease and sub-licence on the Fraser Range tenements (see January 16, 2005 news release). The tenements located in the southeast of Western Australia are prospective for uranium, copper and gold. The total area covered by the tenure is over 800 square kilometres. (See map of the area on our website)

The Company is excited about the potential of the Fraser Range Project as adjacent tenement holders are reporting elevated copper, molybdenum and gold values in regional soil samples. One company in particular, Nickel Australia Limited, has already mobilized a drilling rig to their property to follow up on their highly anomalous results.

Our first phase of exploration in this highly prospective region will comprise regional soil-sampling over targets identified from a previous aeromagnetic interpretation program carried out on the property. The interpretation has already identified major crustal scale, tectonic features and evidence of possible transfer faulting. In addition, the geophysical remote sensing data has identified potential granite intrusions below the present surface cover. Further geophysical data collection will be initiated in conjunction with the planned field activities which will include gravity and close-spaced magnetics.

The Fraser Range Project occurs within a tectonic collision zone (or mobile belt) between Archean greenstone rocks and Proterozoic metasediments/volcanics that were subsequently intruded by high-level, fractionated Proterozoic age 'A-type' granitoids.

The region is considered to most likely host Iron Oxide/Copper/Gold/Uranium-style deposits such as the giant Olympic Dam Mine, which reported (2003 - WMC Resources Ltd., now part of the BHP Billiton Group) resources of 2,300 million tonnes of 1.3% copper, 0.5g/t gold, 0.4% uranium oxide and 2.9g/t silver, hosted within an 'A-type' granitoid.

An aggregate of 1,058,000 common shares of IGC were issued on July 22, 2005 to Commercial & General Capital Limited ("C&G") in consideration of the exercise of a non-transferable share purchase warrant to purchase 800,000 common shares of IGC at a price of $0.15 per share and the conversion of the balance of the principal owing under a convertible note in the amount of $38,700 into 258,000 common shares of IGC at the conversion rate of $0.15 per share. (See August 5, 2003 news release for details of the private placement of the convertible note and share purchase warrant.) Proceeds from the conversion and exercise netted the Company $158,700. Clive Hartz, President, CEO and a director of the Company, and Alastair Walker, a director of the Company, are related parties of C&G. The 1,058,000 common shares will be subject to resale restrictions applicable to a control person.

IGC's principal business activities are the exploration, development and mining of the Blackburn Gold Project, exploration of the Fraser Range Project and, provided that the tenements applied for are granted, exploration of the Uaroo uranium prospect in Western Australia. We continue to investigate other mineral resource prospects for potential acquisition.

For more information contact Linda Holmes, Director and Secretary, at 250-404-0310 or visit our website at www.igcresources.com.

On Behalf of the Board of Directors of

IGC RESOURCES INC.

"Clive Hartz"
Clive R. Hartz, President and CEO