

MATERIAL CHANGE REPORT

FORM 51-102F3

1. Name and Address of Company

State the full name of your company and the address of its principal office in Canada:

Morgain Minerals Inc. ("Morgain")
14th Floor, 400 Burrard Street
Vancouver, B.C. V6C 3G2

2. Date of Material Change

State the date of the material change: July 19, 2006

3. News Release

The news release dated July 19, 2006 was filed with the TSX Venture Exchange and the British Columbia, Alberta and Ontario Securities Commission via SEDAR and disseminated through CCN Matthews, Canada Stockwatch and Market News.

4. Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

Morgain announced the appointment of Christopher E. Babcock as President of the Company.

5. Full description of Material Change

Morgain announced that Christopher E. Babcock, a director of the Company and Mexican Operations Manager, has been appointed its President effective immediately. This development was brought about by a bacterial infection a week earlier which damaged the nerve cells of Chester Millar's spine impairing his ability to travel in the next few months. He remains Chairman of the Board of Morgain.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

Chester F. Millar
Chairman
Tel: (604) 643-1727

9. Date of Report

Dated at Vancouver, B.C. this 20th day of July, 2006.

MORGAIN MINERALS INC.

/s/ Christopher E. Babcock

Christopher E. Babcock
President