FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Reporting Issuer

Alabama Graphite Corp. (the "Company")
Suite 804 – 750 West Pender Street
Vancouver, BC V6C 2T7

Item 2: Date of Material Change

May 14, 2015.

Item 3: News Release

A news release was issued and disseminated on May 14, 2015 through MarketWired and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Changes

The Company announced that it has found additional types of naturally occurring graphene-based derivatives called few-layer graphene (2-5 layers), multi-layer graphene (2-10 layers), and graphite nanoplates (less than 100 nm thick)[i] at its Coosa Property in Alabama, USA. This material was obtained using the same cost-effective process, as was previously used by the Company to obtain graphene (see press release dated March 12, 2015). These types of graphene-based derivatives are valued because they exhibit unique electrical, optical, mechanical, and thermal properties. This work was conducted by Dr. Nitin Chopra, Associate Professor at The University of Alabama under our sponsored research partnership.

Item 5: Full Description of Material Change

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Graphene is not only the strongest material known to man (200 times stronger than steel and lighter in weight), but is also one of the most flexible. "These graphene-based derivative materials hold promise for uses in exciting new applications such as thermal management, structures, coatings, power storage, transparent conductive films, conductive inks, structural electronics and sensors," said Dr. Chopra. The prime interest is in the observation of electron thin flakes of graphite (also referred as few-layer graphene, multi-layer graphene, or graphite nanoplates) in various mesh sizes (#50-#400) from the Company's Coosa material. These sizes contain significant importance for advanced graphene/graphite applications because current scientific findings anticipate that as the flake thickness changes, the properties of the material also change. Such size-dependent behavior is commonly observed in synthetic graphene and its derivatives but having a natural counterpart could provide the potential to overcome the existing fabrication challenges associated with synthetic graphite nanoplates/multi, or few-layer graphene."

Today the biggest challenge with synthetic graphene is the way it is currently produced, which is produced using a variety of expensive, tedious methods that do not lend themselves to large-scale production and are prone to produce defective graphene with uncontrolled flake size. Current synthetic methods for developing graphene include chemical vapor deposition (CVD), mechanical exfoliation, solution exfoliation, and chemo-mechanical methods. This implies higher costs including greater energy consumption and extended manufacturing time.

"We are very excited about finding these additional types of graphene derivatives on our Property as it continues to enhance the potential business dimensions of our project. Work is ongoing on commercial scalability of our naturally occurring graphene and graphene-based derivatives. We are encouraged by the potential of developing natural alternatives to synthetic quality graphene derivatives at a lower cost." said Ron Roda, CEO of Alabama Graphite.

An item of technical significance is that these graphene derivatives can be referred to as electron transparent due to the ability of these flakes to be visualized under a transmission electron microscope (TEM). Typically, a truly thick graphite flake (>100 nm) will not be visualized under a transmission electron microscope. Furthermore, the greater the electron transparency of a graphite flake, the closer the characteristics of such graphite to that of graphene as long as the flake is defect-free.

Various graphene-based derivatives found by the Company are shown in Figure 1. These flakes being electron transparent were easily observed in TEM and many flakes were oriented orthogonal to the electron beam and allowed for estimating the number of layers in a specific graphene derivative. The Company and Dr. Chopra continue to jointly develop methodologies to isolate various graphene-based derivatives and explore more novel architectures of graphitic carbon.

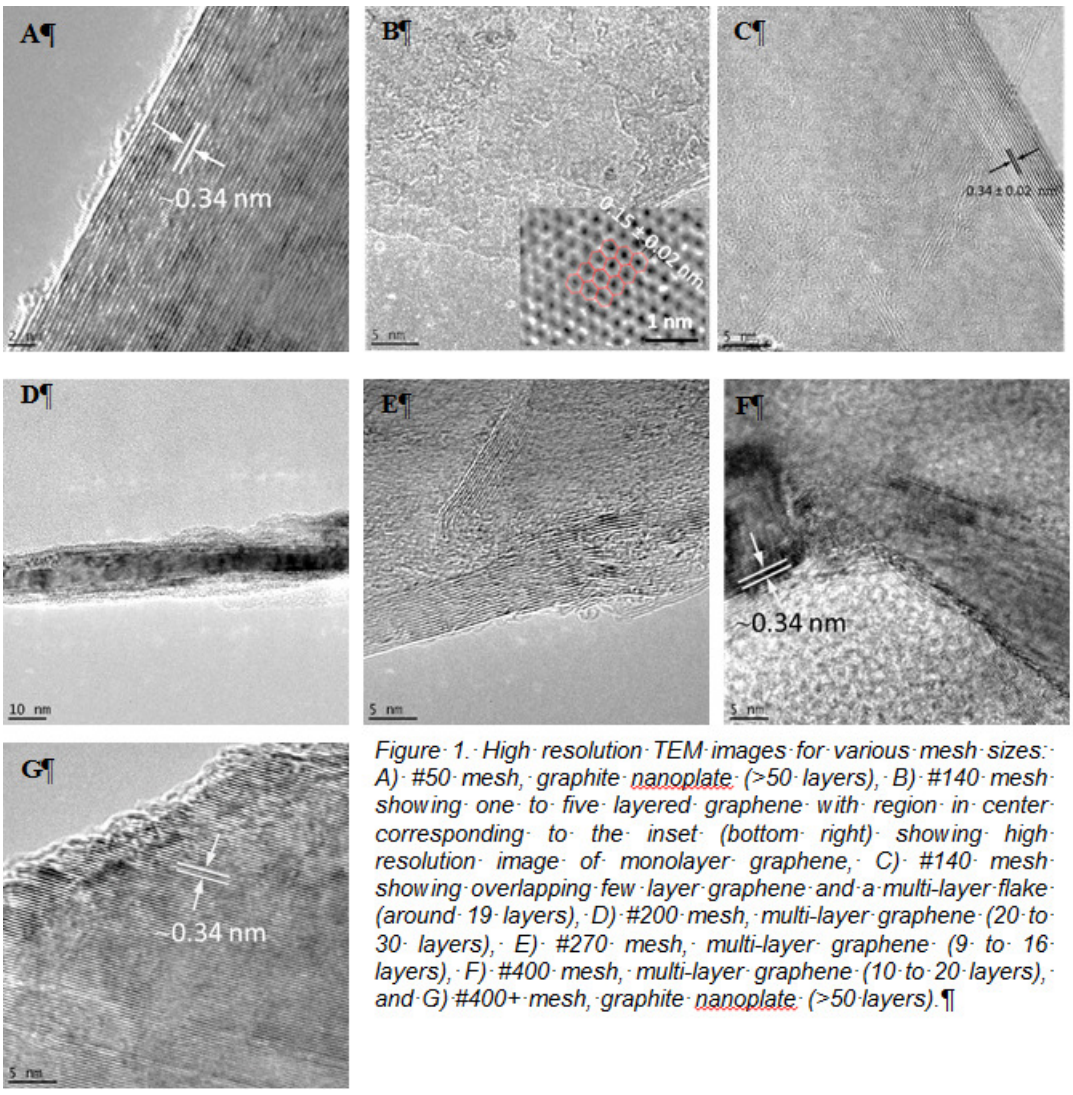


Figure 1. High resolution TEM images for various mesh sizes: A) #50 mesh, graphite nanoplate (>50 layers), B) #140 mesh showing one to five layered graphene with region in center corresponding to the inset (bottom right) showing high resolution image of monolayer graphene, C) #140 mesh showing overlapping few layer graphene and a multi-layer flake (around 19 layers), D) #200 mesh, multi-layer graphene (20 to 30 layers), E) #270 mesh, multi-layer graphene (9 to 16 layers), F) #400 mesh, multi-layer graphene (10 to 20 layers), and G) #400+ mesh, graphite nanoplate (>50 layers).

Rick Keevil, P. Geo., a Director of the Company and VP of Project Development, is a Qualified Person as defined by National Instrument 43-101, has approved the disclosure of the scientific or technical information concerning the Coosa Property contained in the press release.

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

Not applicable.

Item 7: Omitted Information

None.

Item 8: Executive Officer

For further information, please contact:

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Item 9: Date of Report

May 14, 2015.

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[i] Alberto Bianco, Hui-Ming Cheng, Toshiaki Enoki, Yury Gogotsi, Robert H. Hurt, Nikhil Koratkar, Takashi Kyotani, Marc Monthioux, Chong Rae Park, Juan M.D. Tascon, Jin Zhang. "All in the graphene family–a recommended nomenclature for two-dimensional carbon materials." Carbon 65 (2013): 1-6.