FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Alabama Graphite Corp.
Suite 804 – 750 West Pender Street
Vancouver, BC V6C 2T7

Item 2 Date of Material Change

State the date of the material change.

June 30, 2015

Item 3 News Release

State the date and method(s) of dissemination of the news release issued under section 7.1 of National Instrument 51-102.

On July 2, 2015, the Press Release was disseminated to the TSX Venture Exchange and through various other approved public media and filed on SEDAR with the securities commissions of British Columbia, Alberta and Ontario.

Item 4 Summary of Material Change(s)

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

Alabama Graphite Corp. (the "**Company**") closed a brokered private placement (the "**Private Placement**") of 14,375,000 units (the "**Units**") to raise gross proceeds of $2,875,000, each Unit consisting of one common share of the Company (a "**Share**") and one-half of one common share purchase warrant of the Company (each whole warrant, a "**Warrant**"), one Warrant entitling the holder to purchase one additional common share of the Company (a "**Warrant Share**") at an exercise price of $0.35 per Warrant Share until June 30, 2018. In the event that the closing price of the Company's common shares on the TSX Venture Exchange (or such other exchange on which the Company's common shares may become traded) is $0.75 or greater during any 20-consecutive-trading-day period at any time subsequent to October 31, 2015, the Warrants will expire, at the sole discretion of the Company, at 4:00 p.m. (Vancouver time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the Warrants.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company has closed its previously announced (June 17, 2015) Private Placement led by First Republic Capital Corp. ("**First Republic**") of 14,375,000 Units, which amount includes First

Republic's option to sell an additional 1,875,000 units (the "**Additional Units**"), to raise gross proceeds of $2,875,000.

The Company issued 14,375,000 Units at a price of $0.20 per Unit; each Unit consisting of Share and one-half of one Warrant, with each whole Warrant entitling the holder to purchase one Warrant Share at an exercise price of $0.35 per Warrant Share until June 30, 2018. In the event that the closing price of the Company's common shares on the TSX Venture Exchange (or such other exchange on which the Company's common shares may become traded) is $0.75 or greater during any 20-consecutive-trading-day period at any time subsequent to October 31, 2015, the Warrants will expire, at the sole discretion of the Company, at 4:00 p.m. (Vancouver time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the Warrants.

In connection with the Private Placement, the Company paid cash compensation of: (i) a corporate finance fee equal to 2.5% of the gross proceeds raised from the sale of all Units, including the Additional Units to First Republic, and (ii) a sales commission equal to 5% of the gross proceeds raised from the selling group. As additional compensation in payment for services rendered, the Company issued broker warrants, equal to 7.5% of the total number of Units sold under the Private Placement (including the Additional Units), each broker warrant exercisable to purchase one unit of the Company (the "**BW Units**") at an exercise price of $0.20 for 24 months from the date of closing with each BW Unit comprised of one common share of the Company and one-half of one share purchase warrant (each whole warrant a "**BW Warrant**"), each BW Warrant exercisable to purchase one common share of the Company (a "**BW Warrant Share**") at a price of $0.35 per BW Warrant Share until June 30, 2018.

Insiders of the Company subscribed for Units in the Private Placement, as follows: Harsharn (Ron) S. Roda: 75,000 Units; 1163863 Ontario Limited (a private company controlled by Don Baxter): 100,000 Units; Richard R. Keevil: 200,000 Units; Daniel Spine: 30,000 Units; Douglas Oliver: 50,000 Units, (the "**Related Parties**") for a total of 455,000 Units. Following the Private Placement, the percentage of securities of the Company beneficially owned or controlled by a Related Party changed by less than 1% each. In connection with the Private Placement, each Related Party entered into a subscription agreement with the Company, which were the same as those entered into by other subscribers in the Private Placement, with such terms for the purchase of the Units as described above and representations, warranties and conditions that are customary for agreements of this nature. As a result, the Private Placement is a related party transaction. The Company is exempted from the formal valuation and minority shareholder approval requirements under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* since the fair market value of the Units purchased by the Related Parties does not exceed 25% of the Company's market capitalization. The Private Placement was unanimously approved by the board of directors of the Company on June 23, 2015.

The net proceeds from the sale of the Units will be used for a drilling program on the Company's Coosa and Bama graphite projects in Alabama, USA, the preparation of an updated mineral resource estimate for the Coosa project, metallurgical testing at both the Coosa and Bama projects, a preliminary economic assessment on the Coosa project; value-added graphite (including battery storage applications) and grapheme initiatives and working capital. Other than the intended use of the proceeds of the Private Placement as described above, the Company does not anticipate any other material effect on the Company's business and affairs.

All securities issued pursuant to the Private Placement are subject to a four month hold period expiring on October 31, 2015.

This material change report was not filed within the required 21 days prior to the closing of the Private Placement because the Company needed to close the Private Placement in a timeframe consistent with usual market practice for transactions of this nature.

The Company will send a copy of this material change report in respect of this Private Placement to any securityholder of the Company upon request and without charge.

5.2 Disclosure for Restructuring Transactions

N/A

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

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102, state the reasons for that reliance.

N/A

Item 7 Omitted Information

State whether any information has been omitted on the basis that it is confidential information.

N/A

Item 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.

Ron S. Roda
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Item 9 Date of Report

July 9, 2015