

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

July 10, 2014.

Item 3: News Release

A news release was issued and disseminated on July 10, 2014 and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Changes

The Company announced that it has initiated a reconnaissance drilling program at its flagship Coosa project located in Alabama, USA. Major Drilling Environmental LLC has mobilized a Sonic drill to the staging area in Sylacauga, Alabama, for a twenty-hole program. Additional holes may be added pending initial results.

Item 5: Full Description of Material Change

The Company announced that it has initiated a reconnaissance drilling program at its flagship Coosa project located in Alabama, USA. Major Drilling Environmental LLC has mobilized a Sonic drill to the staging area in Sylacauga, Alabama, for a twenty-hole program. Additional holes may be added pending initial results.

The focus of the drilling is to preview target areas identified during airborne and follow-up ground geophysical surveys performed in Spring, 2014. The airborne surveys identified five target areas characterized by strong EM conductors and weak magnetic response. Surface channel sampling has confirmed the presence of graphite in significant amounts. These areas are in close proximity and are geologically similar to the previously defined Coosa resource.

The sonic drill will collect continuous samples through the oxidized zone of the target areas. Surface casing will be set to the top of the un-oxidized zone to allow the holes to be deepened by core drilling at a later date. In addition, bulk samples will be taken at the collars of select holes for metallurgical testing.

"The sonic drilling will allow us to test each of the five target areas identified during the airborne geophysical survey," stated Dr. Douglas Oliver, Vice President of Exploration. "As we learned through our previous drilling program, sonic drilling is a cost-effective exploration tool. In addition, it is the only drilling technology that will allow for continuous sampling through the soft, weathered upper portions of the graphitic schists. Our goal is to put multiple holes into each of the five target areas as a prelude to a Fall drilling campaign. We suspect that one or more of these targets may be a satellite to the Coosa deposit – possibly one where the mix of flake-size and grade offers improvements on what we've already identified."

Samples will be processed initially at the Company's Sylacauga facility and shipped to ActLabs of Ancaster, Ontario, using their C-Graphitic (Infrared) technique.

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 reviewed the contents of 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:

Ron S. Roda
President & Chief Executive Officer
(609) 785-1581

Item 9: Date of Report

July 10, 2014.