**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**

October 1, 2014

**Item 3: News Release**

A news release was issued and disseminated on October 1, 2014 and filed on SEDAR at www.sedar.com.

**Item 4: Summary of Material Changes**

The Company is pleased to announce that it has begun surface exploration at its Bama Mine Project in Alabama, USA. The Company is currently conducting detailed channel sampling on its recently acquired mineral leases.

**Item 5: Full Description of Material Change**

The Company is pleased to announce that it has begun surface exploration at its Bama Mine Project in Alabama, USA. The Company is currently conducting detailed channel sampling on its recently acquired mineral leases. Of the six samples taken in total, four were taken from the existing pit wall of the prior producing Bama Mine and showed grades ranging from 2.81% to 5.24% C(g). In addition, KLM Geosciences is concurrently performing a ground-based GEM2 geophysical survey.

Exploration at the Company's flagship Coosa Project has shown that surface channel sampling and GEM2 surveys are cost effective ways of evaluating the potential for at/near surface graphite (oxidized graphite schists). Follow-up sonic drilling at the Coosa Project discovered several new occurrences outside the existing resource based on these two surveys. The Company's plan at the Bama Mine Project is to use the results of the GEM2 and surface-sample programs to guide a preliminary round of sonic drilling in the coming months.

In addition, the Company has received the results of preliminary channel samples taken at the Bama Mine. The majority of these samples were taken either across the historic workings within the Bama Mine pit or along roads around the mine. In all cases, multiple samples were taken to arrive at the composite sample width. Because no corrections were made for the dip of the compositional layering in the graphitic schists, they should be regarded as apparent rather than true widths. Samples CH-01, CH-02, CH-09 and CH-10 all came from locations along the existing pit wall and show grades ranging from 2.81% to 5.24% C(g). The other 2 samples (CH-06 & CH-08) were from outcrops surrounding the existing pit. These samples were analyzed by ActLabs in Ancaster, Ontario.

Complete channel sample results are included in the table below:

| Channel Number | Width | % C(g) |
|---|---|---|
| CH-01 | 15’ | 3.91% |
| CH-02 | 10’ | 5.24% |
| CH-06 | 20’ | 2.94% |
| CH-08 | 25’ | 3.01% |
| CH-09 | 10’ | 4.62% |
| CH-10 | 30’ | 2.81% |

“Since our acquisition of mineral leases on the Bama Mine and surrounding properties, we have been moving quickly to evaluate its potential,” commented Ron S. Roda, CEO. “Based on historical information and the results of some preliminary metallurgical testing, the Bama Mine Project is showing great promise. Perhaps the most salient fact regarding this project is that not only was the Bama Mine a former producer; it was a key supplier of coarse-flake graphite prior to the mill being destroyed by a fire in the 1930s. It is inherently easier to return a historic mine to production than to start with greenfields exploration. Indeed, it is Alabama’s historic role as the United States’ premier graphite producer that drew the Company’s initial attention.”

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**

October 1, 2014.