FORM 51-102F3

Material Change Report

Item 1 Name and Address of Company

Atlantic Industrial Minerals Incorporated ("AIM")
PO Box 237
Sydney, NS B1P 6H1

Item 2 Date of Material Change

December 16, 2008

Item 3 News Release

A press release was issued through Canada News Wire on December 17, 2008.

Item 4 Summary of Material Change

AIM has entered into a definitive agreement with respect to its previously announced plan to sell its common shares of Kelly Rock Limited to Municipal Capital Incorporated.

Item 5 Full Description of Material Change

On December 17, 2008, Atlantic Industrial Minerals announced that it had entered into a definitive agreement with respect to its previously announced plan to sell its common shares of Kelly Rock Limited ("Kelly Rock") to Municipal Capital Incorporated ("Municipal Capital"), a company controlled by David MacKenna, President of AIM. Kelly Rock currently operates the Glen Morrison Limestone Quarry and supplies limestone to Nova Scotia Power Incorporated under a 7-year supply contract expiring in 2010. AIM currently owns 675,000 common shares of Kelly Rock while Municipal Capital owns one common share and 675,000 preferred shares of Kelly Rock. Kelly Rock has debts outstanding to Municipal Capital of approximately $264,000, and as of August 31, 2008, the Kelly Rock preferred shares held by Municipal Capital, the aggregate accrued and unpaid dividends on the preferred shares were $1,113,750, for a total obligation upon redemption of the preferred shares of approximately $1,788,750. Municipal Capital also owns 7,136,744 common shares of AIM.

Under the terms of the agreement, in consideration for the 675,000 common shares of Kelly Rock, Municipal Capital would provide sufficient funds to Kelly Rock to allow it to repay its outstanding debt owed to the Corporation, which was approximately $872,527 as of August 31, 2008. AIM, in turn, would repay certain debt it owes to Municipal Capital, which was approximately $771,632 as of August 31, 2008. Municipal Capital would also return 3,615,872 of its AIM common shares to AIM for cancellation. It is expected that this transaction would remove approximately $2,836,302 in obligations from the consolidated balance sheet of AIM. The current trading price of AIM shares is approximately $0.11 per share. In addition, Kelly Rock would pay aggregate royalties to AIM of $225,000 in respect of production at the Glen Morrison Limestone Quarry over the 2008, 2009 and 2010 fiscal years of AIM in lieu of the current royalty, which would be canceled. If the transaction is approved by shareholders and completed, David MacKenna, Glen Dexter and Barclay Cunningham intend to resign as officers and directors of AIM.

Following the transaction, AIM would have 10,770,116 common shares outstanding and would continue to own the following:

- 50% interest in Glencoe Resources Inc. which owns the mineral rights to the Glencoe limestone resource;

- 100% interest in the limestone resource at Port Au Port Peninsula, Newfoundland and Labrador; and,

- 100% interest in Great Bras d'Or Springs Inc. water resource.

The proposed transaction is subject to final regulatory and shareholder approval, including approval by a majority of the votes cast at the meeting excluding votes attached to common shares held by Municipal Capital, Mr. MacKenna and any affiliated or related parties of Municipal Capital or Mr. MacKenna. A meeting of shareholders to consider the transaction has been scheduled for January 15, 2009. There can be no assurances at this time that the proposed transaction will be completed.

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

Not applicable.

Item 7 Omitted Information

No significant facts remain confidential in, and no information has been omitted from, this report.

Item 8 Executive Officer

For further information please contact:

David W. MacKenna, President.
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Sydney, NS B1P 6H1
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Item 9 Date of Report

December 23, 2006