Material Change Report

Form 51-102F3

Item 1 Name and Address of Company

MagIndustries Corp.
372 Bay Street
Toronto, Ontario
Canada
M5H 2W9

Item 2 Date of Material Change

September 22, 2005.

Item 3 News Release

The press release was disseminated by MagIndustries Corp. via CCN Matthews on September 22, 2005.

Item 4 Summary of Material Change

MagIndustries Corp. ("MagIndustries"), the Industrial Development Corporation ("IDC") of South Africa, and representatives from the Governments of the Democratic Republic of Congo ("DRC") and the Republic of Congo ("ROC") signed an agreement that will see the development and rehabilitation of the Inga II Hydro-electric Station on the Congo River in the DRC. This project, spearheaded by MagEnergy Inc., a subsidiary of MagIndustries, is expected to supply much needed energy to existing grids in the Central and South African Power Pools, and provide infrastructure to support the continued development of economic sustainability for Africa.

Energy from the revitalized hydro-electric plant will also supply MagMetals Inc, another subsidiary of MagIndustries, with needed power for a new magnesium smelter near Point-Noire, West Africa's best deep-water port. The smelter will focus on producing light-metal magnesium alloys, a must for the international automotive industry in the production of fuel-efficient vehicles. The smelter and an associated potash plant will also provide ROC with important new products for export.

The initial investment in the Inga hydro-electric project is US$10 million and the combined hydro-electric project and smelter operation, with a total investment of US$600 million, are expected to be significant contributors to the overall GDP and employment growth of the two countries.

In May 2005 MagEnergy announced the signing of an exclusive agreement with Societe Nationale d'Electricite ("SNEL"), the owner and manager of the Inga facility which describes the investment and operating procedure for the rehabilitation of four turbines currently installed at Inga II (the Project). The agreement defines the participation of

IDC who will initially contribute 30% toward the first approved budget of $10 million (70% MagEnergy). In return for this contribution IDC will have the right to acquire a 15% participating interest in a Special Purpose Vehicle (SPV) (85% MagEnergy) which will be the legal operating entity created to proceed with the rehabilitation and operation of the Project. In addition IDC is entitled to act as 'arranger' in respect of all debt financing to be raised for the Project. To co-ordinate the Inga Rehabilitation Program the SPV will be opening offices in Kinshasa.

Item 5 Full Description of Material Change

See Schedule A attached.

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

This report is not being filed on a confidential basis.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential.

Item 8 Executive Officer

William (Bill) Burton
President and Chief Executive Officer
(902) 257-1171

Item 9 Date of Report

September 27, 2005.

MAGINDUSTRIES CORP.

Per: Sally M Burton
Sally Burton,
Corporate Secretary

Schedule A

MAG
INDUSTRIES

MagIndustries and Congo Governments Unveil Newest Development Project-Creation of Jobs and Economic Sustainability for African Nations

- **Canadian Company, MagIndustries Corp., Leads Mega Resource Developments in Western Congo**
- **Industrial Development Corporation of South Africa Invests with MagEnergy for Inga Hydro development**
- **MagEnergy Joint Ventures with SNEL for Rehabilitation of 720 MW at Inga for US$100 million**
- **The Rehabilitated Inga will power Regional Grids and MagIndustries' Multi-resource Congo project developments**

TORONTO, ONTARIO--(CCNMatthews - Sept. 22, 2005) - MagIndustries Corp. (TSX VENTURE:MAA.U) Today, MagIndustries Corp., a publicly traded Canadian company, the Industrial Development Corporation (IDC) of South Africa, and representatives from the Governments of the Democratic Republic of Congo (DRC) and the Republic of Congo (ROC) were on hand in Toronto to jointly sign an agreement that will see the development and rehabilitation of the Inga II Hydro-electric Station on the Congo River in the DRC. This project, spearheaded by MagEnergy Inc., a subsidiary of MagIndustries, is expected to supply much needed energy to existing grids in the Central and South African Power Pools, and provide infrastructure to support the continued development of economic sustainability for Africa.

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IDC is a self-financing, state-owned, development finance institution with the stated mission of contributing to the generation of balanced, sustainable economic growth in the African continent and to the economic empowerment of the South African population. IDC has also developed investment partnerships with major mining projects in the DRC.

MagEnergy has already begun the Bankable Feasibility Study for Inga that is being assisted by extensive earlier technical studies and reports. Ingerop, an engineering firm with extensive hydro-energy experience in Africa, began their technical studies in July and the final Inga II feasibility study is expected to be completed in the next 3 to 4 months. MagEnergy and IDC envision a rehabilitation program which may include the preliminary start-up of one turbine followed by the sequential rehabilitation of the other turbines. The preliminary estimated cost of rehabilitating 4 turbines is $100 million. Current plans are to have first energy revenues in 2007 and to have all four turbines, totaling 720 MW, in full production by 2010.

Mr. Di Panzu, Managing Director of SNEL recently explained that "Inga is the largest single hydropower initiative in the world with a potential to reach 50,000 megawatts (MW) of electricity. Today Inga currently consists of two stations, Inga I (6 turbines of 52 MW each) and Inga II (8 turbines of 178 MW each), for a total installed capacity of 1774 MW. Due to years of low demand and low maintenance budgets Inga I and II currently produce only about 700 MW. Rapidly expanding energy demands, both nationally and internationally, have lead to the conclusion of this important Rehabilitation Agreement with MagEnergy but have also lead to plans for the development of Inga III (3,500 MW) (an initiative lead by South Africa) and an initial stage of the "Grand Inga" (29,000 MW). The INGA site can be expanded at a relatively low cost and without any significant environmental impact due to consistently high water volumes and the "run-of-river" type of installation."

About MagIndustries Corp.:

MagIndustries' resource development subsidiaries are proceeding with the development of major industrial projects in the Republic of Congo (ROC) and the Democratic Republic of Congo (DRC). MagEnergy Inc. is leading the rehabilitation of the Inga Hydro-electric station on the Congo River in the DRC. MagMinerals Inc. plans to develop a 400,000tpy potash (fertilizer) plant at Pointe-Noire, which may also include the production of salt and calcium chloride. MagMetals Inc. is planning the development of a 60,000tpy magnesium smelter adjacent to the potash plant for the production of magnesium alloys for the global automotive industry. The raw materials for the MagMinerals and MagMetals plants will be sourced from MagIndustries' 100% owned magnesium and potash salt deposits near Pointe-Noire in the ROC. 'MagForestry' controls 55% of Eucalyptus Fibre Congo, a 68,000 hectare eucalyptus plantation that overlies much of the MagIndustries salt deposits and represents an important local employer.

MagIndustries Corp. is a Canadian company whose common shares are listed on the TSX Venture Exchange and are traded in U.S. currency under the symbol "MAA.U". After taking the above transaction into account, the Company has 92,460,248 shares outstanding on an undiluted basis. More information on the Company is available at its website, www.magindustries.com.

Except for historical information, this press release contains forward-looking statements, which reflect the Company's current expectation regarding future events. These forward-looking statements involve risks and uncertainties, which may cause actual results to differ materially from those statements. Those risks and uncertainties include, but are not limited to, changing market conditions, and other risks detailed from time-to-time in the Company's ongoing filings. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events in this press release might not occur.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

CONTACT INFORMATION

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