**Form 51-102F3**

**Material Change Report**

**Item 1 Name and Address of Company**

MagIndustries Corp.
372 Bay Street
Suite 801
Toronto, Ontario M5H 2W9

**Item 2 Date of Material Change**

December 15, 2005.

**Item 3 News Release**

The press release was disseminated by MagIndustries Corp. via CCN Matthews on December 15, 2005.

***Item 4 Summary of Material Change***

MagIndusties Corp. ("MagIndustries") reported that its previously announced private placement of common shares was completed on December 15, 2005 for gross proceeds of US$25 million.

The Company retained Jennings Capital Inc. and Kingsdale Capital Markets Inc. (the "Agents") as agents in connection with the private placement. The Company agreed to pay the Agents a cash commission of 6% of the gross proceeds of the Offering and has issued broker warrants to the Agents entitling them to purchase common shares of the Company in an amount equal to 4% of the number of common shares sold under the private placement at an exercise price of US$0.75 per share until December 15, 2006.

The net proceeds of the offering are expected to be used for brine well development, feasibility studies and general working capital.

***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
(416) 368-7911

***Item 9*** ***Date of Report***

December 24, 2005.

**MAGINDUSTRIES CORP.**

Per: *"Errol Farr"*
**Errol Farr**,
Chief Financial Officer

## Schedule A

DECEMBER 15, 2005 - 12:06 ET

# MagIndustries Corp. Announces Completion of US$25,000,000 Private Placement

TORONTO, ONTARIO--(CCNMatthews - Dec. 15, 2005) –

NOT FOR DISTRIBUTION TO THE UNITED STATES OR THROUGH U.S. NEWS WIRE SERVICES

**MagIndustries Corp. (the "Company") (TSX VENTURE:MAA.U)** is pleased to report that its previously announced private placement of common shares of the Company was completed today for gross proceeds of US$25 million. The private placement was oversubscribed despite the full exercise of a 25% over-allotment option. The hold period in respect of the common shares sold in the offering will expire on April 16, 2006.

The Company retained Jennings Capital Inc. and Kingsdale Capital Markets Inc. (the "Agents") as agents in connection with the private placement. The Company agreed to pay the Agents a cash commission of 6% of the gross proceeds of the Offering and has issued broker warrants to the Agents entitling them to purchase common shares of the Company in an amount equal to 4% of the number of common shares sold under the private placement at an exercise price of US$0.75 per share until December 15, 2006. The hold period for the broker warrants and the common shares issuable upon exercise thereof will expire on April 16, 2006.

The net proceeds of the offering are expected to be used for brine well development, feasibility studies and general working capital.

About MagIndustries Corp.:

- MagIndustries' resource 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., a wholly owned subsidiary, is the leading participant in the rehabilitation of the 1440MW Inga II Hydro-electric station on the Congo River in the DRC.

- MagMinerals Inc., a wholly owned subsidiary, is planning the development of a 400,000tpy potash (fertilizer) plant at Pointe-Noire, ROC.

- MagMetals Inc., a wholly owned subsidiary, is planning the development of a 72,000tpy 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.

- MagForestry, a division of MagIndustries, controls 55% of Eucalyptus Fibre Congo an operating 68,000 hectare eucalyptus plantation which overlies much of the MagIndustries mineral deposits near Pointe-Noire, ROC.

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". The Company has 128,618,581 shares outstanding on an undiluted basis after taking into account the above noted transaction. More information on the Company is available at its website, www.magindustries.com.

Cusip: 55917T 102

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

**CONTACT INFORMATION**

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or

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