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 30, 2006.

Item 3 News Release

The press release was disseminated by MagIndustries Corp. via CCN Matthews on December 30, 2006.

Item 4 Summary of Material Change

MagIndustries Corp. ("MagIndustries") announced that it has disposed of a portion of its interests in MagPetroleum Inc. ("MagPetroleum") and adopted a formal plan for the full disposal of its remaining interests. The disposal is in the form of a subscription agreement whereby Denworth Limited ("Denworth") has subscribed for voting shares of MagPetrolem for total consideration of US$600,000. MagIndustries has also redeemed shares which constituted 50% of the outstanding voting shares of MagPetroleum for US$600,000. The remaining interest in MagPetroleum held by MagIndustries constitutes a US$3.3 million "line of credit". The subscription agreement entered into with Denworth gives Denworth operating control of MagPetroleum and sets out a repayment schedule for the line of credit over the next 12 months. Once Denworth returns the line of credit in full to MagIndustries Denworth will hold 100% of MagPetroleum.

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
wburton@magindustries.com

Item 9 Date of Report

January 9, 2007.

Schedule A

MagIndustries Corp.
TSX VENTURE: MAA

DECEMBER 30, 2006 - 11:06 ET

MagIndustries to Divest of its MagPetroleum Subsidiary

TORONTO, ONTARIO--(CCNMatthews - Dec. 30, 2006) - MagIndustries Corp. (the "Company" or "MagIndustries") (TSX VENTURE:MAA) announced today that it has disposed of a portion of its interests in MagPetroleum Inc. ("MagPetroleum") and adopted a formal plan for the full disposal of its remaining interests. The disposal is in the form of a subscription agreement whereby Denworth Limited ("Denworth") has subscribed for voting shares of MagPetrolem for total consideration of US$600,000. MagIndustries has also redeemed shares which constituted 50% of the outstanding voting shares of MagPetroleum for US$600,000. The remaining interest in MagPetroleum held by MagIndustries constitutes a US$3.3 million "line of credit". The subscription agreement entered into with Denworth gives Denworth operating control of MagPetroleum and sets out a repayment schedule for the line of credit over the next 12 months. Once Denworth returns the line of credit in full to MagIndustries Denworth will hold 100% of MagPetroleum.

About MagIndustries Corp.:

MagIndustries' resource subsidiaries are operating and developing major industrial projects in the Republic of Congo (ROC) and the Democratic Republic of Congo (DRC).

- MagEnergy, a wholly owned subsidiary, is the leading participant in the refurbishment (Phase I) and rehabilitation (Phase 2) of the generating capacity at the 1440MW Inga II Hydroelectric station on the Congo River in the DRC. The Industrial Development Corporation of South Africa holds a 30% interest in Phase I and a 15% interest in Phase 2. MagEnergy is also evaluating the development of the 300 MW Busanga hydro-electric site in the Katanga region of the DRC.

- MagForestry, a wholly owned subsidiary of MagIndustries, controls 100% of Eucalyptus Fibre Congo, an operating, 68,000 hectare eucalyptus forest plantation which overlies MagIndustries Makola Mineral License near Pointe-Noire, ROC.

- MagMinerals, a wholly owned subsidiary, is completing a bankable feasibility study for the development of a 600,000 tonne per year potash (fertilizer) plant near Pointe-Noire, ROC.

- MagMetals, a wholly owned subsidiary, is planning the development of a 72,000tpy magnesium smelter adjacent to MagMinerals' 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 by solution mining MagIndustries' 100% owned carnallite (magnesium and potash salt) deposits which underlie the Makola Mineral License near Pointe-Noire.

MagIndustries Corp. is a Canadian company whose common shares are listed on the TSX Venture Exchange and trades in Canadian currency under the symbol "MAA". The Company has 171,893,072 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.

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CONTACT INFORMATION

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