

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

August 21, 2008.

Item 3 News Release

The press release was disseminated by MagIndustries Corp. via Marketwire on August 21, 2008.

Item 4 Summary of Material Change

MagIndustries Corp. ("MagIndustries" or the "Company") has announced that it has received an updated National Instrument 43-101 Technical Report entitled "Updated Reserve and Resource Estimate for MagMinerals Mengo Permit Area, Kouilou Region, Republic of Congo" (the "Technical Report") in respect of the property owned by its wholly-owned subsidiary MagMinerals Potash Corp. ("MagPotash"). The Technical Report updates the National Instrument 43-101 Technical Report filed on February 28, 2008 (see the Company's press release dated February 28, 2008).

The Technical Report also incorporates economic data from a preliminary feasibility study completed by NOVOPRO Projects Inc. for Phase 2 of the Project, which assumes that Phase 2 will be in operation two years after the onset of Phase 1. The NOVOPRO study estimates a construction cost for Phase 2 of \$423 million and that the economies of scale resulting from a doubling of production volume from 600,000 tpy to 1.2 million tpy will reduce operating costs per tonne from \$83 per tonne for Phase 1 alone to \$73 per tonne for the 1.2 million tpy Project.

Financial modeling based on conservative potash price forecasts from Fertecon Limited, which imply an average net realized price to MagPotash of \$464 per tonne for the first five years of the Project, and taking into account the financing costs (Phase 1 capital expenditures of US\$ 723 million, financing and development cost of US\$257 million and Phase 2 capital expenditures of US\$423 million, with a debt to equity ratio for Phase 1 of 70:30) show that even for pessimistic cases the Project is capable of servicing its debt and breaking even.

Item 5 Full Description of Material Change

See Schedule A attached.

Item 6 Reliance on subsection 7.1(2) 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 & CEO
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Item 9 Date of Report

This report is dated at Toronto on the 29th day of August, 2008.

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Press Release

Trading Symbol: MAA
Exchange: TSX-V

Cusip: 55917T 102

Toronto, Canada: August 21, 2008

FOR IMMEDIATE RELEASE

MagIndustries Potash Unit Announces Updated 43-101 Reserve Report to Support Expanded Operations

MagIndustries Corp. ("MagIndustries" or the "Company") is pleased to report that it has received an updated National Instrument 43-101 Technical Report entitled "Updated Reserve and Resource Estimate for MagMinerals Mengo Permit Area, Kouilou Region, Republic of Congo" (the "Technical Report") in respect of the property owned by its wholly-owned subsidiary MagMinerals Potash Corp. ("MagPotash"). The Technical Report updates the National Instrument 43-101 Technical Report filed on February 28, 2008 (see the Company's press release dated February 28, 2008).

The Technical Report is based on new rock mechanical modeling and a new solution mining cavern configuration. The Technical Report reports on the potash reserves and resources available to support MagPotash's planned Kouilou Potash mining and processing plant (the "Project") located 25km from the port city of Pointe Noire, Republic of Congo. The Project is intended to be built in two phases, Phase 1 and Phase 2, with each module specified at 600,000 tonnes per year (tpy) for a total capacity of 1.2 million tpy of potash.

The new rock mechanical modeling allows a redefinition of the mineable Horizon 4 carnallite layer resulting in a larger thickness available for mining and a hexagonal cavern configuration, which allows closer cavern spacing. These changes result in an increase of the previously stated reserves and resources. In the original report proven reserves were estimated to be 17.9 million tonnes of KCl with probable reserves estimated to be 3.1 million tonnes of KCl. The revised estimate of proven and probable reserves is 33.5 million tonnes of KCl which are sufficient to support 28 years of production at a rate of 600,000 tonnes of K60 potassium chloride (KCl) for the first two years of production and 1,200,000 tonnes of K60 KCl per year for the remaining 26 years. At a production rate of 600,000 tonnes of K60 per year the KCl reserves are adequate for a Project lifetime of 54 years. At a production rate of 1,200,000 tonnes of K60 per year the KCl reserves are adequate for a Project lifetime of 27 years. These reserves lie within a 25 square kilometer (sq km) portion of the 136 sq km Mengo Exploitation Permit which was granted in March 2008 (see map below).

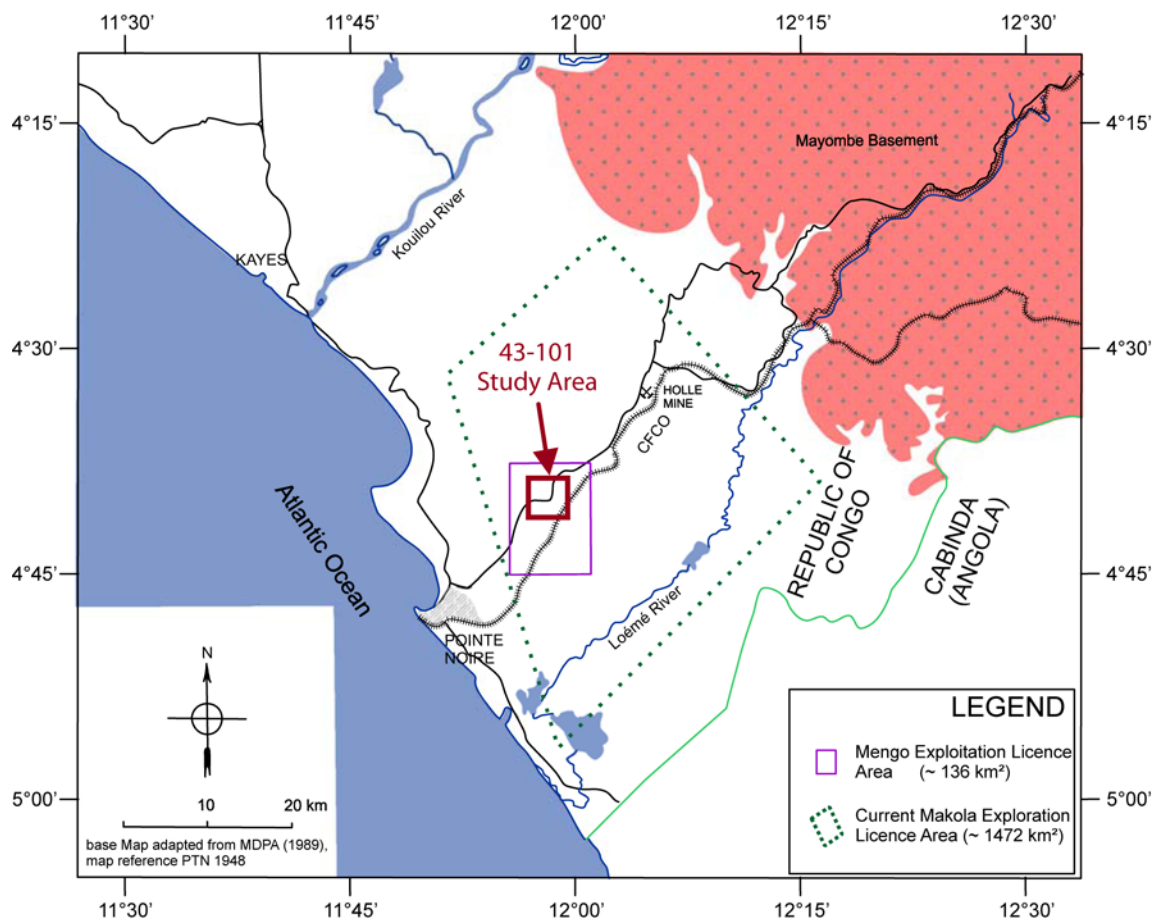
The potash deposits occur in the form of carnallite rock which underlies most of the Makola Exploration Permit area. For the whole Congolese coastal basin geological resources (non National Instrument 43-101 compliant) have been estimated at 800 billion tonnes of carnallite by the Congolese government. The Company's Makola Permit covers about 20% of the Congo Basin. The past producing Holle potash mine area (1,300 sq km) which lies within the Makola Permit area, 20km northeast of the Mengo area, reported 30 billion tonnes of K₂O (non National Instrument 43-101 compliant) as sylvite and carnallite. The detail of the data available for these historical resource estimates is less than that required for inferred resources according to CIM (2005).

Carnallite is a mineral best described as a magnesium-potassium-chloride or a double-salt with the chemical formula $\text{KMgCl}_3 \cdot 6\text{H}_2\text{O}$. The carnallite rock occurs in multiple, horizontal horizons ranging in

thickness from 0.5 meters ("m") to 24 m with an average content of about 70% carnallite. Four horizons, located between 400m and 800m below the surface, have been considered for commercial development.

The Technical Report is based on the results of 13 drill holes, 23 km of seismic surveys, as well as down-hole geophysical surveys completed by the Company.

The study area represents approximately 18% of MagPotash's Mengo Exploitation Permit area of 136 sq km. MagPotash retains exclusive rights to a further 1,472 sq km of potentially developable area through the Makola Exploration Permit as outlined in the map below:



The Technical Report also incorporates economic data from a preliminary feasibility study completed by NOVOPRO Projects Inc. for Phase 2 of the Project, which assumes that Phase 2 will be in operation two years after the onset of Phase 1. The NOVOPRO study estimates a construction cost for Phase 2 of \$423 million and that the economies of scale resulting from a doubling of production volume from 600,000 tpy to 1.2 million tpy will reduce operating costs per tonne from \$83 per tonne for Phase 1 alone to \$73 per tonne for the 1.2 million tpy Project.

Financial modeling based on conservative potash price forecasts from Fertecon Limited, which imply an average net realized price to MagPotash of \$464 per tonne for the first five years of the Project, and taking into account the financing costs (Phase 1 capital expenditures of US\$ 723 million, financing and development cost of US\$257 million and Phase 2 capital expenditures of US\$423 million, with a debt to equity ratio for Phase 1 of 70:30) show that even for pessimistic cases the Project is capable of servicing its debt and breaking even.

For the base case, the Project's internal rate of return is estimated at 19% and at a discount rate of 12%, the net present value is estimated at US\$1.2 billion. On the total Project costs of US\$1.4 billion pay back is achieved in approximately six years, on the cumulative cash flows from operations from 2011 to 2016. Relative to the net cash flows from operations in 2014, assumed for the purposes of the Technical Report to be the first full year of production at 1.2 million tpy, pay back is approximately four years.

Ercosplan Ingenieurgesellschaft Geotechnik und Bergbau mbH ("Ercosplan") notes that further engineering studies and pre-production drilling will increase the database, and therefore may contribute to a further upgrade of the reserve and resource base, in support of future potash plant expansions. Ercosplan also note that the reserves and resources mentioned above are open in all directions.

The historical estimates presented above with respect to the estimated geological resources of 800 billion tonnes of carnallite were prepared prior to the implementation of NI 43-101. A qualified person has not done sufficient work to classify these historical estimates according to NI 43-101 standards or the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards. MagMinerals is not treating these historical estimates as current mineral resources as defined in NI 43-101. They are presented here because they are considered relevant and of historic significance. These historic estimates should not be relied upon.

The authors of the Technical Report, Ercosplan, formerly the East German Potash Consortium, have over 50 years experience in the potash industry. Ercosplan were responsible for planning and supervising the core sampling programs.

The authors of the Technical Report, Dr. Henry Rauche, EurGeol, and Dr. Sebastiaan van der Klaw, EurGeol, are the Qualified Persons with respect to the technical reporting and have reviewed and approved the contents of this press release.

About MagIndustries Corp.

MagIndustries Corp. is a Canadian company whose common shares are listed on the TSX-V Exchange and trades in Canadian currency under the symbol "MAA". The Company has 197,514,016 shares outstanding on an undiluted basis. MagIndustries' wholly owned resource subsidiaries are operating and developing major industrial projects in the Republic of Congo (ROC) and the Democratic Republic of Congo (DRC).

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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.