

FORM 51-102F3
MATERIAL CHANGE REPORT

Filed pursuant to: National Instrument 51-102
Section 85 (1) of the *Securities Act* (British Columbia)
Section 146 (1) of the *Securities Act* (Alberta)
Section 75(2) of the *Securities Act* (Ontario)

Item 1. Name and Address of Company

Crystal Graphite Corporation
1750-999 West Hastings Street
Vancouver, BC V6C 2W2

Telephone: (604) 681-3060

Item 2. Date of Material Change

January 17, 2006

Item 3. News Release

A News Release dated and issued January 12, 2006 at Vancouver, British Columbia, through Canada Stockwatch, Market News and SEDAR.

Item 4. Summary of Material Change

See news release, a copy of which is attached hereto.

Item 5. Full Description of Material Change

See news release, a copy of which is attached hereto.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Gordon Sales, President
Telephone (604) 681-3060.

Item 9. Date of Report

January 17, 2006

SIGNED: "Gordon Sales"

Gordon Sales, President and a Director

EXHIBIT 99.1



CRYSTAL GRAPHITE CORPORATION

News Release # 0172
CUSIP #229248109

CNQ Trading Symbol: "CYTG"
OTCBB Trading Symbol: "CYTGF"

January 12, 2005

Vancouver, BC...**Crystal Graphite Corporation ("CGC")** (OTCBB:CYTGF & CNQ:CYTG), over the past 18 months, the Company has been seeking financing with several US Investment Banking Firms to meet its development needs. To this date, the planned financings have not been completed. Consequently the Company is in difficulties financially and has been unable to afford to maintain full operations. The graphite facilities in Nelson, BC have been in maintenance care for the past 6 months. Due to the lack of funding, the Company has been unable to complete its audit and accordingly has been cease traded in British Columbia. The Company is exploring all methods to continue but there is no certainty it will be successful.

For further information, visit the Company's website: <http://www.crystalgraphite.com> or contact the company via toll free 1-877-509-8877.

The CNQ has not reviewed and does not accept responsibility for the adequacy and accuracy of this information.

THIS RELEASE CONTAINS "FORWARD LOOKING STATEMENTS" WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933 AND SECTION 21B OF THE SECURITIES EXCHANGE ACT OF 1934. ANY STATEMENTS THAT EXPRESS OR INVOLVE DISCUSSIONS WITH RESPECT TO PREDICTION, EXPECTATIONS, BELIEFS, PLANS, PROJECTIONS, OBJECTIVES, GOALS, ASSUMPTIONS OR FUTURE EVENTS OR PERFORMANCE ARE NOT STATEMENTS OF HISTORICAL FACT AND MAY BE "FORWARD LOOKING STATEMENTS." FORWARD LOOKING STATEMENTS ARE BASED ON EXPECTATIONS, ESTIMATES AND PROJECTIONS AT THE TIME THE STATEMENTS ARE MADE THAT INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES WHICH COULD CAUSE ACTUAL RESULTS OR EVENTS TO DIFFER MATERIALLY FROM THOSE PRESENTLY ANTICIPATED. FORWARD LOOKING STATEMENTS IN THIS ACTION MAY BE IDENTIFIED THROUGH THE USE OF WORDS SUCH AS "EXPECTS", "WILL", "ANTICIPATES", "ESTIMATES", "BELIEVES", OR STATEMENTS INDICATING CERTAIN ACTIONS "MAY", "COULD" OR "MIGHT" OCCUR.