FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Corporation:

CanAm Coal Corp. ("**CanAm**")
202, 1201 – 5th Street S.W.
Calgary, Alberta T2R 0Y6

Item 2. Date of Material Change:

August 7, 2012

Item 3. Press Release:

A news release was issued by or on behalf of CanAm on August 8, 2012 through the services of Marketwire.

Item 4. Summary of Material Change:

On August 8, 2012, CanAm announced that through its wholly owned subsidiary, Radar USA Hold Corp. ("**Radar USA**"), CanAm completed the acquisition of an additional 30% in equity interests in the capital of Birmingham Coal & Coke Co., Inc and Cahaba Contracting & Reclamation LLC (collectively referred to as "**BCC**") (the "**Transaction**") from Thomas A. Lewis, Robert A. Lewis and Robert Wayne Bass ("**Vendors**").

Additionally, CanAm closed a non-brokered private placement offering (the "**Offering**") of 13,165 units ("**Units**") at a price of CDN$1,000 (and/or its US dollar equivalent) per Unit. Each Unit was comprised of a $1,000 principal amount of 9.5% non-convertible and unsecured debenture ("**Debenture**"), 1,250 2012 series A common share purchase warrants ("**Series A Warrants**") and 1,000 2012 series B common share purchase warrants ("**Series B Warrants**"). The Debentures have a term of four years with a partial repayment feature that is triggered upon the achievement of a certain production level. The Series A Warrants have an exercise price of CDN$0.20 and a term of four years, and the Series B Warrants have an exercise price of CDN$0.25 and a term of four years.

Item 5.1. Full Description of Material Change:

On August 8, 2012, CanAm announced that through its wholly owned subsidiary, Radar USA, CanAm completed the acquisition of an additional 30% in equity interests in the capital of BCC from the Vendors. CanAm retains an option to acquire the remaining 20% of BCC before May 9, 2016.

Additionally, CanAm closed the Offering of 13,165 Units at a price of CDN$1,000 (and/or its US dollar equivalent) per Unit. Each Unit is comprised of $1,000 principal amount of Debentures, 1,250 Series A Warrants and 1,000 Series B Warrants. The Debentures have a term of four years with a partial repayment feature that is triggered upon the achievement of a certain production level. The Series A Warrants have an exercise price of CDN$0.20 and a term of four years, and the Series B Warrants have an exercise price of CDN$0.25 and a term of four years.

The aggregate purchase price of the acquisition was US$11,505,682, which was settled by US$5,505,682 in cash from the proceeds of the Offering and the issuance of Debentures pursuant to the Offering in an aggregate principal amount of US$6,000,000 together with 7,500,000 Series A Warrants and 6,000,000 Series B Warrants. As previously disclosed, the exercise of the Series A Warrants and Series B Warrants issued to the Vendors is subject to disinterested shareholder approval which CanAm intends to seek at its next annual general meeting. The remainder of the proceeds from the Offering will be used for general corporate purposes.

Certain directors and officers of CanAm subscribed under the Offering for CDN$860,000 aggregate principal amount Debentures, an aggregate of 1.1 million Series A Warrants and an aggregate of 0.9 million Series B Warrants. In relation to the insiders who participated in the Offering, CanAm determined that there are exemptions available from the various requirements of TSX Venture Exchange ("**TSX-V**") Policy 5.9 for formal valuation and minority shareholder approval.

A finder's fee of 7% or CDN$14,000 was paid under the Offering to Wolverton Securities Ltd. for CDN$200,000 aggregate principal amount Debentures.

The securities issued under the Offering are subject to a four month hold period that will expire on December 8, 2012.

With the closing of the Transaction, CanAm's Alabama mine operations will be comprised of: four operating mines; four mines in development; annual productive capacity of one million tons; permits and leases covering approximately 5,000 acres of land; and a workforce of approximately 140 employees.

Item 5.2. Disclosure for Restructuring Transactions:

N/A

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102:

N/A

Item 7. Omitted Information:

N/A

Item 8. Executive Officer:

Timothy Bergen
Chief Executive Officer
Telephone: 403-262-3797

Item 9. Date of Report:

August 15, 2012.

Cautionary Statement Regarding Forward-Looking Statements and Information

The information in this material change report contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "could", "should", "anticipate", "estimate", "will", "may", "project", "budget", "plan", "potential", "projects", "intends", "intention", "subject to", "upon" or similar words suggesting future outcomes. In particular, this material change report contains forward-looking statements relating to: CanAm's intentions with respect to seeking disinterested shareholder approval for the exercise of the Series A Warrants and the Series B Warrants issued to the Vendors at its next annual general meeting; the use of proceeds from the Offering; and CanAm's Alabama mine operations.

Forward-looking statements regarding CanAm are based on certain key expectations and assumptions of CanAm concerning anticipated financial performance, production, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of services, the ability to obtain financing on acceptable terms, the actual results of exploration projects being equivalent to or better than estimated results in technical reports or prior exploration results, that counterparties to contracts will be creditworthy and will perform their obligations under such contracts, the absence of material changes in the regulatory environment, the absence of material disruptions in operations and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of CanAm consider these assumptions to be reasonable based on information currently available to them, these assumptions may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from CanAm's beliefs, plans, objectives and expectations, including, among other things: general economic and market factors, including business competition, changes in government regulations or in tax laws; the early stage of development of CanAm and its projects; general political and social uncertainties; commodity prices; the actual results of current exploration and development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting CanAm; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; the creditworthiness of counterparties to contracts and their performance thereof; the risk that production from CanAm's mines will differ from that anticipated; the risk of a material disruption in operations and lack of qualified, skilled labour or loss of key individuals. These factors should not be considered exhaustive. Many of these risk factors are beyond CanAm's control and each contributes to the possibility that the forward-looking statements will not occur or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent and management's future course of action depends upon CanAm's assessment of all information available at that time. CanAm does not undertake to update any forward-looking information except in accordance with applicable securities laws.