

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item One – Name and Address of Company

Advanced Primary Minerals Corp.
Metropolitan Place
99 Wyse Road, Suite 1480
Dartmouth, N.S. B3A 4S5

Item Two - Date of Material Change

May 30, 2012

Item Three - News Release

The attached news release was issued in Halifax, Nova Scotia on May 30, 2012 via Marketwire.

Item Four - Summary of Material Change

On May 30, 2012, Advanced Primary Minerals Corporation (the "Corporation" or "APM") announced that it has reached an agreement to sell Dearing Operating Assets.

Item Five - Full Description of Material Change

On May 30, 2012, the Corporation's wholly owned subsidiary, Advanced Primary Minerals USA Corp. ("**APM USA**"), has reached agreement to sell APM USA's operating assets and select real property in Georgia, USA to Paul Coughlan, Vice-President, Business Development of the Corporation and to a company to be formed, which will be controlled by Mr. Coughlan and David Avant, Vice-President Operations of the Corporation (collectively, the "**Buyers**"). The sale package includes all equipment and leaseholds connected with the Dearing, Georgia, USA leased facility, the 80 acre Tudor mine property and associated mineral resource and data, as well as a 16.9 acre property containing a house and storage building and a 19.47 acre tract of vacant land. The sale price of the assets is US\$893,000, settled with US\$492,000 cash on closing and US\$401,000 in assumed liabilities, namely the leases and purchase obligations, primarily for the land and building comprising the Dearing plant as well as the asset retirement obligations associated with the Tudor mine and Dearing plant site.

The agreement also includes a royalty payable to the Corporation on annual kaolin mined from the Tudor property in excess of 20,000 tons per year. The proceeds of sale will be applied to the Corporation's secured promissory note payable to the Corporation's parent company, Erdene Resource Development Corp. ("**Erdene**"). Subject to receipt of all required regulatory and shareholder approvals, the sale is expected to close on June 30, 2012. The sale will require the approval of a majority of the minority of the shareholders of Corporation, excluding the principals of the Buyers, which approval will be sought at the annual and special meeting of shareholders of the Corporation to be held on June 29, 2012.

A deposit of US\$45,000 is payable to the Corporation within ten days of signing the agreement. In the event a superior offer is received by the Corporation no later than ten days prior to the closing date, the Buyers have the right to match any such superior offer. In the event the Buyers decline to match the terms of this superior offer, the Corporation agrees to pay the Buyers a

US\$15,000 break fee within ten days of written confirmation from the Buyers they will not match the superior offer.

“We’ve had to make some difficult decisions in light of the deteriorating financial condition of the Corporation in a sluggish US economy since commencing operation in 2009”, said Ken MacDonald, President and CEO, “Although we’ve seen steady improvement in production efficiency and a narrowing operating loss over the past 24 months, we have been unable to reach the point of sustained positive cash flows. From our customers’ standpoint, the transition will be seamless. The Buyers, who live and work in Georgia and have longstanding connections with the customers and the community, fully intend to meet production commitments to existing and prospective customers on an uninterrupted basis.”

“Closing this sale will improve working capital and will significantly reduce the monthly cash burn rate”, said Mr. MacDonald. “We will continue to evaluate restructuring options for the Corporation which include the injection of new assets or further monetization of the residual assets to ensure repayment of the secured promissory note to Erdene due August 31, 2012 and provide an opportunity to create value for our shareholders.”

The Buyers are related parties of the Corporation and accordingly, the transaction is subject to the rules contained in MI 61-101 – *Protection of Minority Security Holders in Special Transaction* (“**MI 61-101**”) and Policy 5.9 - *Protection of Minority Security Holders in Special Transactions* of the TSX Venture Exchange (“**TSXV**”) as a related party transaction. A formal valuation in respect of transaction is not required under section 5.4 of MI 61-101 as the Corporation is not listed on a specified stock exchange in accordance with subsection 5.5(b) of MI 61-101. The transaction also constitutes a “Reviewable Disposition” within the meaning of Policy 5.3 of the TSXV and, as a result, the Corporation is also required to provide the TSXV with evidence of value for such “Reviewable Disposition”. Accordingly, the Corporation retained an independent valuator, TSO & Associates to prepare a valuation and fairness opinion to serve as evidence of value in accordance with the rules of the TSXV.

Item Six – Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable.

Item Seven - Omitted Information

Not Applicable.

Item Eight - Executive Officer

Ken MacDonald, President and CEO (902) 466-7255.

Item Nine – Date of Report

Dated the 1st day of June, 2012.

Signed “Ken MacDonald”

Ken MacDonald
President and CEO



ADVANCED PRIMARY MINERALS CORP.

For Immediate Release

**APM to Sell Dearing Operating Assets
Corporate Restructuring Evaluation Continues**

May 30, 2012 – Halifax, Nova Scotia - Advanced Primary Minerals Corporation (the "**Corporation**" or "**APM**") (TSXV: **APD**) announced today the Corporation's wholly owned subsidiary, Advanced Primary Minerals USA Corp. ("**APM USA**"), has reached agreement to sell APM USA's operating assets and select real property in Georgia, USA to Paul Coughlan, Vice-President, Business Development of the Corporation and to a company to be formed, which will be controlled by Mr. Coughlan and David Avant, Vice-President Operations of the Corporation (collectively, the "**Buyers**"). The sale package includes all equipment and leaseholds connected with the Dearing, Georgia, USA leased facility, the 80 acre Tudor mine property and associated mineral resource and data, as well as a 16.9 acre property containing a house and storage building and a 19.47 acre tract of vacant land. The sale price of the assets is US\$893,000, settled with US\$492,000 cash on closing and US\$401,000 in assumed liabilities, namely the leases and purchase obligations, primarily for the land and building comprising the Dearing plant as well as the asset retirement obligations associated with the Tudor mine and Dearing plant site.

The agreement also includes a royalty payable to the Corporation on annual kaolin mined from the Tudor property in excess of 20,000 tons per year. The proceeds of sale will be applied to the Corporation's secured promissory note payable to the Corporation's parent company, Erdene Resource Development Corp. ("**Erdene**"). Subject to receipt of all required regulatory and shareholder approvals, the sale is expected to close on June 30, 2012. The sale will require the approval of a majority of the minority of the shareholders of Corporation, excluding the principals of the Buyers, which approval will be sought at the annual and special meeting of shareholders of the Corporation to be held on June 29, 2012.

A deposit of US\$45,000 is payable to the Corporation within ten days of signing the agreement. In the event a superior offer is received by the Corporation no later than ten days prior to the closing date, the Buyers have the right to match any such superior offer. In the event the Buyers decline to match the terms of this superior offer, the Corporation agrees to pay the Buyers a US\$15,000 break fee within ten days of written confirmation from the Buyers they will not match the superior offer.

"We've had to make some difficult decisions in light of the deteriorating financial condition of the Corporation in a sluggish US economy since commencing operation in 2009", said Ken MacDonald, President and CEO, "Although we've seen steady improvement in production

efficiency and a narrowing operating loss over the past 24 months, we have been unable to reach the point of sustained positive cash flows. From our customers' standpoint, the transition will be seamless. The Buyers, who live and work in Georgia and have longstanding connections with the customers and the community, fully intend to meet production commitments to existing and prospective customers on an uninterrupted basis."

"Closing this sale will improve working capital and will significantly reduce the monthly cash burn rate", said Mr. MacDonald. "We will continue to evaluate restructuring options for the Corporation which include the injection of new assets or further monetization of the residual assets to ensure repayment of the secured promissory note to Erdene due August 31, 2012 and provide an opportunity to create value for our shareholders."

The Buyers are related parties of the Corporation and accordingly, the transaction is subject to the rules contained in MI 61-101 – *Protection of Minority Security Holders in Special Transaction* ("MI 61-101") and Policy 5.9 - *Protection of Minority Security Holders in Special Transactions* of the TSX Venture Exchange ("TSXV") as a related party transaction. A formal valuation in respect of transaction is not required under section 5.4 of MI 61-101 as the Corporation is not listed on a specified stock exchange in accordance with subsection 5.5(b) of MI 61-101. The transaction also constitutes a "Reviewable Disposition" within the meaning of Policy 5.3 of the TSXV and, as a result, the Corporation is also required to provide the TSXV with evidence of value for such "Reviewable Disposition". Accordingly, the Corporation retained an independent valuator, TSO & Associates to prepare a valuation and fairness opinion to serve as evidence of value in accordance with the rules of the TSXV.

Further information regarding the transaction will be contained in an information circular that the Corporation will prepare, file and mail to the shareholders of APM in connection with the Annual and Special Meeting to be held on June 29, 2012. All shareholders are urged to read the information circular once it becomes available as it will contain additional important information concerning the sale transaction.

Details regarding the terms of the transaction are set out in the purchase agreement which will be filed on the Corporation's profile on SEDAR at www.sedar.com.

About APM

APM, through its wholly owned subsidiary, Advanced Primary Minerals USA Corp, operates a kaolin processing plant in Dearing, Georgia and has been active in Georgia and South Carolina for over 10 years exploring for, evaluating, extensively testing and securing high quality kaolin resources. Target markets include ceramics, paper, paint and coatings, catalysts and other specialty industrial applications. APM has 26,342,963 shares issued and outstanding and a fully diluted share position of 28,642,963 shares.

Forward-Looking Statements

Certain information regarding APM contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although APM believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. APM cautions that actual performance will be affected by a number of factors, most of which are beyond its control, and that future events and results may vary substantially from what APM currently foresees. Factors that could cause actual results to differ

materially from those in forward-looking statements include market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date.

-30-

For more information, please contact:

Ken W. MacDonald, President and CEO, Advanced Primary Minerals Corporation
Phone: (902) 466-7255

For additional information visit APM's website at www.advminerals.com or contact the company via email at info@advminerals.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.