

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Reporting Issuer

ALABAMA GRAPHITE CORP. (the "Company")
Suite 804 – 750 West Pender Street
Vancouver, BC V6C 2T7

Item 2: Date of Material Change

September 3, 2013.

Item 3: News Release

A news release was issued and disseminated on September 3, 2013 through TheNewsWire and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Changes

The Company announced that it has granted incentive stock options.

The Company also announced that it has issued shares pursuant to a finder's fee.

Item 5: Full Description of Material Change

The Company announced that it has granted incentive stock options to purchase a total of 900,000 common shares at an exercise price of \$0.35 per share for a period of five years to certain of its directors, officers and consultants in accordance with the provisions of its stock option plan.

The Company also announces that, further to its news release of August 23, 2013, the Company has agreed to issue 150,000 common shares to Danny Gravelle at a deemed price of \$0.20 per share as a finder's fee, pursuant to the closing of the acquisition of the Hearst Graphite Project. The shares are subject to a 4-month hold period in Canada

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

Not applicable.

Item 7: Omitted Information

None.

Item 8: Executive Officer

For further information, please contact:

Dan Spine, President & CEO
Tel: 404.661.6254

Item 9: Date of Report

September 4, 2013.