

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

May 13, 2014.

Item 3: News Release

A news release was issued and disseminated on May 13, 2014 and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Changes

The Company announced that it has received the final deliverables from Prospectair Geosurveys on the airborne TDEM / Magnetometer / Radiometric surveys completed in March 2014 on its Coosa Project. Based on these promising results, the Company has elected to accelerate its exploration efforts.

Item 5: Full Description of Material Change

The Company announced that it has received the final deliverables from Prospectair Geosurveys on the airborne TDEM / Magnetometer / Radiometric surveys completed in March 2014 on its Coosa Project. Based on these promising results, the Company has elected to accelerate its exploration efforts.

Five new target areas have been identified on its mineral rights that meet the criteria of strong conductivity coupled with weak magnetism. These target areas are all within 1.5 miles (2.5 km) of the previously defined Coosa resource drill grid. Exploration of these new areas will consist of a two-pronged approach using both follow-up ground geophysics and shallow sonic drilling.

Horizontal Loop Electromagnetism (HLEM) surveys will be conducted both over the Company's existing Coosa resource and each of the five target areas within the coming weeks. The purpose of these surveys is both to confirm the results of the airborne survey and gain better understanding of these newly identified areas with strong TDEM response. Joel Dube of Dube & Desaulniers Geoscience has been retained by the Company to assist in the design of the survey and interpretation of results.

Major Drilling has been selected to conduct a preliminary sonic drilling program of the five target areas to be completed in the coming weeks. The proposed drill sites are in areas immediately accessible and requiring a minimum of surface disturbance. The goal of this drill program is to provide initial samples for both grade and size-sorting analyses. The sonic holes will be cased to allow for eventual deepening in a subsequent core-drilling program.

"Alabama Graphite is faced with the 'problem' of having too many high-quality target areas to evaluate," stated Dr. Douglas Oliver, Vice President of Exploration. "Rather than proceed in a more leisurely fashion, our goal is to expedite the process by moving with both programs simultaneously. In particular, we are pleased that all of these target areas are in close proximity to our Coosa resource where the geology and 3D geometry have been established."

"Our goal is to be the first low cost, high purity producer and just-in-time supplier of Flake graphite in the United States of America," stated Ron S. Roda, President and Chief Executive Officer.

In addition, flotation testing and size-distribution analysis by SGS Labs is continuing on the Coosa resource to gain a better understanding of the graphite quality and flake size. The HLEM survey over the Coosa resource will be used to evaluate adjacent areas that have not yet been drilled. Currently, the resource remains open both along strike and in the down-dip directions.

Rick Keevil, P. Geo., a Director of the Company and VP of Project Development, is a Qualified Person as defined by National Instrument 43-101, has reviewed the contents of the press release.

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:

Ron S. Roda
President & Chief Executive Officer
(609) 785-1581

Item 9: Date of Report

May 13, 2014.