

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

June 12, 2014.

Item 3: News Release

A news release was issued and disseminated on June 12, 2014 and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Changes

The Company announced that it has begun ground geophysics at its flagship Coosa Project in Alabama, USA.

Item 5: Full Description of Material Change

The Company announced that it has begun ground geophysics at its flagship Coosa Project in Alabama, USA.

KLM Geoscience of Las Vegas, Nevada, was selected to conduct follow-up geophysics on targets identified in its recently completed airborne geophysical survey. KLM is on site and is evaluating both GEM-2 and TDEM systems over the defined Coosa Resource. The two systems differ in ease of use and depth of penetration. Once the effectiveness of these surveys is determined, one or both of the systems will then be used to evaluate which of the five new primary targets identified through the airborne survey conducted this past May, are the highest quality and worthy of further exploration.

"Our surface sampling program is nearly complete therefore our goal now is to integrate the results of the air and ground geophysics as quickly as the data can be processed," stated Dr. Douglas Oliver, VP of Exploration. "Once the geochemical and geophysical data sets are integrated, the next step is to initiate a targeted sonic drill program. Ultimately, we anticipate that our program of surface sampling, geophysics and targeted sonic drilling will identify the most optimal targets worthy of a follow on comprehensive drill program in Q3 in order to establish the highest quality resource. From these results, we anticipate completing a bulk sampling program and a Preliminary Economic Assessment as quickly as possible later this year to further define the economics of building an environmentally sustainable graphite mine in the United States."

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

June 12, 2014.