

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 17, 2014.

Item 3: News Release

A news release was issued and disseminated on June 17, 2014 and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Changes

The Company announced that it has provided samples for initial Bond Work Hardness Indices testing to SGS Canada in Lakefield, Ontario, Canada. Bond Work Hardness Indices are a measure of the amount of work required to reduce a rock in size, in order to liberate the individual graphite flakes. The ease or difficulty of doing this has a direct impact on the economics of a graphite mine.

Item 5: Full Description of Material Change

The Company announced that it has provided samples for initial Bond Work Hardness Indices testing to SGS Canada in Lakefield, Ontario, Canada. Bond Work Hardness Indices are a measure of the amount of work required to reduce a rock in size, in order to liberate the individual graphite flakes. The ease or difficulty of doing this has a direct impact on the economics of a graphite mine.

The Company has provided samples of both oxidized (weathered, at surface) and unoxidized (non-weathered) material for testing. The Company's Coosa Project is unique among defined North American graphite resources in that a substantial portion of the deposit is oxidized. Historically, all of the graphite production from the Alabama deposits came from soft, decomposed rock in the oxidized zones.

"Because of Alabama's location in the southern United States, glaciers never scoured off the oxidized upper portion of the deposit as they did in Canada or Alaska," remarked Dr. Douglas Oliver, VP of Exploration. "It is our expectation that the Bond Work Hardness Index for the weathered material will be substantially lower than either the deeper (unoxidized) portion of the Coosa deposit or other graphite resources in North America."

This testing will provide insight into the ease of milling the Alabama graphitic schist. These results – along with the ongoing metallurgical testing – will be used as inputs in a Preliminary Economic Analysis (PEA) expected to begin later this year.

"Our primary interest in initiating this testing is to get a head start in finalizing the parameters that will impact the economics of the Coosa project. Given our mission to be one of the greenest graphite producers in the world, something as simple as the hardness of the rock will effect the net environmental impact of the final process, the initial capital costs and the ongoing operating expenses of this project," stated Ron Roda, CEO of Alabama Graphite. "The soft, easily broken-down nature of the oxidized rock is a unique characteristic of the Coosa Resource and we expect it will provide both intangible and tangible economic benefits going forward."

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 17, 2014.