FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Reporting Issuer

Alabama Graphite Corp. (the "**Company**")
Suite 5700, 100 King Street West
Toronto, ON M5X 1C7

Item 2: Date of Material Change

May 10, 2017**.**

Item 3: News Release

A news release was issued and disseminated on May 10, 2017 and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Changes

The Company announced that, further to its April 26, 2017 (http://www.marketwired.com/press-release/-2212292.htm), May 2, 2017 2017 (http://www.marketwired.com/press-release/-2213620.htm) and May 5, 2017 (http://www.marketwired.com/press-release/-2214473.htm) announcements, it has closed on its second and final tranche (the "**Second Tranche**") of the previously announced non-brokered private placement (the "**Private Placement**"). Pursuant to the Second Tranche, the Company issued 3,180,000 units (the "**Units**") at a price of $0.15 per Unit for aggregate gross proceeds of approximately $477,000.

Additionally, the Company announced that it has granted incentive stock options.

Item 5: Full Description of Material Change

The Company announced that, further to its April 26, 2017, May 2, 2017 and May 5, 2017 announcements it has closed on its Second Tranche of the previously announced non-brokered Private Placement. Pursuant to the Second Tranche, the Company issued 3,180,000 Units at a price of $0.15 per Unit for aggregate gross proceeds of approximately $477,000. Together with the first tranche of the Private Placement, the Company raised approximately $1,326,000 through the issuance of 8,840,000 Units.

Each Unit is comprised of one common share in the capital of the Company (each, a "**Common Share**") and one Common Share purchase warrant (each, a "**Warrant**"). Each Warrant entitles the holder to purchase one additional Common Share at an exercise price of $0.20 for a period of 36 months following the date of issue, subject to customary adjustment provisions.

The Company intends to use the net proceeds of the Private Placement for working capital and production, full electrochemical testing and characterization of significant quantities of Coated Spherical Purified Graphite ("**CSPG**") engineered for use in lithium-ion ("**Li-ion**") battery anodes and Delaminated Expanded Graphite ("**DEXDG**") engineered for use as a conductivity enhancement diluent in Li-ion battery cathodes. This fully characterized and tested battery-ready material will be conveyed to satisfy outstanding material requests from both existing United States Department of Defense ("**DoD**") battery manufacturers and contractors, non-DoD entities, and new potential end users.

Finders' fees totalling an aggregate of approximately $21,500 in cash commissions and 143,150 compensation options (the "Finder's Warrants") were paid / issued in connection with the Private Placement. Each Finders Warrant entitles the holder to purchase one Unit at an exercise price of $0.15 per Unit for a period of 36 months from the closing of the Private Placement. Toronto-based M Partners Inc. (http://mpartners.ca/) acted as a finder in the Private Placement.

Pursuant to applicable Canadian securities laws, all securities issued pursuant to the Private Placement are subject to a hold period of four months and one day. The hold period for the securities issued pursuant to the Second Tranche expires on September 11, 2017.

The Executive Vice President of the Company, Tyler Dinwoodie, participated in the Second Tranche as an insider. Such participation represents a related-party transaction under Multilateral Instrument 61-101 -Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"), but is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the transaction, nor the consideration paid, exceed 25% of the Company's market capitalization.

The Private Placement was approved by all independent directors of the Company. The number of Common Shares potentially issuable to insiders of the Company pursuant to the Private Placement (including any Common Shares issuable upon the exercise of the Warrants) represents not more than 10% of the Company's currently issued and outstanding Common Shares on a non-diluted basis.

Immediately prior to the closing of the Second Tranche, Mr. Dinwoodie owned 500,000 Common Shares of the Company and stock options entitling Mr. Dinwoodie to purchase 1,000,000 Common Shares of the Company, in addition to Warrants entitling Mr. Dinwoodie to purchase 100,000 Common Shares of the Company.

Following the closing of the Private Placement, Mr. Dinwoodie directly and indirectly owns the following securities of the Company:

- 1,500,000 Common Shares, representing approximately 1.1% of the issued and outstanding Common Shares of the Company;
- Warrants entitling Mr. Dinwoodie to purchase 600,000 Common Shares of the Company; and
- Stock options entitling Mr. Dinwoodie to purchase 1,000,000 Common Shares of the Company.

Assuming the exercise of all Warrants and stock options held by Mr. Dinwoodie, he would own 3,100,000 Common Shares, representing approximately 2.2% of the issued and outstanding Common Shares of the Company (on a diluted basis with respect to the Second Tranche).

The Private Placement remains subject to the final approval of the TSX Venture Exchange (the "**TSX-V**").

Grant of Incentive Stock Options:

The Company also announced that it has granted incentive stock options to purchase up to: (i) 525,000 Common Shares at an exercise price of $0.16 per share for a period of 42 months; and (ii) 1,250,000 Common Shares at an exercise price of $0.15 per share for a period of 48 months, to consultants and directors of the Company, in accordance with the provisions of the Company's stock option plan. The stock options will vest immediately. The stock-option grant remains subject to the TSX-V approval.

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:

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Item 9: Date of Report

May 11, 2017.