

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company

Atlantic Industrial Minerals Incorporated (the “**Issuer**”)
Suite 802, 1550 Bedford Highway
Bedford, Nova Scotia B4A 1E6

2. Date of Material Change

July 12, 2019

3. News Release

Not Applicable.

4. Summary of Material Change

Pursuant to the terms of an option agreement (the “**Option Agreement**”) dated July 12, 2019, between the Issuer and Gregory Isenor, a director of the Issuer, the Issuer has granted Mr. Isenor the option to acquire, on an “as is, where is basis”, a 100% interest, right and title to the Glencoe Carbonate Property (the “**Property**”) located in Inverness County, Cape Breton, Nova Scotia for the aggregate amount of \$5,000 payable on or before July 12, 2020 (the “**Transaction**”).

Mr. Isenor, a director of the Issuer, is considered to be a “related party” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Issuer is relying on the exemptions from the formal valuation and minority approval requirements of MI 61-101 contained in subsections 5.5(a) and 5.7(1)(a), of MI 61-101, respectively, as the fair market value of the subject matter of, and the fair market value consideration for, the transaction, do not exceed 25% of the Issuer’s market capitalization.

5. Full Description of Material Change

The material change is fully described in Item 4 above.

Disclosure Required by MI 61-101

Pursuant to MI 61-101, the Transaction constitutes a “related party transaction”, however, the Issuer is relying on the exemptions from the formal valuation and minority approval requirements of MI 61-101 contained in subsections 5.5(a) and 5.7(1)(a), of MI 61-101, respectively, as the fair market value of the subject matter of, and the fair market value consideration for, the Transaction do not exceed 25% of the Issuer’s market capitalization.

The following supplementary information is provided in accordance with Section 5.2 of MI-61-101:

(a) a description of the transaction and its material terms:

Pursuant to the terms of the Option Agreement, the Issuer has granted Mr. Isenor the option to acquire, on or before July 12, 2020, on an “as is, where is” basis, a 100% interest, right and title to the Property for the purchase price of \$5,000.

(b) the purpose and business reasons for the transaction:

The Issuer has not conducted any exploration work on the Property since 2017. Due to the Issuer's limited financial resources, the Issuer is not in a position to conduct sufficient exploration work to meet the annual assessment requirements required to maintain the Property in good standing.

In addition, in fiscal 2019, the Issuer conducted an impairment test on the Property and elected to write-off all capitalized expenditures and the Issuer changed its accounting policy for exploration and evaluation expenditures and now expenses these costs as incurred, resulting in the Property being ascribed a book-value of nil.

The Issuer has not been successful in attracting additional investments or identifying a suitable business combination partner. This fact, coupled with the fact that the Issuer does not have sufficient resources to satisfy the annual assessment requirements to maintain the Property in good standing, lead the directors to determined to dispose of the Property.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

See Item 4 above for a description of the Transaction.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Gregory Isenor, a director of the Issuer.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

None. No material change in the percentage ownership of the persons named in 5(d)(i) above occurred as a result of the Transaction.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

A resolution of the board of directors was passed in accordance with the *Canada Business Corporations Act* on July 12, 2019, approving the Option Agreement. As described in Item 4 above, the Issuer is seeking approval by the shareholders of the Issuer of the Transaction at the annual and special meeting of shareholders to be held on August 16, 2019. A special committee was not established in connection with the approval of the Option Agreement, and no materially contrary view was made by any director. Mr. Isenor declared his interest in the Transaction as set out in the resolution of the board of directors dated July 12, 2019.

(f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

The Issuer entered into the Option Agreement with Mr. Isenor. See Item 4 for a description of the Option Agreement and its material terms.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

Pursuant to MI 61-101, the Transaction constitutes a “related party transaction”, however, the Issuer is relying on the exemptions from the formal valuation and minority approval requirements of MI 61-101 contained in subsections 5.5(a) and 5.7(1)(a), of MI 61-101, respectively, as the fair market value of the subject matter of, or the fair market value consideration for, the Transaction, insofar as it involves interested parties, does not exceed 25% of the Issuer’s market capitalization.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

7. Omitted Information

No significant facts have been omitted from this Material Change Report.

8. Executive Officer.

The following is the name and business telephone number of an executive officer of the Issuer who is knowledgeable about the material change in this report:

Jean-François Lalonde
President & Chief Executive Officer
Telephone: 514-992-0929
Email: lalondejf@atlanticindustrialminerals.ca

9. Date of Report.

This report is dated at Toronto, this 9th day of August, 2019.