

Form 27

**Securities Act
MATERIAL CHANGE REPORT
Under Section 85(1) of the Act**

Item 1 Reporting Issuer

ADMIRAL BAY RESOURCES INC.
Suite #910, 510 Burrard Street
Vancouver, B.C.
V6C 3A8

Telephone: (604) 685-0766
Fax: (604) 682-6038

Item 2 Date of Material Change

March 3, 2000 - Vancouver, British Columbia

Item 3 Press Release

March 3, 2000

Item 4 Summary of Material Change

Admiral Bay Resources announces entering into an Option Agreement with Quantum Dynamics Group Inc. March 3rd, 2000. See item 5 below for details.

Item 5 Full Description of Material Change

ADMIRAL BAY RESOURCES INC. (USA) enters into an Option Agreement with Quantum Dynamics Group Inc. March 3rd, 2000.

ADMIRAL BAY RESOURCES INC. (“ADB.V”) is hereby pleased to announce that it has entered into an Option Agreement to purchase a majority of the shares of Quantum Dynamics Group Inc., a Private Energy Service Company (ESCO) head quartered in Reno, Nevada that specializes in providing full service power and gas, turnkey packages in strategic on-site generation and Cogeneration to Industrial and Commercial clientele with a targeted market primarily in the Western United States, Mexico and South America.

Quantum Dynamics has been involved in the private non-regulated side of the energy utility business for over four (4) years. During that time the company has formed strong working alliances and affiliations with Vericor Power Systems (formerly known as AlliedSignal Inc. and now known as Honeywell), Alt Energy Inc., a Texas based largest transporter of LNG (Liquid Natural Gas), and Coral Energy, a subsidiary of Shell Oil (America) to name a few. Recently, the company has executed a contract with Quebecor Printing Nevada Inc., a division of Quebecor World Inc., the largest printing company in the world headquartered in Montreal, Canada to install, operate and own a 6MW cogeneration and heat recovery power plant located in Fernley, Nevada. The first phase of the project cost the company (QDI) \$5 Million to implement, whereby providing 3 MW's of generation. The plant shall begin operation as of August 2000. In addition to selling the generated power to Quebecor, QDI will be providing all the natural gas under a ten-year contract. Phase two for the additional 3 MW's will begin in 2001 for this facility.

Quantum has a diversified portfolio of projects and clientele that are in process of negotiating agreements for on-site strategic power generation and wholesale gas services. Currently, Quantum has agreed to purchase from ALT Energy a Liquid Natural Gas Compressor Plant built in 1994 for \$24 Million. ALT has agreed to sell it to QDI at a reduced price and QDI has agreed to build a 6 MW power generation facility to be added to the LNG plant for one of ALT's existing gas distributor's for utilization with industrial clients in Mexico. The plant will be moved from its current location and installed near Nogales, Arizona under a take or pay contract for a term of 15 years.

Quantum is currently in process of auditing its company financials for the last fiscal year end and the company's net present value (including projects currently under contract and projects that will be under contract in 2000). Upon conclusion of the audit and filing tax returns, Quantum has agreed to provide the financial information to the Board of Admiral Bay for determining the price to purchase the offered shares of QDI and for agreement by both Admiral Bay and QDI in exercising the option announced above.

Item 6 Reliance on Section 85(2) of the Act

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Senior Officers

The following senior officer of the Issuer is knowledgeable about the material change and may be contacted by the Commission at the following:

Officer: Thomas J. Kennedy
 President

Telephone: (604) 685-0766
Fax: (604) 682-6038

Address: Admiral Bay Resources Inc.
 Suite #910, 510 Burrard Street
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Item 9 Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

March 3, 2000

(date)

Thomas J. Kennedy

(signature)

Thomas J. Kennedy

(name)

President

(position)

Vancouver, B.C.

(place of declaration)

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