Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Admiral Bay Resources Inc.
7060B S. Tucson Way
Centennial, CO 80112

Item 2 Date of Material Change

May 7, 2010

Item 3 News Release

Press Release issued on May 10, 2010 and disseminated through CNN Mathews.

Item 4 Summary of Material Change

The secured senior lenders of the Company's subsidiary Admiral Bay (USA) Inc. ("**Admiral Bay USA**") have filed and served a Petition for Foreclosure on certain assets of Admiral Bay USA.

Item 5 Full Description of Material Change

The Company's subsidiary Admiral Bay USA, is in default under its credit agreement with its senior lenders, GasRock Capital, LLC and Midtown Acquisitions, LP (formerly known as DK Acquisition Partners, LP). The obligations of Admiral Bay USA under the credit agreement are secured, as a first priority, by mortgages over certain of Admiral Bay USA's oil and gas properties and other related assets. The senior lenders have filed and served a Petition for Foreclosure on certain assets of Admiral Bay USA in the District Court of Greenwood County, Kansas. According to the Petition, Admiral Bay USA is indebted to the lenders in the principal amount of $42,501,705.70, plus interest at the default rate from and after March 31, 2010.

The action by Admiral Bay's lenders, outlined as a possible outcome of ongoing discussions in the Company's March 25, 2010 press release, comes after the Company and its lenders failed to agree on terms under which Admiral Bay USA would have been purchased by a third party. While the Company and the third party had agreed in concept to a combination of the companies, Admiral Bay USA's lenders rejected the terms of the transaction as total consideration was less than the outstanding principal balance of the loan obligation.

The Company continues to work with its lenders to seek a consensual resolution to the foreclosure petition, which would include the lenders agreeing to provide funds for a partial payment of trade creditors in exchange for such creditors agreeing to settlement terms and a release of Admiral Bay USA from further liability and a framework under which Admiral Bay USA would continue as a going concern by exchanging encumbered assets of Admiral Bay USA for full satisfaction of the outstanding secured obligations owed to the lenders under the credit agreement.

Should these conditions not be met, Admiral Bay USA would likely seek protection under the provisions of federal bankruptcy statutes, which the Company believes would likely result in negligible recovery for unsecured creditors.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

Item 7 Omitted Information

Not Applicable.

Item 8 Executive Officer

Contact: Steven Tedesco (Chief Executive Officer)
Telephone: (303) 350-1255

Item 9 Date of Report

May 17, 2010