

**FORM 51-102F3
AMENDED AND RESTATED MATERIAL CHANGE REPORT**

AMENDS AND RESTATES THE MATERIAL CHANGE REPORT DATED AUGUST 15, 2019

ITEM 1 Name and Address of Company

Emerald Bay Energy Inc. (the "Corporation")
3A – 4015 1 Street SE
Calgary, AB T2G 4X7

ITEM 2 Date of Material Change:

August 15, 2019

ITEM 3 News Release:

A press release was issued in respect of the material change on August 15, 2019.

ITEM 4 Summary of Material Change:

Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**", the "**Company**" or "**Emerald Bay**") today reported that the Corporation has closed its 33,333,333 units ("**Units**") were issued (of which 14,034,333 Units were acquired by directors and officers of the Corporation and 10,273,333 Units were acquired by insiders of the Corporation) at a price of \$0.015 per Unit, for aggregate consideration of \$500,000. Each Unit consisted of one (1) Common Share of the Corporation and one (1) share purchase warrant (the "**Warrant**") (each full Warrant shall entitle the holder thereof to purchase one (1) additional Common Share of the Corporation for a period of 12 months from the issuance of the Units at a price of \$0.05) (the "**Offering**").

The Warrants are subject to an acceleration clause whereby if after four months and one day following the date the Warrants are issued, the closing price of the Common Shares of the Corporation on the principal market on which such shares trade is equal to or exceeds \$0.10 for 30 consecutive trading days (with the 30th such trading date hereafter referred to as the "**Eligible Acceleration Date**"), the Warrant expiry date shall accelerate to the date which is 30 calendar days following the date a press release is issued by the Corporation announcing the reduced warrant term, provided, no more than five business days following the Eligible Acceleration Date: (i) the press release is issued; and (ii) notices are sent to all warrant holders.

The net proceeds will be used on the Corporation's assets in Texas. The Corporation will use the funds from this offering as follows:

- (i) land and lease renewals and acquisitions at Wooden Horse, Texas and LaVernia, Texas at an approximate cost of \$190,000;
- (ii) drill and test Kuhn A7 well (Wooden Horse) at an approximate cost of \$137,500; and
- (iii) drill and test Huebinger A1 well (Wooden Horse) at an approximate cost of \$137,500.

All of the Common Shares and Warrants issued pursuant to the private placement are subject to a 4-month hold period. The terms of the private placement are according to the TSX Venture Exchange Discretionary Waivers of \$0.05 Minimum Pricing Requirement Bulletin dated April 7, 2014 and are subject to the approval of the TSX Venture Exchange.

The subscription of Units by insiders of the Company (Mr. Shelby Beattie (an officer and director of the Company) – 3,000,000 Units; Mr. Clarence Wagenaar (an insider of the Company) – 10,273,333 Units; and Carlo Gutierrez (director of the Company) – 11,034,333 Units) may be considered a "Related Party Transactions" under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, however the Corporation will rely upon available exemptions from the minority shareholder approval and valuation requirements set forth in that Instrument (the fair market value of

these subscriptions being less than 25% of the Corporation's market capitalization (exemptions found in sections 5.5(a) and 5.7(1)(a) of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*)). The actions disclosed herein were approved by the board of directors of Emerald Bay via written resolution, signed and approved by all directors.

ITEM 5 Full Description of Material Change:

Reference is made to the press release attached hereto.

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

Not applicable.

ITEM 7 Omitted Information:

No material information has been omitted from this Report.

ITEM 8 Executive Officer:

For further information, please contact Shelby D. Beattie, President at (403) 262-6000 or by facsimile at (403) 263-6001.

ITEM 9 Date of Report:

Dated as of September 11, 2019.

The foregoing accurately discloses the material change referred to in this report.



Emerald Bay Energy

For Immediate Release: August 15, 2019

EMERALD BAY ANNOUNCES PRIVATE PLACEMENT

Calgary, Alberta, August 15, 2019 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**", the "**Company**" or "**Emerald Bay**") today reported that the Corporation has closed its 33,333,333 units ("**Units**") were issued (of which 14,034,333 Units were acquired by directors and officers of the Corporation and 10,273,333 Units were acquired by insiders of the Corporation) at a price of \$0.015 per Unit, for aggregate consideration of \$500,000. Each Unit consisted of one (1) Common Share of the Corporation and one (1) share purchase warrant (the "**Warrant**") (each full Warrant shall entitle the holder thereof to purchase one (1) additional Common Share of the Corporation for a period of 12 months from the issuance of the Units at a price of \$0.05) (the "**Offering**").

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- (vi) drill and test Huebinger A1 well (Wooden Horse) at an approximate cost of \$137,500.

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ABOUT EMERALD BAY

Emerald Bay Energy Inc. (EBY) is an energy company with oil producing properties in southwest Texas as well as non operated oil, natural gas, and electricity generation interests in Central Alberta, Canada. EBY is the operator of the Wooden Horse and Nash Creek Projects in Guadeloupe, Texas, where the Company currently now owns a 50.00% working interest in those projects. The Company also owns 75% of Production Resources Inc., a South Texas oil company.

To stay informed on Emerald Bay Energy, please join our Investor Group at <https://www.8020connect.com/groups/emerald-bay-energy-inc> for all upcoming news releases, articles, comments and questions.

For further information, please contact:

Emerald Bay President, Shelby D. Beattie, by telephone at (403) 262-6000
Email: info@ebyinc.com
www.ebyinc.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This press release includes statements that may constitute "forward-looking" statements, usually containing the words "believe," "estimate," "project," "expect", "plan", "intend", "anticipates", "projects", "potential" or similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Forward-looking statements are statements that are not historical facts.

Information inferred from the interpretation of drilling results may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when and if a well is actually developed. BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. The reader is cautioned that assumptions used in the preparation of such information, which are considered reasonable by Emerald Bay at the time of preparation, may prove to be incorrect. Actual results achieved will vary from the information provided and the variations may be material. There is no representation by Emerald Bay that actual results achieved will be the same in whole or part as those indicated in the forward-looking statements. Forward-looking statements in this document include statements regarding the Company's exploration, drilling and development plans, the Company's expectations regarding the timing and success of such programs. In particular, forward-looking information in this news release includes, but is not limited to, statements with respect to: pipeline acquisitions and leasing; pipeline permits, pipeline construction, production estimates, drilling operations, completion operations, funding and development goals. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, level of activity, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information. Factors that could cause or contribute to such differences include, but are not limited to, fluctuations in the prices of oil and gas, uncertainties inherent in estimating quantities of oil and gas reserves and projecting future rates of production and timing of development activities, competition, operating risks, acquisition risks, liquidity and capital requirements, the effects of governmental regulation, adverse changes in the market for the Company's oil and gas production, dependence upon third-party vendors, and other risks detailed in the Company's periodic report filings with the applicable securities regulators.