

FORM 51-102F3

AMENDED - MATERIAL CHANGE REPORT

1. **Name and Address of Reporting Issuer:**

Africa Hydrocarbons Inc. ("**AHI**" or the "**Corporation**")
Suite 320, 600 – 6th Avenue SW
Calgary, Alberta
T2P 0S5

2. **Date of Material Change:**

July 31, 2017

3. **News Release:**

New releases announcing the material change was issued on July 31, 2016.

4. **Summary of Material Change:**

AHI completed its previously announced non-brokered private placement (the "**Private Placement**") of 1,406,250 equity units ("**Units**") for aggregate gross proceeds of CAD\$225,000. The Corporation also completed its previously announced shares for debt transaction.

5. **Full Description of Material Change:**

AHI completed the Private Placement and in total has issued 1,406,250 Units at a price of \$0.16 per Unit for gross proceeds of CAD\$225,000.

Each Unit consists of one (1) common share of the Corporation ("**Common Share**") and one (1) Common Share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to acquire one (1) Common Share for a period of 12 months from the date of issuance of the Warrant, at an exercise price of \$0.21 per share.

The securities issued in connection with the Private Placement will be subject to a four-month hold period, in accordance with applicable securities laws.

The net proceeds from the Private Placement will be used in connection with continued operations of the Corporation, payment of outstanding debts, examining what financial and strategic alternatives may be available to the Corporation and towards general and administrative expenses.

Finders' fees totaling CAD\$3,850 in cash and a finder's warrant to acquire 24,062 Common Shares were paid to Smaller Capital Company Ltd. in respect of certain subscribers incidental to the Private Placement in accordance with the policies of the NEX / TSX Venture Exchange. The finder's warrants are exercisable at a price of \$0.16 for a period of 12 months from closing.

The Corporation also completed its previously announced shares for debt transaction wherein it settled debts owed by the Corporation to CRG Finance AG ("**CRG**") in the

amount of \$77,400.00 by issuance to CRG of 483,750 Common Shares at a price of CAD\$0.16 per Common Share (the “**Shares for Debt Transaction**”). CRG is a company owned and/or controlled by Sergei Stetsenko, a director of the Corporation.

Under the Private Placement, Douglas Wu, a director of the Corporation purchased 375,000 Units and now owns and controls approximately 3.90% of the issued and outstanding Common Shares. His participation in the Private Placement constitutes a “related party transaction” as defined in Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transaction (“**MI 61-101**”), which has been adopted by the NEX / TSX Venture Exchange pursuant to its Policy 5.9 - Protection of Minority Security Holders in Special Transaction. This transaction is exempt from the formal valuation and minority shareholder approval requirements of such instrument and policy, pursuant to the fair market value not more than 25% of market capitalization, the distribution of securities for cash and fair market value not more than \$2,500,000, exemptions.

A resolution of the Board of Directors was passed in accordance with the *Business Corporations Act* (Alberta) approving the Private Placement. No special committee was established in connection with the Private Placement, and no materially contrary view or abstention was expressed or made by any director. The interest of the director, Douglas Wu, in the Private Placement was disclosed to the directors of the Corporation prior to the execution of the consent resolution. The director involved in subscribing for Units was not involved in voting for the approval of the Private Placement.

Under the Shares for Debt Transaction, Sergei Stetsenko, a director of the Corporation was issued 483,750 Common Shares and now owns and controls approximately 14.77% of the issued and outstanding Common Shares. His participation in the Shares for Debt Transaction constitutes a “related party transaction” as defined in MI 61-101, which has been adopted by the NEX / TSX Venture Exchange pursuant to its Policy 5.9 - Protection of Minority Security Holders in Special Transaction. This transaction is exempt from the formal valuation and minority shareholder approval requirements of such instrument and policy, pursuant to the fair market value not more than 25% of market capitalization and fair market value not more than \$2,500,000, exemptions.

A resolution of the Board of Directors was passed in accordance with the *Business Corporations Act* (Alberta) approving the Shares for Debt Transaction. No special committee was established in connection with the Shares for Debt Transaction, and no materially contrary view or abstention was expressed or made by any director. The interest of the director, Sergei Stetsenko, in the Shares for Debt Transaction was disclosed to the directors of the Corporation prior to the execution of the consent resolution. The director involved in the Shares for Debt Transaction was not involved in voting for the approval of the Shares for Debt Transaction.

The Corporation did not file a material change report more than 21 days before the expected closing of the Private Placement and the Shares for Debt Transactions because the details of the participation therein by related parties of the Corporation were not settled until shortly prior to closing of such transactions and the Corporation wished to close on an expedited basis for sound business reasons.

6. **Reliance on Subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

7. **Omitted Information:**

No information has been omitted.

8. **Executive Officer:**

For further information please contact Pamela White, Corporate Secretary, by telephone at 1 (403) 984-3194.

9. **Date of Report:**

Aug. 17, 2017

Forward Looking Statements

Any forward looking statements included in this report are subject to the disclaimer regarding forward looking information that can be found in the press release of the Corporation dated July 31, 2017.