

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

**1. Name and Address of Company**

Journey Energy Inc. (“**Journey**” or the “**Company**”)  
Suite 700, 517 – 10<sup>th</sup> Avenue SW  
Calgary, AB, Canada T2R 0A8

**2. Date of Material Change**

September 30, 2019

**3. News Release**

A news release with respect to the material change described herein was issued by Journey on September 30, 2019 through CNW Group and filed on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”).

**4. Summary of Material Change**

On September 30, 2019, Journey announced the completion of a non-brokered, private placement for \$7.3 million of flow through common shares (within the meaning of the Income Tax Act (Canada) (the “**Flow-Through Shares**”).

Journey further announced that it had renegotiated its two outstanding tranches of promissory notes that were previously issued to Alberta Investment Management Corporation (“**AIMCo**”), on behalf of certain of its clients, and entered into a new second-lien term debt financing with AIMCo comprised of two tranches of \$22 million each. As part of the new term debt issuance, AIMCo received 1,137,331 warrants to purchase common shares of Journey at an exercise price of \$3.15 per share.

Journey also announced that AIMCo increased its equity stake in the Company by 2,790,700 common shares through a private purchase with third parties.

**5. Full Description of Material Change**

**5.1 Full Description of Material Change**

On September 30, 2019, Journey announced the completion of a non-brokered, private placement for \$7.3 million of Flow-Through Shares. 2.8 million Flow- Through Shares were issued at a price of \$2.60 per share, representing a premium of 13.5% to the five day, volume weighted average price of Journey’s shares preceding September 30, 2019. The proceeds from the issuance of the Flow-Through Shares will be used to incur eligible Canadian Development Expenses (“**CDE**”) prior to March 31, 2020. Journey is planning to use the funds for development activity in its Matziwin and Skiff core areas, which will be conducted between October 1, 2019 and March 31, 2020. Initially, Journey plans to drill 4 wells (3.6 net) in Matziwin prior to year-end, followed by a development program in Skiff in the first quarter of 2020. The 2019 drilling activity is already included in Journey’s current guidance.

Journey also announced that it had renegotiated its two outstanding tranches of promissory notes that were previously issued to AIMCo, on behalf of certain of its clients. Both sets of promissory notes were repaid and a new, second-lien, term debt financing was entered into with AIMCo comprised of two tranches of \$22 million each. The first tranche will mature on September 30, 2022 and bear interest at 7.65% per annum. The second tranche was extended three years past its original expiry and will now mature on October 31, 2023. This tranche will bear interest at 11.5% per annum. As part of the new term debt issuance, AIMCo received 1,137,331 warrants to purchase common shares of Journey at an exercise price of \$3.15 per share. The warrants will expire on September 30, 2022. The warrant terms further provide that, subject to certain exceptions on a change of control, AIMCo shall only be permitted to exercise a percentage of the warrants determined such that, at no time shall AIMCo be deemed to have beneficial ownership of greater than 19.99% of the outstanding common shares.

In addition, AIMCo increased its equity stake in Journey by 2,790,700 common shares through a private purchase with third parties. AIMCo now holds 7,740,700 common shares of Journey, representing approximately 18.4% of the basic outstanding shares, after incorporating the private placement of Flow-Through Shares.

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

Not applicable.

**7. Omitted Information**

Not applicable.

**8. Executive Officer**

For further information, contact Gerry Gilewicz, Chief Financial Officer, at (403) 294-1635.

**9. Date of Report**

October 4, 2019

**ADVISORIES**

*Information in this material change report that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws, which involves substantial known and unknown risks and uncertainties, most of which are beyond the control of Journey, including, without limitation, those listed under "Risk Factors" and "Forward Looking Statements" in the Annual Information Form filed on www.SEDAR.com on March 27, 2019. Forward-looking information contained in this material change report is based on the Company's current estimates, expectations and projections, which Journey believe are reasonable as of the current date. No assurance can be given that the expectations set out herein will prove to be correct and accordingly, you should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, Journey is under no obligation and does not undertake to update this information at any particular time except as required by applicable securities law.*

*Readers are cautioned that the above list of risks and factors are not intended to be exhaustive. Additional information on these and other factors that could affect our operating and financial results are, or will be, included in reports filed with the applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).*