

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**UNDER NATIONAL INSTRUMENT 51-102**

**Item 1 Name and Address of Company**

Metalex Ventures Ltd.  
203-1634 Harvey Avenue  
Kelowna, British Columbia  
V1Y 6G2

(the “Company”)

**Item 2 Date of Material Change**

January 20, 2012.

**Item 3 News Release**

On January 20, 2012, a news release was issued and distributed through Stockwatch and filed with the applicable regulatory authorities via SEDAR.

**Item 4 Summary of Material Change**

The Company has signed a letter agreement pursuant to which a private equity fund managed by Dundee Corporation group may acquire up to a 51% interest in the U2 and T1 kimberlite pipes through a four stage investment of up to \$51 million and form a joint venture with the Company to develop the project.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

The Company has signed a letter agreement pursuant to which a private equity fund (the “Fund”) managed by Dundee Corporation group (“Dundee”) may acquire up to a 51% interest in the U2 and T1 kimberlite pipes through a four stage investment of up to \$51 million and form a joint venture with the Company to develop the project.

The agreement is subject to the Company and the Fund successfully negotiating an earn-in agreement as well as obtaining the necessary corporate and regulatory approvals. The companies have committed to use their reasonable commercial efforts and good faith to finalize and approve the earn-in agreement within 60 days.

**First Right – \$5 million convertible loan**

Dundee has agreed to advance on behalf of the Fund a \$5 million interest free loan to the Company within five business days. The funds, along with \$10 million to be allocated simultaneously by the Company, will be used for preparatory work for the 10,000+ ton bulk sample.

At the option of the Fund, this loan can be converted to the Company shares or applied towards the Second Right. If the loan is converted to the Company shares within six months of signing this agreement it will be converted at \$1.00 per share. Should the loan be converted after six months from the signing of this agreement it will be converted at \$0.90 per share.

### **Second Right – \$17.5 million to earn 17.5% interest**

The Second Right investment of a minimum of \$17.5 million (including the \$5 million loan) shall be made by the Fund as required, if the Fund exercises its right within the later of one month after receipt by the Company of the final permitting for the 10,000+ ton bulk sample and the Company notifying of its proposal to commence undertaking the bulk sample. Should the Fund and the Company agree on a budget of greater than \$17.5 million, the Fund shall earn an additional 1% interest in the project for each \$1 million spent over and above \$17.5 million. Once payment is received, the Fund will hold a minimum of a 17.5% interest in the project and will have earned its Second Right and may undertake its Third Right.

### **Third and Fourth Rights – Up to \$51.0 million to earn a 51% interest**

Under the Third Right investment, the Fund will make a further payment as required to bring its total contribution to \$40 million. This will bring the Fund's interest to 40% and must occur within four years of the earn-in agreement. Once the Fund has earned its Third Right it may undertake the Fourth Right. Under the Fourth Right investment of \$11 million, the Fund will have earned a 51% interest in the project.

These funds are to be used to complete a feasibility study on the project and towards costs related to the project. If the feasibility study is positive, the Fund will use best commercial efforts for the joint venture to secure funding for the development of the mine to commercial production within four years.

## **5.2 Other Disclosure**

The transaction will enable the Company to have the development of its U2 and T1 kimberlite pipes funded in a manner favorable to the Company.

For the purposes of the transaction, Dundee is an "interested party" as that term is defined in section 1.1 of Multilateral Instrument 61-101. If the \$5 million loan is converted into common shares of the Company the percentage of shares of the Company that Dundee and its associated entities beneficially owns or controls will increase from 17.98% to 23.72% (assuming a conversion rate of \$1.00 per share) or from 17.98% to 24.31% (assuming a conversion rate of \$0.90 per share).

Kel-Ex Developments Ltd., a company controlled by Dr. Charles Fipke, the Chairman of the Company, is also an "interested party" for the purposes of Multilateral Instrument 61-101. It holds a 10% carried interest in the project.

There has been no formal valuation obtained for the proposed transaction nor has there been any prior valuations relating to the project within the past 24 months. In this regard the Company is relying on the exemption from the formal valuation requirement set forth in section 5.5(b) of Multilateral Instrument 61-101.

## **5.3 Disclosure for Restructuring Transactions**

Not Applicable

**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**

Chad Ulansky  
President and Chief Executive Officer  
Telephone: (250) 860-8599  
Facsimile: (250) 860-1362

**Item 9 Date of Report**

January 30, 2012

Some of the statements contained herein may be forward-looking statements which involve known and unknown risks and uncertainties. Without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of the Company are forward looking statements that involve various risks. The following are important factors that could cause the Company's actual results to differ materially from those expressed or implied by such forward looking statements: changes in the world wide price of mineral commodities, general market conditions, risks inherent in mineral exploration, risks associated with development, construction and mining operations, the uncertainty of future profitability and the uncertainty of access to additional capital. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events may differ materially from those anticipated in such statements. The Company undertakes no obligation to update such forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on such forward-looking statements.