

## 51-102F3 Material Change Report

### Item 1 Name and Address of Company

State the full name of your company and the address of its principal office in Canada.

**DIAMONDS NORTH RESOURCES LTD.  
Suite 1100 – 1111 Melville Street  
Vancouver, B.C.  
V6E 3V6**

### Item 2 Date of Material Change

State the date of the material change.

**May 31, 2012**

### Item 3 News Release

State the date and method(s) of dissemination of the news release issued under section 7.1 of National Instrument 51-102.

**NR #12-03 dated May 31, 2012 was disseminated by Marketwire.**

### Item 4 Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

**Diamonds North Resource Corp. (TSX-V: DDN) and Uranium North Resources Corp (TSX-V: UNR)** (“the Companies”) announce the formation of a 50:50 strategic partnership, Minerals North LLC, a Nevada incorporated company. The partnership allows both companies to explore new opportunities in Washington State at reduced cost and risk while maintaining our northern Canadian assets. The 100% owned private company was created to acquire projects with the potential for high grade ore deposits that allow for underground mining and direct access to existing processing facilities.

#### **The Terms of the Lease Agreements:**

##### **Poland China**

Minerals North LLC has paid US\$5,000 to access the property until September 1, 2012, and following that, by making the following lease payments:

- i) US\$15,000 on or before October 1, 2012
- ii) US\$25,000 on or before October 1, 2013
- iii) US\$30,000 on or before October 1, 2014
- iv) US\$35,000 on or before October 1, 2015
- v) US\$40,000 on or before October 1, 2016 and for each subsequent anniversary until purchase of the property.

Minerals North LLC has the right to purchase the entire property at any time for the greater of US\$7,500,000 or 200% of fair market value of surface rights only, excluding any value attributed to any minable commodities that may be delineated. The property is subject to a 3% NSR, of

which 1.0% can be purchased for US\$1,000,000 and a further 1.0% can be acquired for an additional US\$2,000,000.

### **Golden Reward**

Minerals North LLC has paid US\$20,000 to access the property until August 1, 2012, and following that, by making the following lease payments:

- i) US\$25,000 on or before September 1, 2012
- ii) US\$30,000 on or before September 1, 2013
- iii) US\$40,000 on or before September 1, 2014 and each subsequent year until 2032 or purchase of the property.

Minerals North LLC has the right to purchase the surface rights at any time for US\$8,000,000 and the property is subject to a 3% NSR, of which Minerals North, LLC has the option to purchase one-half of the NSR (1.5%) for US\$2,000,000.

Each property has a 0.25% royalty payable to a consulting geologist. Each royalty may be purchased at any time for the value of 300 ounces of gold.

### **5.1 Full Description of Material Change**

Supplement the summary required under Item 4 with sufficient disclosure to enable a reader to appreciate the significance and impact of the material change without having to refer to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7.

Some examples of significant facts relating to the material change include: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the issuer or its subsidiaries. Specific financial forecasts would not normally be required.

Other additional disclosure may be appropriate depending on the particular situation.

Minerals North LLC is targeting north eastern Washington, an area where numerous historical mines exist and due to previously depressed commodity prices may have been overlooked. These areas have never been explored using modern exploration techniques or geographical models. The projects include two gold/silver leases on private land, Golden Reward and Poland China (See terms below). The southern geographical location, infrastructure and climate allow for year round, low cost exploration activities and consistent news flow.

*“We believe that Washington is equally as prospective as northern Canada, however, exploration costs in Washington are estimated to be 75 to 80% less than northern Canada. Numerous high grade deposits have been mined in Washington State and it is currently host to one of the highest grade gold deposits being mined in the USA today. The development of the Kinross Buckhorn Gold Mine in 2008 indicates that Washington State is serious about mining and the door is open to this type of investment,”* Says Mark Kolebaba, President and CEO of Uranium North Resources.

The **Poland China Gold Historic Mine** is located approximately 10 kilometres from the Kinross Buckhorn gold mine and less than 75 kilometres, by existing road, to the Kinross Kettle River gold processing mill. Poland China is considered to be a sedimentary hosted vein gold deposit. The main Kismet Vein had a mining grade of 8.2 g/T to 12.7g/T gold. The vein averages 2.1 metres in width increasing up to 4.5 metres wide and is hosted within graphitic argillite.

Historic reports state that the Kismet vein is traceable on the surface for a length of 750 metres and there are at least three other veins in the area that have been partly developed, one of which was 2.6 metres wide and traceable for 1500 metres. The mine workings cover only about 100 metres of strike length along the Kismet vein with two levels, leaving much of the vein un-mined. Since mining at Poland China ceased around 1940 there has been no recorded systematic and comprehensive exploration program on the property.

Samples collected during a recent site visit yielded a sample with 26 g/T gold 3 kilometres north of the historic mine site on the property. As well, two samples collected from the main adit returned 12.7 g/T and 15.5 g/T gold.

The 2012 initial exploration program will include detailed mapping, ground geophysics and soil sampling to delineate the extent of the Kismet vein and identify additional mineralized veins on the property. The exploration work will be conducted in the context of the sedimentary hosted vein style deposit model. This deposit style has the potential for multi-million ounces of gold. An example of this style of deposit is the Ballarat gold deposit in Australia with an estimated total resource of ~20 million ounces of gold.

The **Golden Reward property** is located approximately 60 kilometres from Kinross's Kettle River mill. The property hosts an epithermal gold bearing vein system that extends across the property for more than 1 kilometre. Small scale historical mining was conducted from several adits on and near the property. The property has had little modern exploration with the exception of seven drill holes from three drill sites by Kennecott in 1989-90. Two of the 7 holes steepened and failed to intersect the target. The remaining 5 holes intersected the mineralized structure at shallow depth. The best reported gold values from this limited drilling campaign were 1.40 g/T gold over 8.5 metres and 1.09 g/T gold over 9.8 metres including 2.74 g/T gold over 4.27 metres.

A grab sample collected during a recent site visit from exposed vein material yielded 14 g/T gold; other grab samples assayed from 0.52 g/T to 1.59g/T gold.

Golden Reward is close to drill-ready. Historic surface sampling data indicates that in general gold values improve at lower elevations. This target has never been adequately tested at depth. The opportunity here is to test for high grade gold/silver zones below depths of 200 to 300 metres.

During the 2012 exploration program the detailed historic geological map will be geo-rectified prior to outcrop sampling. A detailed magnetic survey will be completed to better position the mineralized structure in preparation for drilling and attempt to identify other existing structures on the property to test.

Minerals North LLC is a 50/50 partnership and 100% of all costs associated with Minerals North will be shared by Diamonds North and Uranium North. Uranium North will serve as the initial project operator.

Washington State is a highly prospective mineral rich region steeped in mining history. The same productive geological belts in British Columbia extend into the state. The region has a prolific mining history dating back to the 1800's and in the last 50 years, Washington has produced an estimated 6 to 8 million ounces of gold, and significant amounts of silver and copper. Over the last 25 years there has been limited modern systematic exploration conducted in Washington. The most recent mine development in the state is the Kinross Buckhorn gold mine that opened in 2008 and has an estimated resource of one million ounces gold with an average grade of 11.3g/T gold. Kinross also operates the Kettle River gold processing mill which is currently operating below full capacity.

Washington State is highly accessible and has well established infrastructure. A dense network of roads provides inexpensive, easy access. Electricity, nearby mineral processing facilities and access to major ports and labour force all contribute to lower cost of operations. Working in this area will allow for a much larger percentage of our exploration resources to be allocated to our geological efforts.

The Companies actively seeking joint venture partners for our northern Canadian projects as they represent significant opportunity. We are eager to initiate our exploration programs in Washington State and look forward to reporting further developments in the coming weeks and months.

Graham Gill P. Geo, is the Qualified Persons as defined by National Instrument 43-101 reviewing the data in this news release. All the Minerals North samples were completed by ALS Canada Ltd. The historical work is from private reports and has not been verified by the Company, however, it appears to have been completed under standard best practices consistent with the time and appears to be of reasonable quality.

## **5.2 Disclosure for Restructuring Transactions**

This item applies to a material change report filed in respect of the closing of a restructuring transaction under which securities are to be changed, exchanged, issued or distributed. This item does not apply if, in respect of the transaction, your company sent an information circular to its security holders or filed a prospectus or a securities exchange takeover bid circular.

Include the disclosure for each entity that resulted from the restructuring transaction, if your company has an interest in that entity, required by section 14.2 of Form 51-102F5. You may satisfy the requirement to include this disclosure by incorporating the information by reference to another document.

### **INSTRUCTIONS**

(i) If your company is engaged in oil and gas activities, the disclosure under Item 5 must also satisfy the requirements of Part 6 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

(ii) If you incorporate information by reference to another document, clearly identify the referenced document or any excerpt from it. Unless you have already filed the referenced document or excerpt, you must file it with the material change report. You must also disclose that the document is on SEDAR at [www.sedar.com](http://www.sedar.com).

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

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102, state the reasons for such reliance.

### **INSTRUCTION**

Refer to subsections 7.1 (4), (5), (6) and (7) of National Instrument 51-102 concerning continuing obligations in respect of reports filed under subsection 7.1(2) or (3) of National Instrument 51-102.

**Item 7 Omitted Information**

State whether any information has been omitted on the basis that it is confidential information.

**NO INFORMATION HAS BEEN OMITTED.**

In a separate letter to the applicable regulator or securities regulatory authority marked "Confidential" provide the reasons for your company's omission of confidential significant facts in the Report in sufficient detail to permit the applicable regulator or securities regulatory authority to determine whether to exercise its discretion to allow the omission of these significant facts.

**INSTRUCTIONS**

In certain circumstances where a material change has occurred and a Report has been or is about to be filed but subsection 7.1(2), (3) or (5) of National Instrument 51-102 is not or will no longer be relied upon, your company may nevertheless believe one or more significant facts otherwise required to be disclosed in the Report should remain confidential and not be disclosed or not be disclosed in full detail in the Report.

**Item 8 Executive Officer**

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

**MARK KOLEBABA**  
**Tel. (604) 689-2010**

**Item 9 Date of Report**

This report is dated the 31<sup>st</sup> day of May, 2012.