

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

True North Gems Inc.
Suite 3114 – 1055 Dunsmuir Street
Four Bentall Centre, PO Box 49081
Vancouver, BC V7X 1G4

2. Date of Material Change

October 17, 2012

3. News Release

The news release announcing the material change was disseminated on October 17, 2012, through Marketwire. The news release was also filed on SEDAR with the securities regulatory authorities in British Columbia, Alberta, Ontario, North West Territories and Yukon.

4. Summary of Material Change

True North Gems Inc. announced the appointment of Mr. Ronald Hall as Vice President of Engineering. Mr. Hall brings over 35 years of diverse industry experience to this new role. As a consultant, Mr. Hall has been advising the Company since 2011 on ruby and pink sapphire plan flow sheet optimization. Mr. Hall's immediate new responsibilities include finalizing the detailed engineering and processing-plant design for the Company's planned flagship Aappaluttoq Ruby Mine in SW Greenland.

5.1 Full Description of Material Change

See attached news release.

5.2 Disclosure for Restructuring Transactions

N/A

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

Not applicable.

7. Omitted Information

No information has been intentionally omitted from this material change report.

8. Executive Officer

Nicholas Houghton, CEO, 604-488-8055

9. Date of Report

January 16, 2013

FOR: TRUE NORTH GEMS INC.
TSX VENTURE SYMBOL: TGX

True North Gems Appoints Vice President of Engineering

17th October 2012 - Vancouver, British Columbia - True North Gems Inc. (the "Company") (TSX-V: TGX) is pleased to announce the appointment of Mr. Ronald Hall as Vice President of Engineering. Mr. Hall brings over 35 years of diverse industry experience to this new role. As a consultant, Mr. Hall has been advising the Company since 2011 on ruby and pink sapphire plan flow sheet optimization. Mr. Hall's immediate new responsibilities include finalizing the detailed engineering and processing-plant design for the Company's planned flagship Aappaluttoq Ruby Mine in SW Greenland.

Nicholas Houghton, President and CEO, stated, "The depth of Mr. Halls engineering, management and development expertise ensure we have the ultimate person to lead our operating team as we move forward towards production at the Aappaluttoq Ruby Mine. His appointment is also a testament to the strength of our organization and demonstrates the potential growth we have as a Company. We all look forward to working closely with him to deliver a steady and sustainable source of Greenlandic Ruby and Pink Sapphire to the coloured stone industry."

Mr. Hall was formerly a Partner and Vice President of Mining at Wardrop Engineering Inc. During this seven (7) year period he oversaw a period of large-scale expansion and growth within the company's Canadian operations, and the successful opening of international branches in China, Chile, Brazil, Hong Kong and Australia. Previously, while at SNC Lavalin, Hatch and MinMet Consulting Mr. Hall was involved with the advanced mine engineering and design across multiple commodities including copper, cobalt, gold, silver, PGE's, rare earth elements and diamonds. He spent seven (7) years as Senior Metallurgist and Operations Superintendent at DeBeers' Orapa and Jwaneng Diamond mines in Botswana; and was recently appointed as a non-executive director for Chinalco, a Chinese State Owned mining company focused on copper developments in Peru.

True North Gems Inc. is listed on the TSX Venture Exchange and is engaged in the exploration and development of Greenlandic and North American coloured gemstone prospects. The Company is a pioneer in colored gemstone exploration and, currently in Greenland, has the rights to earn 100% interest in the Aappaluttoq ruby and pink sapphire project, holds a 100% interest in the Tsa da Glisza emerald property, Yukon, and the Beluga sapphire property located on Baffin Island, Nunavut. True North's prime focus remains the commercial advancement of the Aappaluttoq Ruby Project in Greenland.

For further information contact:

Nicholas Houghton
President and CEO

or

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Neither the 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. This document contains “forward-looking information” and “forward-looking statements” (together, “forward-looking statements”) within the meaning of applicable securities legislation, which are made as of the date of this document or the document(s) referred to herein. Statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “anticipates”, “plans”, “projects”, “estimates”, “intends”, “strategy”, “goals”, “objectives” or variations thereof or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements include, without limitation, statements with respect to: the amount of mineral reserves and mineral resources; the amount of future production over any period; net present value and internal rates of return of the proposed mining operation; capital costs; operating costs; strip ratios and mining rates; and mine life. The forward-looking statements are made based upon certain assumptions which, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by the forward-looking statements. These assumptions include, without limitation: the price of gemstone products produced; anticipated costs; the presence of and continuity of gemstones at modeled grades and values; the capacities of various machinery and equipment; the availability of personnel, machinery and equipment at estimated prices; exchange rates; appropriate discount rates; tax rates applicable to the proposed mining operation; financing structure and costs; anticipated mining losses and dilution; gemstone recovery rates; reasonable contingency requirements; and receipt of regulatory approvals on acceptable terms. By their very nature, forward-looking statements involve inherent risks and uncertainties that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements. These include, without limitation: price volatility, discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries, mining operational and development risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of gemstone exploration, the global economic climate, dilution, share price volatility, competition, loss of key employees; additional funding requirements and defective title to mineral claims or property]. This list is not exhaustive. See also, for example, the risks disclosed in the Company’s other disclosure documents filed at www.sedar.com, including, without limitation, those disclosed in the Company’s management’s discussion & analysis. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, except as otherwise required by applicable securities legislation.