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

March 3, 2014

3. News Release

The news release announcing the material change was disseminated on March 3, 2014, through Marketwired. The news release was also filed on SEDAR with the securities regulatory authorities in British Columbia, Alberta, Ontario, Northwest Territories and Yukon.

4. Summary of Material Change

True North Gems Inc. announced that the Government of Greenland has awarded the company an exclusive 30-year exploitation (mining) licence for the Aappaluttoq Ruby Deposit, 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) 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

March 11, 2014

True North Gems Awarded 30-Year Mining Licence for the Aappaluttoq Ruby Deposit

Vancouver – March 3, 2014 – True North Gems Inc. (TGX: TSX-V) ("True North" or the "Company") is extremely pleased to announce that the Government of Greenland has awarded the Company an exclusive 30-year exploitation (mining) licence (the "Exploitation Licence") for the Aappaluttoq Ruby Deposit, SW Greenland.

"Today marks the culmination of our exploration, delineation and major permitting activity. Since 2004 we have worked hard to plan a sustainable mining operation that showcases the economic opportunities for our shareholders and the people of Greenland," said Nicholas Houghton, President and Chief Executive Officer. *"This also heralds the beginning of our transformation from an exploration company to a producer. It will enable us to showcase and deliver a new supply of rubies and pink sapphires to the worldwide gemstone industry. I would like to take this opportunity to publically thank all who have worked with us and helped to achieve this major milestone."*

The Aappaluttoq Ruby Deposit will be an open pit development, and over its initial 9-year mine life it will directly create up to 80 new jobs in Greenland; these will range from mining operations at the Aappaluttoq site to gemstone grading in the Nuuk Processing Facility. The project will also act as a stimulus for other investment in both secondary and supporting industries.

History:

Significant geological exploration and engineering has taken place over the last decade. Throughout this process, the Company has endeavored to engage with the local communities and utilize local support companies. The approximate US$23 million investment by LNS-Greenland ("LNS-G") announced on August 13, 2013 forms a strategic partnership that significantly reduces the Company's financial requirements in exchange for 20% of the project. Final technical work was subsequently completed, and the Company entered the formal Exploitation Permitting process in mid-2011, successfully completing public hearings in the fall of 2013.

Continued Development:

The granting of the Exploitation Licence is the catalyst for future development; as previously announced, the Company has been engaged in initial Impact Benefit Agreement (IBA) negotiations and continues to finalise the mine environmental monitoring and subsequent closure plan. The advanced process engineering design is also currently being finalised and will be completed in due course.

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Under the Exploitation Licence, which will become officially effective on March 10, 2014, True North has agreed to pay a gross revenue royalty (the "Gross Royalty") to the Government of Greenland of 5.5% on all sales of rubies and pink sapphires exploited from the Aappaluttoq Ruby Deposit. The Gross Royalty will be payable in each calendar year when the total aggregate paid by True North in corporate taxes, withholding taxes and "Surplus Royalty" are less than the calculated Gross Royalty in that calendar year, such that the Government receives a minimum amount. The Surplus Royalty is calculated at a rate of 15% on earnings before financial items and tax on any profit in any calendar year to the extent the annual profit exceeds the profit margin percentage of 40%. The new fiscal agreement will have no adverse impact on the net present value of the project.

For further information, contact:

Nicholas Houghton
President and CEO

Joanna Hall
Corporate Coordinator

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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.