

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

1. Name and Address of Company

True North Gems Inc. (“True North” or the “Company”)
Suite 3114 – 1055 Dunsmuir Street
Four Bentall Centre, PO Box 49081
Vancouver, BC V7X 1G4

2. Date of Material Change

October 30, 2014

3. News Release

The news release announcing the material change was disseminated on October 30, 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. closed the \$11,000,000 finance package with Leonard Nilsen & Sonner A/S and LNS Greenland A/S that was previously announced on September 11, 2014.

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

November 4, 2014



TGX:TSX-V

TRUE NORTH GEMS

True North Gems Closes \$11 million Finance Package for the Aappaluttoq Ruby Project in SW Greenland

Vancouver – October 30th, 2014 – True North Gems Inc. (TGX: TSX-V) (“True North” or the “Company”) is pleased to announce the closing of the \$11,000,000 finance package with Leonard Nilsen & Sonner A/S (“LNS Group”) and LNS Greenland A/S (“LNSG”) that was previously announced on September 11, 2014.

“With the completion of this financing package True North and LNSG can now concentrate on building Greenland’s first ruby mine together.” stated Nicholas Houghton, President and CEO. *“I am very impressed by the organized and coordinated way mobilization has thus far been conducted and successfully concluded by our LNSG partners. Our local staff in Greenland are working closely with the LNSG teams and we all look forward to overcoming the challenges of the mine construction phase, and commencing production next year.”*

The LNS Group and LNSG have now provided financing to True North and True North Gems Greenland A/S (“TNGG”), True North’s local operating subsidiary as follows:

- LNS Group invested CDN\$3,000,000 in True North through the purchase of 28,571,428 Class A common shares of the Company (“Shares”) at a price of CDN\$0.105 per share;
- LNS Group immediately purchased 7.0% of TNGG for US\$3,000,000, increasing their ultimate joint venture interest to 27%; and
- LNSG will provide an additional US\$5,000,000 towards the estimated construction cost through a capital loan over the term of the initial mine life.

The Shares issued under the financing into True North are subject to a four month hold period and may not be traded until March 1, 2015, except as permitted by Canadian securities legislation and the TSX Venture Exchange.

The Company intends to use the net proceeds of the financing towards the in-house costs for EPCM, identifying key long-lead-time items for the processing plant, and reaching full operational status.

Progress reports will be issued periodically as construction milestones are achieved.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

For further information, contact:

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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.