

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1.            Reporting Issuer**

True North Gems Inc. (the "Issuer")  
Suite 700-1055 West Georgia Street  
Vancouver, BC V6E 3P3

**Item 2.            Date of Material Change**

January 9, 2018

**Item 3.            News Release**

A news release with respect to the material change referred to in this report was disseminated on January 9, 2018 via the facilities of Stockwatch and subsequently filed on the Issuer's SEDAR profile.

**Item 4.            Summary of Material Change**

See attached news release.

**Item 5.            Full Description of Material Change**

See attached news release.

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

This report is not being filed on a confidential basis.

**Item 7.            Omitted Information**

There are no significant facts required to be disclosed herein, which have been omitted.

**Item 8.            Director/Senior Officer**

Name of Executive Officer: Andrew Lee Smith, Interim CEO

Telephone Number: (604) 505-2233

**Item 9.            Date of Report**

January 10, 2018



## True North Gems to consolidate on 10 old for 1 new share basis

**Vancouver – January 9, 2018** – True North Gems Inc. (TGX: TSX-V) (“True North” “TGX” or the “Company”) announces that the Company is proceeding to consolidate its capital on a ten (10) old shares for one (1) new share basis. The consolidation is being effected to enhance the investmentability of the Company’s equity. The consolidation is subject to applicable regulatory approval.

For further information please contact:

True North Gems Inc.

“Glen Macdonald”

Glen Macdonald, Director

[glenmacdonald47@gmail.com](mailto:glenmacdonald47@gmail.com)

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](http://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.*