FORM 51-102F3
Material Change Report

Item 1. **Name and Address of Company**

Northquest Ltd. (the "Northquest" or the "Company")
36 Toronto Street
Suite 1000
Toronto, Ontario
M5C 2C5

Item 2. **Date of Material Change**

A material change took place on May 6, 2011.

Item 3. **News Release**

On May 6, 2011, a news release in respect of the material change was disseminated.

Item 4. **Summary of Material Change**

The Company announced that it had issued 435,000 units (the "Units") at a price of $0.80 per Unit and 2,257,423 flow-through units (the "FT Units") at a price of $1.05 per FT Unit for aggregate gross proceeds of $2,718,294 pursuant to its previously announced private placement (the "Offering").

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

The Company announced that it had issued 435,000 Units at a price of $0.80 per Unit and 2,257,423 FT Units at a price of $1.05 per FT Unit for aggregate gross proceeds of $2,718,294 pursuant to the Offering. Each Unit consists of one common share of Northquest and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to acquire one additional common share of Northquest until May 6, 2013 at an exercise price of $1.65 per share. Each FT Unit consists of one "flow through" common share of Northquest and one-half of one common share purchase warrant, each whole common share purchase warrant entitling the holder thereof to acquire one additional common share of Northquest (which shall not be a "flow through share") until May 6, 2013 at an exercise price of $1.50 per share.

NCP Northland Capital Partners Inc. ("NCP") acted as agent for and on behalf of Northquest, with respect to the Offering, pursuant to which they received a cash commission and 175,886 broker warrants each of which is exercisable to acquire one common share at a price of $1.00 until May 6, 2013.

The securities issued are subject to a hold period expiring September 7, 2011 in accordance with the rules and policies of the TSX Venture Exchange and applicable Canadian securities laws and such further restrictions as may apply under foreign securities laws. The gross proceeds from the sale of the FT Units will be used for exploration and development of Northquest's Nunavut properties. Northquest's expenditures will qualify as "Canadian exploration expenses" (CEE) under the Income Tax Act (Canada) and will be renounced to Investors for the 2011 taxation year. The net proceeds from the sale of Units will be used for development of Northquest's properties and for general working capital purposes. Northquest may close additional tranches of the Offering.

The Offering remains subject to the final approval of the TSX Venture Exchange.

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

The report is not being filed on a confidential basis.

Item 7. **Omitted Information**

No information has been omitted.

Item 8. **Executive Officer**

Jon North, President and Chief Executive Officer

(416) 786-6348

Item 9. **Date of Report**

DATED at Toronto, in the Province of Ontario, this 6th day of May, 2011.

Forward Looking Statements – Certain information set forth in this material change report may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Northquest, including, but not limited to the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.