

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

TURQUOISE CAPITAL CORP.
Suite 810, 789 West Pender Street
Vancouver, BC V6C 1H2

Item 2. Date of Material Change

September 9, 2016

Item 3. News Release

The news release was issued on September 12, 2016 and was disseminated by Marketwire.

Item 4. Summary of Material Change

Turquoise Capital Corp. ("Turquoise"), announced that it has signed a definitive merger agreement dated September 9, 2016 (the "Merger Agreement") with Five Star Diamonds Ltd., a corporation existing under the laws of the British Virgin Islands ("Five Star"), which sets out the terms and conditions pursuant to which Turquoise and Five Star will complete a transaction that will result in a reverse take-over of Turquoise by the shareholders of Five Star (the "Transaction") and constitute Turquoise's Qualifying Transaction under the TSX Venture Exchange (the "TSXV") Policy 2.4 – Capital Pool Companies. Upon completion of the Transaction, it is the intention of the parties that the resulting issuer company will focus on the exploration and development of Five Star's diamond projects located in Brazil.

Item 5. Full Description of Material Change

See the news release attached as Schedule "A".

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

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

Devon Brown
Chief Financial Officer
(250) 514-9714

Item 9. Date of Report

September 16, 2016

Schedule A

TURQUOISE CAPITAL CORP. ENTERS INTO DEFINITIVE AGREEMENT FOR QUALIFYING TRANSACTION WITH FIVE STAR DIAMONDS LTD.

Not for distribution to United States newswire services or for release publication, distribution or dissemination directly, or indirectly, in whole or in part, in or into the United States.

September 12, 2016 - Vancouver, BC – Turquoise Capital Corp. (TSXV: TQC.P) (“**Turquoise**”) is pleased to announce that it has signed a definitive merger agreement dated September 9, 2016 (the “**Merger Agreement**”) with Five Star Diamonds Ltd., a corporation existing under the laws of the British Virgin Islands (“**Five Star**”), which sets out the terms and conditions pursuant to which Turquoise and Five Star will complete a transaction that will result in a reverse take-over of Turquoise by the shareholders of Five Star (the “**Transaction**”) and constitute Turquoise’s Qualifying Transaction under the TSX Venture Exchange (the “**TSXV**”) Policy 2.4 – *Capital Pool Companies*. Upon completion of the Transaction, it is the intention of the parties that the resulting issuer company will focus on the exploration and development of Five Star’s diamond projects located in Brazil.

About Five Star Diamonds Ltd.

Five Star was incorporated in the British Virgin Islands on 27 May 2014 with registered number 1825597 as a private company with limited liability under the Business Companies Act. The registered office of Five Star Diamonds Limited is at 2nd Floor, Abbott Building, Waterfront Drive, Road Town, Tortola, British Virgin Islands. Five Star is widely-held company with 54 registered shareholders. The largest shareholder is R&R Venture Partners, which controls approximately 32% of the current issued and outstanding ordinary shares. R&R is a private equity fund owned by billionaire and philanthropist Ronald Lauder, scion of the Estée Lauder fortune and Richard Parsons famed US banker and enterprise CEO. The fund is multi-disciplined and has investments across several sectors including mining, tech, industrial and energy.

Five Star’s business is diamond development, focused on acquiring and developing advanced staged diamond projects in Brazil. Since it was established in May 2014, it has pursued an accelerated growth strategy and aims to be one of the first producers of diamonds from kimberlite deposits in Brazil. Five Star is focused on the development of sustainable kimberlite pipes and is not involved in alluvial diamond mining with its associated environmental issues. Five Star works closely with local, state and federal authorities in Brazil to foster an open, transparent and legal diamond industry in Brazil.

The material project of Five Star is the 100%-owned advanced stage Catalão diamond project in Brazil.

The Catalão Project, located in the famous Coromandel diamond district of Goiás State, Brazil, comprises one exploration licence covering 1,999.42 hectares. In addition, Five Star has submitted applications for three exploration licences over proximate areas covering a total of 5,998.37 hectares. A pilot plant has been constructed at Catalão and commissioned, and an initial mining and pilot processing program has been completed at three diamond bearing kimberlite pipes. A feasibility study is currently underway to evaluate the fresh rock zone with completion of the study scheduled for the end of the second quarter of 2017.

In addition to owning one of the only kimberlite processing plant operating in Brazil today, Five Star now controls a dominant position in the Brazilian diamond sector. Along with the Catalão Project, Five Star has 17 other projects comprising an aggregate of 58 exploration licences and applications covering a total area of 100,000 hectares. All of Five Star’s projects are 100% owned. A total of 15 diamond bearing kimberlite pipes have already been identified and sampled and a further 87 kimberlite pipes are to be tested across the Five Star’s projects. The Company intends to continue its aggressive exploration and development activities through balance of 2016 and 2017.

Transaction Details

Under the terms of the Merger Agreement, Five Star will merge with a wholly-owned subsidiary of Turquoise pursuant to a statutory merger under the BVI Business Companies Act, 2004 and will become a wholly-owned subsidiary of Turquoise. All of the ordinary shares of Five Star outstanding immediately prior to the merger will, pursuant to the terms of the merger, be cancelled and in exchange therefor holders of the cancelled Five Star ordinary shares will receive one common share in the capital of Turquoise for each ordinary share of Five Star previously held.

It is expected that following the completion of the Transaction Turquoise shareholders will hold approximately 6.0% of the common shares of the Resulting Issuer and the former Five Star shareholders will hold approximately 94.0% of the common shares of the Resulting Issuer (immediately prior to giving effect to the TQC Private Placement (as defined below and any other financing completed in connection with the Transaction)).

The Transaction will constitute Turquoise's qualifying transaction pursuant to the policies of the TSXV. Upon completion of the Transaction, Turquoise will be renamed Five Star Diamonds Ltd. and the common shares will be listed under a new trading symbol (the "**Resulting Issuer**").

None of the Non-Arm's Length Parties to Turquoise has any direct or indirect interest in Five Star nor are they insiders of Five Star. The Transaction does not constitute a "Non-Arm's Length Qualifying Transaction" as defined in Exchange Policy 2.4 and consequently Turquoise does not expect that it will be required to obtain shareholder approval for the Transaction.

Conditions to Transaction

Prior to completion of the Transaction (and as conditions of closing):

- Turquoise shall have completed an offering of common shares for minimum aggregate gross proceeds of \$500,000 at a minimum offer price of \$0.30 per share (the "**TQC Private Placement**").
- Five Star will obtain the requisite shareholder approvals for the Transaction.
- Five Star shareholders representing in excess of 5% of the issued and outstanding ordinary shares of five Star will not have exercised any applicable statutory dissent rights with respect to the merger.
- All requisite regulatory approvals relating to the Transaction, including, without limitation, TSXV approval, will have been obtained.

Insiders, Officers and Board of Directors of the Resulting Issuer

Upon completion of the Transaction, it is anticipated that the board of directors of the Resulting Issuer shall be comprised of the following directors: Matthew Wood, Luis Azevedo, Brian McMaster, Gizman Abbas, Simon Rothschild and Nicholas Pike. In addition, it is expected that Matthew Wood will serve as President and Chief Executive Officer and Brian McMaster will serve as Chief Financial Officer and Secretary of the Resulting Issuer.

The following sets out the names and backgrounds of all persons who are currently expected to be considered insiders of the Resulting Issuer.

Matthew Wood – Director, President and Chief Executive Officer

Matthew is an outstanding mineral resource explorer and developer with over 25 years global industry experience in mining and commodities investment. He has managed successful deals in diamonds, coal, energy, ferrous metals, base and precious metals and other commodities. His unique skills in technical and economic evaluation of resource opportunities has been proven by an impressive record of nurturing resource deals from early stage, to market listings and successful exit strategies for his investors. Matthew has an Honours Degree in Geology from the University of New South Wales and a Graduate Certificate in Mineral Economics from the Western Australian School of Mines.

Brian McMaster – Director and Chief Financial Officer

Brian is a Chartered Accountant, a registered and official liquidator and has almost 20 years' experience in the area of corporate reconstruction and turnaround and performance improvement. Brian's experience includes numerous reorganisations and turnarounds, including being instrumental in the recapitalisation and listing of 12 Australian companies on the Australian Stock Exchange. Brian's experience includes significant working periods in the United States, South America, Asia and India. Brian is also a director of a number of ASX listed companies.

Luis Azevedo – Director and Chief Operating Officer

Luís is a geologist and lawyer with +25 years of business and mining experience in Brazil. He is an independent director of Brazil Minerals, Avanco Resources, Talon Metals and Harvest Minerals (formerly Triumph Tin). He is also the Managing Partner at FFA Legal, a legal firm he founded with its main office in Rio de Janeiro, Brazil, and which is focused solely on natural resources companies. His practice is highly active in mergers in acquisitions for companies owning mineral assets and/or operating mining enterprises in Brazil. His experience spans base metals, industrial minerals, diamonds, and precious metals, and he continually works in contact with the highest federal levels of all branches of government in Brazil.

Luís previously worked for Western Mining, Barrick Gold, and Harsco. He assembled land packages that resulted in five initial public offerings of Canadian companies in Brazil (Talon, Avanco, Beadell, Brazilian Gold and Carnavale) since 2004. He received a Geology degree from UERJ – Universidade do Estado do Rio de Janeiro in 1986, a Law degree from Faculdade Integradas Cândido Mendes in 1992, and a Post degree from PUC-Rio, Pontifícia Universidade Católica of Rio de Janeiro in 1995.

Gizman Abbas – Director

Gizman Abbas has led natural resources investment and development operations for some of the world's leading financial institutions, leaning on his combined expertise in finance and engineering. Abbas was a founding partner of the commodity investment business at Apollo Management, one of the largest private equity businesses in the world with more than \$160 billion under management. Previously, he was Vice President at Goldman Sachs, where he invested successfully in the oil & gas, power, bio-fuels, metals & mining, and agriculture sectors. Abbas began his finance career in the investment banking division at Morgan Stanley, having previously been a Senior Project Engineer on oil & gas construction projects for Exxon Mobil Corporation and a Co-Op Power Engineer at Southern Company. Abbas, also a successful real estate developer, holds a BS, Electrical Engineering, from Auburn University and an MBA from the Kellogg School of Management at Northwestern University.

Simon Rothschild – Director

Simon has been active for over 30 in financial public relations and investor relations. He started his career in 1982 at Dewe Rogerson Ltd and more recently was a Principal of Bankside Consultants where he specialised in the natural resources sector with clients such as Antofagasta, Ormonde Mining, Scotgold and Minera IRL. In 2014 he set up Capital Market Consultants Limited.

Simon is also a non-executive director of London Nusantara, a ISDX listed palm oil plantation company, Rothschild Diamonds, and Stonedragon Limited, a company set up to establish a digital retail distribution network in West Africa.

Nicholas Pike – Director

Nicholas possesses extensive experience at board level with numerous listed and unlisted companies in both the United Kingdom and Australia. He has widespread experience with off-shore investment funds with key exposure to private equity investments.

Sponsorship

Turquoise is currently reviewing the requirements for sponsorship and will provide further information when it becomes available.

Qualified Person

Mr. Stuart Hutchin, BSc, Applied Geology, MAIG, MAusIMM, a qualified person as defined by National Instrument 43-101 and independent of Five Star and Turquoise, has reviewed and approved the technical information contained in this news release.

About Turquoise

Turquoise was incorporated November 14, 2012 under the *Business Corporations Act* (British Columbia). Turquoise is a CPC as defined by the CPC Policy. On June 28, 2013, Turquoise completed its initial public offering and its common shares were listed for trading on the Exchange on July 3, 2013. As disclosed in its final prospectus dated April 15, 2013, Turquoise's business has been restricted to the identification and evaluation of businesses or assets for the purpose of completing its Qualifying Transaction.

Further Information

For further information please contact:

Turquoise Capital Corp. Peter Hinam, CEO (604) 710-8331

Information set forth in this news release contains forward-looking statements. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. Turquoise cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Turquoise's control. Such factors include, among other things: risks and uncertainties relating to Turquoise's ability to complete the proposed Qualifying Transaction; and other risks and uncertainties, including those described in Turquoise's Prospectus dated April 15, 2013 filed with the Canadian Securities Administrators and available on www.sedar.com. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward looking information. Except as required under applicable securities legislation, Turquoise undertakes no obligation to publicly update or revise forward-looking information.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. A halt in trading shall remain in place until after the Qualifying Transaction is completed or such time that acceptable documentation is filed with the TSX Venture Exchange.

The information contained in this press release relating to Five Star has been furnished by Five Star. Although Turquoise has no knowledge that would indicate that any statements contained herein concerning Five Star are untrue or incomplete, neither Turquoise nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by Five Star to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

NEITHER 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.

