

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

ITEM 1. NAME AND ADDRESS OF COMPANY

Margaret Lake Diamonds Inc.. (the "**Company**")
Suite 600 – 535 Howe Street
Vancouver, British Columbia V6C 2Z4

ITEM 2. DATE OF MATERIAL CHANGE

July 18, 2022

ITEM 3. NEWS RELEASE

Issued on July 20, 2022, and distributed through the facilities of Stockwatch and filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company announced it has closed the second and final tranche of its non-brokered private placement on July 18, 2022 (the "**Second Tranche**"). The first tranche of the non-brokered private placement closed on June 17, 2022, raising aggregate gross proceeds of \$777,368.

The Second Tranche consists of the issuance of:

- (i) an aggregate of 5,550,285 units of the Company (each, a "**Unit**") at a price of \$0.14 per Unit for gross proceeds of \$777,039.90. Each Unit consists of one common share in the capital of the Company (each, a "**Common Share**") and one warrant exercisable to purchase one Common Share at a price of \$0.28 per for a period of 24 months from the date of issuance; and
- (ii) an aggregate of 2,650,327 flow-through units of the Company (each, a "**FT Unit**") at a price of \$0.15 per FT Unit for gross proceeds of \$397,549.05. Each FT Unit is comprised of one flow-through share (each, a "**FT Share**") and one warrant exercisable to purchase one Common Share at a price of \$0.30 per for a period of 24 months from the date of issuance.

Finder's fees of 37,333 non-transferable flow-through share purchase warrants (the "**FT Finder's Warrants**") and 257,142 non-transferrable share purchase warrants (the "**NFT Finder's Warrants**") were issued to Research Capital Company in connection with the Second Tranche. Each FT Finder's Warrant entitles the holder to purchase one FT Share at a price of \$0.30 and each NFT Finder's Warrant entitles the holder to purchase one Common Share at a price of \$0.28, both for a period of 24 months after the date of issuance.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

See the Company's news release dated July 20, 2022 attached as Schedule "A" hereto.

ITEM 5.2 DISCLOSURE ON RESTRUCTURING TRANSACTION

Not applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7. OMITTED INFORMATION

Not applicable.

ITEM 8. EXECUTIVE OFFICER

Yari Nieken
President, Chief Executive Officer, Chairman and Director
Contact: 604 328.0425

ITEM 9. DATE OF REPORT

July 27, 2022

Schedule "A"

News Release dated July 20, 2022
(See attached)



Margaret Lake Diamonds Closes Private Placement

VANCOUVER, BC / July 20, 2022 / Margaret Lake Diamonds Inc. ("MLD" or the "Company") (TSXV:DIA) (FKT:M85) (OTC PINK:DDIAF) is pleased to announce it has closed the second and final tranche of its non-brokered private placement on July 18, 2022 (the "**Second Tranche**"). The first tranche of the non-brokered private placement closed on June 17, 2022, raising aggregate gross proceeds of \$777,368.

The Second Tranche consists of the issuance of:

- (i) an aggregate of 5,550,285 units of the Company (each, a "**Unit**") at a price of \$0.14 per Unit for gross proceeds of \$777,039.90. Each Unit consists of one common share in the capital of the Company (each, a "**Common Share**") and one warrant exercisable to purchase one Common Share at a price of \$0.28 per for a period of 24 months from the date of issuance; and
- (ii) an aggregate of 2,650,327 flow-through units of the Company (each, a "**FT Unit**") at a price of \$0.15 per FT Unit for gross proceeds of \$397,549.05. Each FT Unit is comprised of one flow-through share (each, a "**FT Share**") and one warrant exercisable to purchase one Common Share at a price of \$0.30 per for a period of 24 months from the date of issuance.

The gross proceeds from the issuance of the FT Units will be used for Canadian Exploration Expenses and will qualify as "flow-through mining expenditures", as defined in subsection 127(9) of the *Income Tax Act* (Canada). The net proceeds from the issuance of the Units will be used for legal, accounting and general administrative costs. The warrants issued pursuant to the Second Tranche are not subject to any acceleration provisions.

Finder's fees of 37,333 non-transferable flow-through share purchase warrants (the "**FT Finder's Warrants**") and 257,142 non-transferrable share purchase warrants (the "**NFT Finder's Warrants**") were issued to Research Capital Company in connection with the Second Tranche. Each FT Finder's Warrant entitles the holder to purchase one FT Share at a price of \$0.30 and each NFT Finder's Warrant entitles the holder to purchase one Common Share at a price of \$0.28, both for a period of 24 months after the date of issuance.

The non-brokered private placement, including the Second Tranche, remains subject to the final approval of the TSX Venture Exchange. The securities issued in connection with the Second Tranche bear a statutory four month hold period which expires on November 19, 2022.

Two insiders of the Company subscribed for an aggregate of 650,000 Units under the Second Tranche, which is a "related party transaction" within the meaning of Multilateral Instrument 61-101 *Protection of*

Minority Security Holders in Special Transactions ("MI 61-101"). The issuances to the insiders are exempt from the requirements to obtain a formal valuation and minority shareholder approval in reliance of sections 5.5(a) and 5.7(a) of MI 61-101, respectively, on the basis that participation in the Second Tranche by the insiders did not exceed 25% of the fair market value of the Company's market capitalization. The Company did not file a material change report more than 21 days before the expected closing of the Second Tranche as the details of the Second Tranche and the participation therein by related parties of the Company were not settled until shortly prior to closing and the Company wished to close on an expedited basis for sound business reasons.

About Margaret Lake Diamonds Inc.

MLD is a Canadian based mineral exploration company. As part of its joint venture with Arctic Star Exploration, MLD holds an 18.5 per cent interest in the Diagrass diamond project Northwest Territories property. The property hosts 13 known kimberlites originally discovered by DeBeers in the 1990's and MLD believes there is an opportunity to apply modern exploration techniques to define additional kimberlites. Additionally, MLD owns 100% interest in the Mormon Lake Uranium Property near Payson, Arizona.

On behalf of the Board

Margaret Lake Diamonds Inc.

"Yari Nieken"

President, Chief Executive Officer and Chairman

Tel: 604.328.0425 | Email: ynieken@gmail.com

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 "US 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.

Disclaimer for Forward-Looking Information:

Certain statements in this release are forward-looking statements, which reflect the expectations of management. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such statements include statements regarding the tax treatment of the FT Shares. Actual future results may differ materially. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. There is no assurance any of the conditions for closing will be met. Forward-looking statements reflect the beliefs, opinions, and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times. Except as required by law, the Company does not assume any obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law

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.