

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Diamond Estates Wines & Spirits Inc. (the “**Issuer**”)
1067 Niagara Stone Road
Niagara-on-the-Lake, ON
L0S 1J0

Item 2 Date of Material Change

The material change occurred on May 5, 2017.

Item 3 News Release

A press release in connection with the material change was issued on May 5, 2017 through Canadian newswires and filed on www.sedar.com under the Issuer’s profile and is attached hereto as Schedule “A”.

Item 4 Summary of Material Change

The Issuer has closed the previously announced \$4.4 million acquisition of the 49.99% interest in its agency business, Kirkwood Diamond Canada Partnership (“KDC”), that was previously owned by its partner. KDC will continue to operate under its existing management team. Diamond Estates’ management believes that it can add significant value to the agency business through targeted investments that will improve distribution, sales and brand management.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Full details of the transaction are available in the press release attached hereto.

5.2 Disclosure for Restructuring Transactions

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

For further information with respect to this report, please contact Mr. Alan Stratton, Chief Financial Officer of the Issuer at (905) 641.1042 Ext. 225.

Item 9 Date of Report

May 9, 2017.

**Schedule “A”
Press Release**

**Diamond Estates Completes Acquisition of Full Ownership of its
Agency Business**

– NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES –

May 5, 2017 – Niagara-on-the-Lake, Ontario – Diamond Estates Wines & Spirits Inc. (the “Company” or “Diamond Estates”) (<http://www.diamondestates.ca>) (TSXV: DWS), today announced that it has closed the previously announced \$4.4 million acquisition of the 49.99% interest in its agency business, Kirkwood Diamond Canada Partnership (“KDC”), that was previously owned by its partner. KDC will continue to operate under its existing management team. Diamond Estates’ management believes that it can add significant value to the agency business through targeted investments that will improve distribution, sales and brand management.

About Diamond Estates Wines and Spirits Inc.

Diamond Estates Wines and Spirits Inc. is a producer of high quality wines and a sales agent for over 120 beverage alcohol brands across Canada. The company operates two wineries in the Niagara region of Ontario producing VQA and blended wines under such well-known brand names as 20 Bees, EastDell Estates, Lakeview Cellars, Dois Amigos, Dan Aykroyd, Benchmark and Seasons. Through its partnership, Kirkwood Diamond Canada Partnership, the Company is the sales agent for top selling international brands in all regions of the country as well as being a distributor in the western provinces. These recognizable brands include Fat Bastard wines from France, Kaiken wines from Argentina, Charles Wells beers from England, Hpnotiq Liqueur from France, Anciano wines from Spain, Francois Lurton wines from France and Argentina, Blue Nun wines from Germany, coolers and spirits from Independent Distillers in New Zealand, Brick Brewing from Canada, Evan Williams Bourbon from USA, Flor de Cana rum from Nicaragua, Iceberg Vodka from Canada and many others. For further information on the company, please visit the company’s SEDAR profile at www.sedar.com.

Diamond Estates Wines & Spirits Inc. common shares trade on the TSX Venture Exchange (symbol: DWS).

For more information, please contact:

Murray Souter
President & CEO
Diamond Estates Wines & Spirits Inc.
Inc.

jmurraysouter@diamondwines.com
905.641.1042 Ext 234

Alan Stratton, CPA, CA
Chief Financial Officer
Diamond Estates Wines & Spirits

astratton@diamondwines.com
905.641.1042 Ext. 225

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.

Forward Looking Statement

This press release contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Diamond Estates Wines and Spirits Inc. to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this press release. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the economy generally; consumer interest in the services and products of the Company; financing; competition; and anticipated and unanticipated costs. While the Company acknowledges that subsequent events and developments may cause its views to change, the Company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the views of the Company as of any date subsequent to the date of this press release. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.