

FORM 27

THE SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION (75) 2

Item 1. Reporting Issuer

MineGem Inc., 4th Floor, 56 Temperance Street, Toronto, Ontario, M5H 3V5.

Item 2. Date of Material Change

June 5, 2003.

Item 3. Press Release

The Press Release was sent on June 5, 2003 via CCNMatthews -- Toronto, Ontario.

Item 4. Summary of Material Change

For further information, attached hereto is a copy of the Press Release.

Item 5. Full Description of Material Change

For further information, attached hereto is a copy of the Press Release.

Item 6. Reliance on Section 75(3) of the Act

Confidentiality is not requested.

Item 7. Omitted Information

No information has been omitted in respect to the material change.

Item 8. Senior Officer

Mr. David Jones, Chairman, [416] 214-4884.

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material changes referred to herein.

DATED at Toronto, this 5th day of May, 2003.

MINEGEM INC.

"David Jones"

Per:

David Jones, Chairman

MINEGEM INC.

NEWS RELEASE

DATED: June 5, 2003
Toronto, Ontario

FOR IMMEDIATE RELEASE
CONTACT: DAVID JONES
+1 416 214 4884

MineGem Inc. Reports Negotiations with Government of Lesotho

MineGem Inc. (YGL-TSX.VENTURE) reported today that it is in negotiations with the Government of Lesotho regarding the extension of the Satellite Pipe Mining Lease at its Lihobong Property in Lesotho which is due to expire on June 13, 2003.

The Company also reported that it has agreed to a maximum \$500,000 private placement of up to 5.0 million common shares at a price of \$0.10 per common share. Proceeds of the financing will be used for general working capital purposes.

The financing is subject to requisite regulatory approval.

For further information, please contact:

David Jones: Chairman

Telephone: +1 416 214 4884

Issued and Outstanding – 42,464,968 shares

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.