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**

July 16, 2003.

Item 3. **Press Release**

The Press Release was sent on July 15, 2003 CCN Matthews -- 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**

No information other than that provided in Item 4 above is presently available.

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 16th day of July, 2003.

MINEGEM INC.

"David Jones"

Per: ______________________________

David Jones, Chairman

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MINEGEM INC.
NEWS RELEASE

DATED: July 15, 2003 FOR IMMEDIATE RELEASE
Toronto, Ontario CONTACT: DAVID JONES
+1 416 214 4884

MineGem Inc. (YGL-TSX.VENTURE) (the "Corporation") is pleased to announce the closing on July 15, 2003 of a brokered private placement (the "Offering") of 5,000,000 common shares of the Corporation (each a "Common Share") at a price of CDN$0.10 per Common Share, raising gross proceeds of CDN$500,000. The proceeds of the private placement will be used for general working capital purposes and to repay certain debts. Enigma Consulting Limited, the Corporation's agent in connection with the private placement, received a commission of CDN$25,000.

The Corporation also announces that, subject to regulatory approval, it has entered into debt settlement agreements with certain insider trade creditors of the Corporation: Jeremy Clarke ("Clarke") (an officer and director of the Corporation), Brad Kipp ("Kipp") (an officer of the Corporation), David Jones Investments Limited (a company owned by David Jones ("Jones"), an officer and director of the Corporation) and Dragon Management International Services (Canada) Limited ("Dragon")(a company owned by A.J. Williams, a director of the Corporation, and Jones). Pursuant to these agreements US$333,050 of debt outstanding as at June 17, 2003 will be settled on the following basis: (a) 50% of the debt owing to each such creditor will be paid out of the proceeds of the Offering; and (b) the balance of the debt (totalling US$166,525) will be satisfied by the issuance of an aggregate of 2,414,617 Common Shares at a subscription price of CDN$0.10 each (the "Debt Settlement Transaction").

After completion of the Offering, the Corporation has 47,464,968 Common Shares issued and outstanding. Clarke, Kipp, Jones and Dragon currently beneficially own and/or exercise control or direction over 237,906, 5,000, 1,062,300 and 2,631,249 Common Shares, respectively. Following the completion of the Debt Settlement Transaction, Clarke, Kipp, Jones and Dragon will beneficially own and/or exercise control or direction over 1,111,201, 159,787, 1,671,547 and 3,408,537 Common Shares, respectively. The Debt Settlement Transaction is scheduled to be closed on or about August 8, 2003. Both the board of directors of the Corporation and the independent director have reviewed and approved the Debt Settlement Transaction.

All Common Shares to be issued pursuant to the Offering and the Debt Settlement Transaction will be subject to a four month hold period commencing on the date of the distribution of the securities.

For further information, please contact:

David Jones: Chairman Telephone: +1 416 214 4884

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