

**BC FORM 51-102F3
MATERIAL CHANGE REPORT
UNDER SUBSECTION 7.1(1) OF NATIONAL INSTRUMENT 51-102**

Item 1 Name and Address of Company:

**DIAMOND EXPLORATION INC.
Unit 6 – 3791 St. Joseph Blvd.,
Orleans, Ontario, K1C 1T1**

Item 2 Date of Material Change: **July 13, 2009**

Item 3 News Release

News Release dated **July 13, 2009** disseminated under section 7.1 of National Instrument 51-102

Item 4 Summary of Material Change

The Issuer Announces **a property acquisition, and private placement**

Item 5 Full Description of Material Change

See attached News Release.

Item 6 Reliance on Section 7.1(2) OR (3) OF National Instrument 51-102

The Company is not relying on subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7 Omitted Information

There is no omitted information.

Item 8 Senior Officers

Robin Dow, CEO and a Director of the Company, is knowledgeable about the material change and this report. He can be contacted by telephone at 613 834-7708.

Item 9 Dated at Ottawa, Ontario, July 13, 2009

"Robin Dow"

Robin Dow
Chief Executive Officer

**Press Release- #09-11****TSX-V: DIX****July 13, 2009****DIX MOVES FORWARD WITH BRAZILIAN ACQUISITION**

Orleans, ON: Diamond Exploration Inc. (the “Company”) is pleased to announce it has entered into a purchase and sale agreement with Armex Mining Corp., a private British Columbia company, to acquire three diamond properties known as the Juina Property, the Rio Pari Property and the Rio Arinos Property, all located in the state of Mato Grosso, Brazil. Under the terms of the agreement, the Company will acquire a 100% interest in all three properties (other than 49% joint venture interest on a portion of the Juina Property owned by a third party), in consideration for the payment of \$2,500,000. The Juina Property will be subject to a 2% NSR Royalty in favour of Armex, to a maximum of \$3 million, with \$150,000 of advance royalty payments due within 115 days of closing. The Company will also be required to make a further payment of \$2,000,000 with respect to the Rio Pari Property and \$1,750,000 with respect to the Rio Arinos Property after proving a NI 43-101 compliant resource of not less than 500,000 ct of diamonds on each property.

The Juina Property consists of a group of advanced diamond exploration and exploitation concessions totaling approximately 79,000 hectares located near the town of Juina, Mato Grosso, Brazil. The Juina Property includes a number of identified diamondiferous kimberlite pipes as well as a number of prospective alluvial areas. The Rio Pari property comprises approximately 3,600 hectares located in the Municipality of Alto Paraguai, near Cuiaba, Mato Grosso, Brazil and the Rio Arinos Property, located approximately 150 kilometers northwest of the city of Cuiaba, covers 9,800 hectares. Both the Rio Pari and the Rio Arinos Properties are prospective for alluvial diamonds and are not as advanced as the Juina Property.

The Company has also arranged a concurrent non-brokered private placement of 25,600,000 Units at a price of \$0.10 per Unit, each unit being comprised of one common share and one five year common share purchase warrant entitling the holder to purchase one additional common shares at a price of \$0.15 (the “Placement”). Completion of the Placement will not result in the creation of a control person. Proceeds of the Placement will be used to fund the purchase of the foregoing properties and for working capital. All securities issued pursuant to the Placement will be subject to a four month hold period.

No finders fees are payable with respect to the property purchase or private placement.

The purchase is subject to a number of conditions including completion of an acceptable independent NI 43-101 technical report on the Juina Property, the provision of satisfactory closing title opinions and acceptance for filing of the transaction by the TSX Venture Exchange.

The Company is pleased to announce the appointment of Mr. Lindsay Malcolm and Mr. Wayne Meredith as its in-house Investor Relations representatives. The initial term of the engagement will be twelve months. Both Malcolm and Meredith have had extensive backgrounds and experience with a number of TSX Venture companies, both in the mining/resource and other sectors.

Based in Vancouver, they will be responsible for all aspects of the Company’s investor relations program to implement and execute an investor relations strategy to significantly improve shareholder and investor communications. The objective will be to create effective communication between the Company, its shareholders and the investment community. They will also work closely with Bay Street Connect, the Company’s external investor relations consultant.

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In consideration for their services, Malcolm and Meredith will be paid \$2,500.00 per month pursuant to a written agreement dated July 9, 2009. The anticipated total cost of the initial twelve month term is expected to be \$30,000.00, which will be funded out of current working capital. Malcolm and Meredith currently hold no shares of the Company. As part of their services, they will each be granted 50,000 options, exercisable for five years, at a price of \$0.10.

The Company is also proposing to grant 250,000 additional incentive stock options, at a price of \$0.10 and exercisable for five years from date of grant, to existing consultants of the Company, subject to shareholder approval of proposed amendments to its stock option plan at its upcoming annual general meeting.

Diamond Exploration Inc. is an exploration stage junior mining company focused on identification, acquisition and evaluation of diamond- prospective mineral properties in Canada. Mr. C. Stewart Wallis, P.Geo, is the Qualified Person as defined by National Instrument 43-101 for this project.

For further information, please contact:

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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.

This news release is not for distribution to United States newswire services or for dissemination in the United States.

This press release contains forward-looking information within the meaning of Canadian securities laws. Such information includes, without limitation, information regarding the closing of the proposed property acquisition, the close of the proposed private placement, completion of a technical report, the identification of any mineral resource and the anticipated business and financing plans of the Company. Although the Company believes that such information is reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking information is typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking information provided by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking information as a result of various factors, including, but not limited to, the state of the financial markets for the Company's equity securities, the state of the market for diamonds or other minerals that may be produced generally, recent market volatility; variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's ability to obtain any necessary permits, consents or authorizations required for its activities, to raise the necessary capital or to be fully able to implement its business strategies and other risks associated with the exploration and development of mineral properties. The reader is referred to the Company's most recent annual and interim Management's Discussion and Analysis for a more complete discussion of such risk factors and their potential effects, copies of which may be accessed through the Company's page on SEDAR at www.sedar.com.