

FORM 27

**MATERIAL CHANGE REPORT UNDER SECTION 118(1)
OF THE SECURITIES ACT**

Item 1. Reporting Issuer

Consolidated General Diamond Corp.
418 - 4810 Jean Talon W.
Montreal, Quebec
H4P 2N5

Item 2. Date of Material Change

August 16, 2001

Item 3. News Release

August 16, 2001

Item 4. Summary of Material Change

At the Extraordinary General Meeting held on August 16, 2001, all of the matters placed before shareholders as referred to in the news releases of May 14 and July 16, 2001, were approved.

Item 5. Full Description of Material Change

At the Extraordinary General Meeting held on August 16, 2001 all of the matters placed before the shareholders, as referred to in news releases of May 14 and July 16, 2001, were approved. The transactions remain subject to the approval of the Canadian Venture Exchange and the satisfaction of other conditions of closing.

Item 6. Reliance on Section 118(2) of the Securities Act

N/A

Item 7. Omitted Information

N/A

Item 8. Senior Officers

Stephen Steinberg: 1-800-342-2523

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to in this report.

DATED at Montreal, Quebec, this 24th day of August, 2001.

CONSOLIDATED GENERAL DIAMOND CORP.

“Stephen Steinberg”

Stephen Steinberg
President