FORM 51-102F3

MATERIAL CHANGE REPORT

1. Reporting Issuer

   State the name and address of the principal office in Canada of the reporting issuer

   China Diamond Corp.
   1724 Hyde Park Road
   London, Ontario N6H 5L7

   Tel: (519) 641-3201

2. Date of Material Change: ***March 2, 2006.***

3. State the date and places of issuance of the press release issued:

   This news release was issued on March 8, 2006 through CNW Group in Canada.

4. Summary of material change:

At the Annual General and Special meeting of the shareholders of China Diamond Corp. (TSX-V: CDC) held in London, Ontario on March 2, 3006, the following persons were elected as directors of the Company for the ensuing year:

Sam Halbouni
George Laforme
Lee Barker
David Critoph
Michael Michaud
Xie Datong
Sylvio Cohen y Escaloni

As part of the Company's ongoing efforts to restructure its board of directors to improve corporate governance and transparency of its board, Mr. David Critoph, a Chartered Accountant and a former partner of the international accounting firm of Deloitte Touche with extensive professional accounting experience, joins the Company as a director and Mr. Philip Cassis, a long-time director, did not stand for re-election.

At the meeting, Mr. Sam Halbouni announced that he has stepped down as Chairman of the board of directors of China Diamond Corp. effective March 2, 2006; Mr. Halbouni will acting as Interim Chairman of the board until a suitable person can be found to take on the Chairman's responsibilities. "When I first became Chairman of this Company I stated that my objective was to build a strong management team and board of directors. The addition of David Critoph to the board gives management and the Company access to a person who has a strong financial and corporate background." says Mr. Halbouni.

As part of the Company's plan to improve investors' awareness, Mr. Michael Michaud, President and Chief Executive Officer of the Company will focus his efforts on matters in

Canada, while a geologist is recruited to assist Mr. Michaud on evaluating the technical aspect of the Company's projects in China.

"I am glad that the shareholders have approved our initial step to improve our corporate governance and independence of our board of directors to make China Diamond Corp. a stronger company going forward" said Mr. Michaud, "I wish to thank all our shareholders for their continued support to the Company's management and directors".

At the meeting, the shareholders also approved a special resolution to eliminate its accumulated deficit as reflected in the Company's consolidated balance sheet as at December 31, 2004 in the amount of $47,040,680 by reducing the stated capital of the Company by the same amount. This reduction in stated capital of the Company is an accounting exercise and does not involve any cash. No changes would be made to either the assets or liabilities as set forth on the consolidated balance sheet, nor would any payments or distributions be made to shareholders as a result of this resolution itself.

The Company would also like to announce that it has now received four out of the five exploration licenses for its 703 Diamond Project as previously announced in August 2005 (reference August 22, 2005 press release). These licenses allow the Company to expand the area of diamond exploration in the proximity of its Dajingtou license area where the Company is currently concentrating its efforts.

Pursuant to a press release dated December 15, 2005, the Company wishes to announce that an independent committee of the board of directors, with George Laforme, Lee Barker, Sylvio Escaloni and David Critoph being its current members, was formed. The committee plans to start its review of the Company's current corporate governance and expenditure authorization policies and procedures in March 2006. The committee anticipates to reports its findings and recommendations to the board by the first half of 2006.

Pursuant to the Exchange Bulletin dated February 15, 2006, the Company's securities continue to be halted pending clarification of the Company's affairs as previously announced on February 24, 2006 by the Company. The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

5. Full Description of Material Change:

   Same as in item 4 above.

   Reliance on subsection 7.1(2) or (3) of National Instrument 51-102. This report is not being filed on a confidential basis.

6. Omitted Information

   No information has been omitted to maintain confidentiality.

   Ben Au, Chief Financial Officer and Corporate Secretary or Michael Michaud, President and Chief Executive Officer of the Company, may be contacted through the

number above and is knowledgeable about the material change.

8. Executive Officer

   Ben Au, who may be contacted at the address and phone number listed in Item 1 above.

9. Date of Report

   Dated at London, Ontario this 8th day of March, 2006

   "Ben Au"
   Name: Ben Au
   Title: Chief Financial Officer and Corporate Secretary