

CHINA DIAMOND CORP.
MATERIAL CHANGE REPORT
(Form 51-102F3)

Name and Address of Company

China Diamond Corp. (the “Company” or “CDC”)
1724 Hyde Park Road, London, Ontario N6H 5L7

Date of Material Change

November 16, 2006

News Releases

A news release was issued on November 17, 2006.

Summary of Material Change

The Company received, late November 16, 2006, a demand from Booni Holdings Ltd. (“Booni”) under a Loan Agreement dated February 2, 2006 (the “Loan”) between CDC and Booni demanding payment within 3 days of the indebtedness that has accrued under the Loan, as well as a notice of intention to enforce security pursuant to the *Bankruptcy and Insolvency Act*. As at November 14, 2006, the total amount CDC owed Booni under the Loan is \$1,252,312.51 plus accruing interest. If payment is not made to Booni as demanded, Booni will be free to take the steps available to it to enforce its security after 10 days from the date payment is due.

Full Description of Material Change

The Company received, late November 16, 2006, a demand from Booni under a Loan Agreement dated February 2, 2006 between CDC and Booni demanding payment within 3 days of the indebtedness that has accrued under the Loan, as well as a notice of intention to enforce security pursuant to the *Bankruptcy and Insolvency Act*. As at November 14, 2006, the total amount CDC owed Booni under the Loan is \$1,252,312.51 plus accruing interest.

If payment is not made to Booni as demanded, Booni will be free to take the steps available to it to enforce its security after 10 days from the date payment is due. Booni is a related company of Sam Halbouni, who is a director and acting interim President and CEO of CDC.

The Board of Directors have formed a special committee consisting of George Laforme, David Critoph and Sylvio Cohen to deal with this matter on an urgent basis. The Committee, in consultation with legal counsel, is reviewing CDC’s options to determine what course of action will be in the best interest of CDC.

Executive Officer

For further information contact Mr. George Laforme, Director and Chairman, at: chinadiamondcorp@execulink.com, Tel: (519) 641-3201 or Fax: (519) 641-2774.

Date of Report

November 20, 2006