

This is the form of a material change report required under Section 85(1) of the Securities Act.

FORM 27

BRITISH COLUMBIA SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: Every report required to be filed under Section 85(1) of the Act shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure".

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL - SECTION 85", AND EVERYTHING THAT IS REQUIRED TO BE FILED SHALL BE PLACED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

Item 1. Reporting Issuer

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

Diagem International Resource Corp.
Suite 700-900 West Hastings Street
Vancouver, B.C.
V6C 1E5

Item 2. Date of Material Change

October 3, 2000

Item 3. Press Release

The Press Release dated October 3, 2000 was forwarded to the Canadian Venture Exchange and disseminated via Canada News-Wire Ltd.

A copy of the Press Release is attached as Schedule "A".

Item 4. Summary of Material Change

The Company announced a private placement of 1,111,111 units at a price of \$0.45 per unit, each unit consisting of one common share and half a purchase warrant.

Item 5. Full Description of Material Change

Supplement the summary required under item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also item 7.

The description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the reporting issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely described examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

For a full description of the material change, see Schedule "A".

Item 6. Reliance on Section 85(2) of the Act

If the report is being filed on a confidential basis in reliance of Section 85(2) of the Act, state the reasons for such reliance.

INSTRUCTION:

Refer to Section 85(3) of the Act concerning continuing obligations in respect of reports filed pursuant to this subsection.

Not Applicable.

Item 7. Omitted Information

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed but s. 85(3) of the Act will no longer be relied upon, a reporting issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provide the reasons for any such omission in sufficient detail to permit the Commission to exercise its discretion pursuant to s. 169(3) of the Act.

The reasons for the omission may be contained in a separate letter filed as provided in section 153 of the Securities Rules.

Not Applicable.

Item 8. Senior Officers

The following Senior Officer of the Company is available to answer questions regarding this report:

David Cohen
President
Tel: 688-4367

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, B.C., this 6th day of October, 2000.

CORP.

DIAGEM INTERNATIONAL RESOURCE

Per:

“Paul C. MacNeill”

Paul C. MacNeill

Director

SCHEDULE "A"

 Diagem International Resource Corp.

NEWS RELEASE

October 3, 2000
Vancouver, British Columbia, Canada

CDNX: DGM 2000 – 13

Diagem Announces Private Placement

Diagem wishes to announce that it has negotiated, subject to regulatory approval, a private placement totaling approximately \$500,000. These funds will be raised by issuing up to 1,111,111 units at a price of \$0.45 per unit, each unit consisting of one common share and one half purchase warrant. The warrant will entitle the holder to purchase an additional common share of the Company for a period of one year at a price of \$0.45 and at \$0.55 for the next year.

In conjunction with the above financing David Cohen, President of Diagem, intends to sell up to 1,111,111 common shares of the Company.

For and on behalf of DIAGEM International Resource Corp.

"David Cohen" President

CONTACT:

Investor relations external: **King Capital Corp.**

Tel: (604) 605-8852 or toll-free 1-800-979-9327

Investor relations In-house: **David Cohen**, President, or

Tony Wood, COO, CFO.

Tel: (604) 688-4367, **Fax:** (604) 687-3912,

Email: investors@diagem.com

Website: www.diagem.com