FORM 53-901F
(Previously Form 27)

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE *SECURITIES ACT*(BRITISH COLUMBIA)

1. Reporting Issuer

Artic Star Diamond Corp.
Suite 1473, 595 Burrard Street
Vancouver, British Columbia, V7X 1C4

2. **Date of Material Change**

January 14, 2003

3. **Press Release**

The Press Release dated January 17, 2003 was disseminated via Market News Publishing and Canada Stockwatch.

4. Summary of Material Change

The Company announced the closing of a private placement of 500,000 units at a price of $0.25 per unit, each unit consisting of one common share and one non-transferable share purchase warrant.

5. **Full Description of Material Change**

See attached press release dated January 17, 2003.

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

Not Applicable

7. **Omitted Information**

Not Applicable

8. **Senior Officers**

Patrick Power, President
Glenn Greig, Secretary
(604) 689-1799

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, British Columbia on the 17th day of January, 2003.

ARTIC STAR DIAMOND CORP.

Per: "*Patrick Power*"
Patrick Power, President

Schedule “A”

ARCTIC STAR DIAMOND CORP.

Suite 1473, P.O. Box 49057, 595 Burrard Street
Vancouver, British Columbia, V7X 1C4
Tel. (604) 689-1799
Fax (604) 689-8199

January 17, 2003 **TSX-V : ADD**

News Release

Arctic Star Diamond Corp. (the “Company”) is pleased to announce that it has closed a private placement of 500,000 units at a price of $0.25 per unit. Each unit consists of one common share and one non-transferable share purchase warrant entitling the holder to purchase one additional common share of the Company at a price of $0.30 per share until January 10, 2005. A portion of the private placement was brokered by Canaccord Capital Corporation (“Canaccord”) and as such, Canaccord received a cash commission of 9% of the proceeds they raised as well as an Agent’s Warrant to purchase 80,000 common shares at a price of $0.30 per share for two years, representing 20% of the units they placed. Also, a cash finder’s fee of $2,500was paid to Euro Consulting Ltd. in the amount of 10% of the proceeds Euro Consulting Ltd. raised.

The shares and shares issued on the exercise of any warrants will be subject to a hold period that will expire on May 10, 2003.

ON BEHALF OF THE BOARD OF DIRECTORS OF
ARCTIC STAR DIAMOND CORP.

“Patrick Power”
Patrick Power, President

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.