

FORM 53-901F
(Previously Form 27)

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

1. Reporting Issuer

Arctic Star Diamond Corp.
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2. Date of Material Change

August 5, 2003

3. Press Release

The Press Release dated August 5, 2003 was disseminated via Market News Publishing and Canada Stockwatch and Canada Newswire.

4. Summary of Material Change

The Company announces that it has received the results for two out of three core holes as well as results for auger hole samples from its Attawapiskat project in the James Bay lowlands of Ontario.

5. Full Description of Material Change

See attached News release dated August 5, 2003

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

Not Applicable

7. Omitted Information

Not Applicable

8. Senior Officers

Patrick Power, President
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 5th day of August, 2003.

ARCTIC STAR DIAMOND CORP.

Per: "*Patrick Power*"

Patrick Power, President

Schedule "A"

ARCTIC STAR DIAMOND CORP.

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August 5, 2003

Diamond Indicator Follow up commences at Attawapiskat

Vancouver, B.C. August 5, 2003. Arctic Star Diamond Corp. ("ADD – TSX Venture Exchange") has been notified by its joint venture partner, Metalex Ventures Ltd ("MTX – TSX Venture exchange") that it has now received the results for two out of three core holes as well as results for auger hole samples from its Attawapiskat project in the James Bay lowlands of Ontario. The Attawapiskat project comprises an area of 6952 km² surrounding the De Beers Victor diamond project. The drill project is owned 60% Metalex Ventures Ltd, 20% Big Red Diamond Company and 20% Arctic Star Diamond Corp with Kel – Ex Development Ltd. having a 10% carried interest paid by Metalex (7.5%) and Arctic Star (2.5%).

In May, 2003, three deeply buried aeromagnetic targets, without supporting diamond indicator mineral chemistry were core drilled. Two results, from core macroscopically similar to diamond bearing metakimberlite pipe rock from elsewhere in Ontario, were negative in diamond content. The third core sample is in the final stages of analysis and the result is expected to be available in mid August, 2003.

To date 331 auger samples have been collected overlying and in the vicinity of 50 claimed magnetic targets. Of these samples, 159 are positive in that they contain minor to strongly anomalous diamond indicator minerals with the compositions equivalent to indicator minerals that grow with diamond.

Auger sampling, in an area with no magnetic targets, has identified 17 samples that contain abundant G10 garnets, chrome diopsides, eclogitic garnets and olivines with compositions equivalent to diamond indicators that grow with diamond. Moreover, some of the chrome diopsides and olivines have equivalent compositions to chrome diopsides and olivines contained in large diamonds found at the Ekati Diamond Mine and elsewhere. Many of the diamond indicator minerals exhibit angular (near source) morphologies and at least ten are actually attached to fragments of kimberlite. The results from this joint venture claimed area suggest that several undiscovered diamond bearing kimberlites may be present which appear to lack magnetic geophysical responses.

Field follow up will start this week and will continue into the fall. A combined auger – core drill has been shipped to the area to facilitate the collection of at least 110 additional auger samples. Core drilling, probably augmented by ground gravity as well as ground electromagnetic and magnetic surveys, will also be utilized to locate the sources of these most encouraging diamond indicator results.

**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 for accuracy of this release.