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

FORM 27
SECURITIES ACT
MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

Item 1. Reporting Issuer

True North Gems Inc. (the "Issuer")
601 – 602 West Hastings Street
Vancouver, B.C., V6B 1P2

Item 2. Date of Material Change

May 27, 2003

Item 3. Press Release

Issued May 27, 2003 and distributed through the facilities of Canada News Wire.

Item 4. Summary of Material Change

See Press Release attached

Item 5. Full Description of Material Change

See Press Release attached

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

Not applicable.

Item 7. Omitted Information

There are no significant fact required to be disclosed herein which have been omitted.

Item 8. Senior Officers

Contact: Andrew Lee Smith, Chief Executive Officer
Telephone: 1-800-399-8955

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

"Andrew Smith"
Dated at Vancouver this 27th day of May, 2003.

TRUE NORTH GEMS INC.
601 – 602 West Hastings Street
Vancouver, BC V6B 1P2

Phone: 1-800-399-8055
Fax (604) 926-2959

website: www.truenorthgems.com
e-mail: info@truenorthgems.com

Media Release

PRIVATE PLACEMENT OF FLOW-THROUGH SHARES AND NON FLOW-THROUGH UNITS

May 27, 2003 - Andrew Lee Smith, CEO of True North Gems Inc. (TSX-VEN:TGX) (the "Company" or "True North") is pleased to announce that the Company has partially closed its recently announced "flow-through" and "non flow-through units" private placement of the Company at the price of $0.80 per flow-through share and $0.80 per unit, each unit consisting of one common share and one-half non-transferable warrant, each whole warrant entitling the holder to purchase one additional share of the Company at a price of $1.00 per share until May 22, 2004. At the first closing, the Company issued 1,790,000 flow-through shares and 552,000 non flow-through units. The shares, warrants and any shares issued upon exercise of the warrants are subject to a hold period and may not be traded in British Columbia until September 23, 2003 except as permitted by the *Securities Act* and the Rules made thereunder and the TSX Venture Exchange.

A secondary closing is scheduled for May 29, 2003, at which time it is anticipated that the sale of an additional 59,750 flow-through shares and 149,500 non flow-through units will be completed.

True North is a public company recently listed on the TSX Venture Exchange engaged in the exploration and development of North American gemstone deposits.

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES

For more information contact

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

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