

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*

June 3, 2003

Item 3. *Press Release*

Issued June 3, 2003 and distributed through the facilities of Market News and 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*

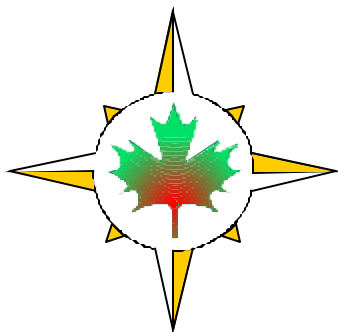
Contact: Andrew Lee Smith, Chief Executive Officer
Telephone: 1-800-399-8955

Item 9. *Statement of Senior Officer*

The foregoing accurately discloses the material change referred to herein.

"Andrew Smith"

Dated at Vancouver this 5th day of June, 2003.



TRUE NORTH GEMS INC.

(TSX-VEN: TGX)

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PRESS RELEASE

TRUE NORTH GEMS COMPLETES C\$2.04 MILLION FINANCING AND BEGINS 2003 EXPLORATION PROGRAM AT REGAL RIDGE

Vancouver, June 3, 2003—True North Gems [TSX-VEN: TGX] has closed a brokered private placement with Canaccord Capital Corporation totaling C\$2.04 million. The proceeds of this financing will fund the 2003 exploration program at True North Gems' Regal Ridge emerald property located in the Finalyson Lake District of the Yukon Territory, Canada.

This year's C\$2.1 million exploration program is currently underway and will consist of surface and underground work to evaluate and explore the emerald-bearing mineralization that hosts the high concentration of gem and near-gem quality emeralds confirmed in the 2002 bulk sampling program.

The exploration program will include 1,250 metres of diamond drilling and ongoing surface trenching. Surface operations will be focused on further expanding the known emerald-bearing zones and the exploration of two new areas identified in 2002 with a high potential to host emerald. Geochemical sampling in 2002 identified an area with a signature similar in nature to that of Regal Ridge. This area is significant because it exists in an unexplored portion of the property which lies beyond the geographically defined trends of strengthening mineralization to the southwest.

The underground program will provide for the installation of up to three portals to access emerald-bearing mineralized zones and up to 300 metres of lateral development. The identification of the portal access locations and the plans for the underground excavation are pending the results of the drilling program scheduled for early June 2003. The potential target zones for the underground work include the emerald-rich Southwest, and the promising West, BG and #4 zones.

The Gemex Project

In June, 2003, True North Gems will begin a regional exploration program aimed at assessing exploration targets defined through the evaluation of proprietary information

acquired from Archer Cathro and Associates (1981) Limited and the research funded by the Company from the University of British Columbia.

To date, 55 high priority target areas with significant potential to host gemstone occurrences have been defined in the Finlayson District and elsewhere. These targets will be the subject of prospecting and geological surveys carried out by a technical team lead by Bill Wengzynowski of Archer Cathro & Associates Limited (credited with the discovery of emerald at Regal Ridge) and Dr. Lee Groat of the University of British Columbia.

True North Gems is a public company, listed on the TSX-Venture [TSX-VEN: TGX] and the Berlin Stock Exchanges. The Company is engaged in the exploration and development of North American gemstone deposits.

For further information contact:

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The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the release. *WARNING: The Company relies on litigation protection for "forward-looking" statements.*