

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 17, 2003.

Item 3. Press Release

Issued June 17, 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 17th day of June, 2003.



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News Release

True North Gems confirms first emerald discovery in Ontario

Vancouver, June 16, 2003—True North Gems (TGX-TSX-V) is pleased to announce the company has optioned 100 percent interest in a 288 hectare property with confirmed emerald mineralization located in Northwestern Ontario. The emerald discovery on the Ghost Lake property marks the first potential gem-quality emeralds confirmed in Canada outside the company's Regal Ridge Emerald discovery in the Yukon.

“The Ghost Lake property is an excellent addition to True North Gems’ extensive property portfolio and represents the second confirmed emerald occurrence in Canada. True North Gems is very enthusiastic about this acquisition because of the extensive emerald mineralization observed at the site, the property’s accessibility, infrastructure and the low potential costs associated with exploration and production,” says Bernard E. Gaboury, President of True North Gems.

The mineralized emerald exposure on the Ghost Lake property currently measures 40 metres long and up to 25 metres wide with another outcrop of very similar rock type observed 100 to 125 metres along strike. Similar geology has been observed 350 metres to the northwest of the main showing indicating the possibility of a large emerald-bearing zone. A 500-kilogram sample extracted from the main zone resulted in several gem and near gem emeralds observed. Within the next few weeks, True North Gems will determine the chromium content of the emeralds found, adding to their potentially high gem quality.

The agreement calls for C\$100,000 to be paid with 100,000 shares issued to the vendor over four years plus C\$250,000 to be expended on exploration and development of the property over four years. In addition, the vendor, is entitled to a two percent net smelter return on all non-gem materials extracted from the property and a two percent gross overriding royalty on all gem material extracted from the property. The agreement is subject to regulatory approval.

True North Gems intends to complete an exploration program, including geochemistry, trenching and gem analysis on the property later this year to define the extent of mineralization.

True North Gems is a public company, listed on the TSX-Venture Exchange and is engaged in the exploration and development of North American gemstone deposits. The company currently owns the only two confirmed emerald discoveries in Canada and is undertaking a C\$2.1 million exploration program on the Regal Ridge emerald discovery and a C\$470,000 regional exploration program on other highly prospective gemstone targets in the emerald-rich Finlayson District.

For further information contact:

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