MATERIAL CHANGE REPORT

FORM 53-901F –Under Section 85(1) of the Securities Act (British Columbia)
FORM 27 – Under Section 146(1) of the Securities Act (Alberta)
FORM 27 –Under Section 75(2) of the Securities Act (Ontario)

ITEM 1. REPORTING ISSUER

True North Gems Inc. (the "Issuer")
608 - 602 West Hastings Street
Vancouver, BC V6B 1P2

ITEM 2. DATE OF MATERIAL CHANGE

July 2, 2003

ITEM 3. PRESS RELEASE

Issued July 2, 2003 and distributed through the facilities Canada Stockwatch and MarketNews

ITEM 4. SUMMARY OF MATERIAL CHANGE

See attached news release.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

See attached news release.

ITEM 6. RELIANCE ON SECTION 85(2) OF THE SECURITIES ACT (BC)
SECTION 146(2) OF THE SECURITIES ACT (AB)
SECTION 75(3) OF THE SECURITIES ACT (ON)

Not Applicable.

ITEM 7. OMITTED INFORMATION

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

ITEM 8. SENIOR OFFICER

Contact: Bernie Gaboury
Telephone: 1-800-399-8055

ITEM 9. STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

“BERNIE GABOURY”

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DATED at Vancouver, British Columbia, this 2nd day of July, 2003.

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News Release

True North Gems Inc. Announces the Close of the Acquisition of Ghost Lake Property in Northwestern Ontario from Brad Wilson

Vancouver, British Columbia, July 2, 2003 – True North Gems Inc. (the "Company") (TSX-V:TGX), a company engaged in the exploration and development of North American gemstone deposits, is pleased to announce that they have received the approval of the TSX Venture Exchange for the acquisition of a 100% interest in a 288 hectare property of three mineral claims located near Dryden, Ontario, straddling concessions VII and VIII of Zealand Township, Ontario.

In consideration of this acquisition, the Company will pay to Brad Wilson $100,000 cash, issue 100,000 common shares in the capital of the Company over a three year period and commit to spending a total of $250,000 in work expenditures over a three year period. The 100,000 common shares, when issued, are subject to a four month hold period.

True North Gems Inc. (www.truenorthgems.com) is a public company, recently listed on the TSX Venture Exchange and is engaged in the exploration and development of North American gemstone deposits.

For further information, contact:

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