

**BC FORM 53-901.F
(Previously 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

September 28, 2004.

Item 3. Press Release

Issued September 28, 2004 and distributed through the facilities of Canada Stockwatch and Market News.

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 28st day of September, 2004.



TRUE NORTH GEMS INC.

PRESS RELEASE

True North Gems discover more sapphires at the Beluga property

Vancouver, September 28, 2004—True North Gems (TGX: TSX-V) announced the discovery of 5 new sapphire occurrences during detailed prospecting of the Company's Beluga sapphire property, on Baffin Island, Nunavut, Canada.

The new discoveries were the result of a regional prospecting program and bring to 6 the total number of outcrops of sapphire gemstone on True North's 9.9 square kilometre Beluga property. The six sapphire outcrops occur within 5 separate blocks of altered metapelite in marble, the largest of which, known as the Bowhead, measures about 100 meters in diameter by 3 meters in thickness. Collectively, the sapphire occurrences are distributed over a map distance of 390 meters, through a span of about 150 meters in formation thickness.

The regional exploration program also successfully collected samples for geochemical analysis. In an area measuring 100 kilometres by 40 kilometres along the south coast of Baffin Island, locally underlain by the Lake Harbour formation, True North has collected a series of till and alluvial samples to test the dense-media concentrates for the presence of sapphire. Information acquired through this reconnaissance program will provide information helpful in the planning of the 2005 exploration program for the Baffin sapphires.

Additional technical detail with respect to the constitution and significance of the mineral assemblage associated with Beluga sapphires and images of the field work and rough and cut Beluga sapphires are available at www.truenorthgems.com. The technical information can be found attached to the copy of this press release, posted in the "Latest Updates" section of the website's home page. Images can be viewed by opening the "Photo Gallery" section of the website.

The planning, execution and quality control programs of the Baffin Island region sapphire exploration program are under the supervision of William Rohtert, who is a qualified person as defined by National Instrument 43-101.

True North Gems is a public company listed on the TSX Venture exchange and is engaged in the exploration and development of North American coloured gemstone deposits. The company is a pioneer in Canadian coloured gemstone exploration and owns a 100-percent interest in the Yukon-based Regal Ridge property and the rights to earn 100% interest in the Beluga sapphire property located on Baffin Island and the Fiskenaasset ruby deposit in Greenland.

For further information contact:

William Rohtert,
Chief Operating Officer

or

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Investor Relations

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www.truenorthgems.com

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

Schedule A

Summary of Field Results

The constitution and significance of the mineral assemblage associated with the Beluga sapphire discoveries

All of the sapphire occurrences identified to date on the Beluga property occupy zones of metamorphic and metasomatic replacement of meta-pelite protolith. The sapphire host rocks are discrete, detached blocks of meta-pelite included in the coarse-grained marble melange defining the central member of the Lake Harbour formation (1.86 Ga amphibolite retrograde).

All of the sapphire occurrences are notable for the abundance of phlogopite, which renders the rock friable in the arctic weathering environment. Due to its high primary potassium content, the phlogopite-bearing sapphire zones should be traceable at shallow depth by radiometric methods. Similarly, the scapolite which accompanies sapphire in all cases is strongly fluorescent in ultraviolet light, providing an instrumental method for rapid detection and sorting in concentrate. Due to their high specific gravity ($sg = 4.0$), sapphires are amenable to collection by the same dense media separation systems which are used to recover diamonds.

William Rohtert
Chief Operating Officer
True North Gems Inc.
September 2004