MATERIAL CHANGE REPORT

To: British Columbia Securities Commission
Alberta Securities Commission
TSX Venture Exchange

Item 1. **Name and Address of Company** – **Chalice Diamond Corp**., Suite 711 – 675 West Hastings Street, Vancouver, B.C., Canada V6B 1N2

Item 2. **Date of Material Change** – September 23, 2010.

Item 3. **News Release** – News Release issued September 23, 2010, at Vancouver, BC.

Item 4. **Summary of Material Change – Chalice Diamond Corp. (TSX-V: COD)** (the "Company") announces it will be consolidating its shares on a ten for one basis, which will result in a total issued and outstanding base of 10,989,152 shares.

Item 5. **Full Description of Material Change – Chalice Diamond Corp. (TSX-V: COD)** (the "Company") announces it will be consolidating its shares on a ten for one basis, which will result in a total issued and outstanding base of 10,989,152 shares.

Chalice Diamond Corp. was originally formed to explore and advance a large land package in the prolific Chapleau-Wawa diamond district of Ontario. Since exploration by the Company began, a number of diamond discoveries have been made which have not received sufficient follow-up work due to limited exploration funds. The Company's new share structure will enable it to raise funds to advance its Wawa area projects without excessive dilution.

The Board of Directors (the "Board") has unanimously approved a consolidation of its share capital on the basis of one (1) new common share for up to every existing ten (10) common shares (the "Consolidation"), subject to approval of the shareholders of the Company and regulatory approval. Where the exchange results in a fractional share, the number of common shares will be rounded to the nearest whole common share. The Board believes that the Consolidation will enhance the marketability of the common share as an investment and should facilitate additional financings to fund future operations. Shareholder approval of the proposed Consolidation will be sought at the Company's upcoming Special Meeting of shareholders to be held on October 18, 2010. The record date for the proposed Consolidation will be set subsequent to both the requisite shareholder and regulatory approvals being obtained. The Company currently has a total of 109,891,518 common shares issued and outstanding and no preferred shares. In the event the required shareholder and regulatory approvals are obtained and the Company effects the full one (1) new common share for every existing ten (10) common shares Consolidation, the Company would have a total 10,989,152 common shares issued and outstanding.

Item 6. **Reliance on Section 7.1(2) or (3) of National Instrument 51-102** – Not applicable.

Item 7. **Omitted Information** – The undersigned is aware of no information of a material nature that has been omitted.

Item 8. **Executive Officer** – Mr. Richard Hughes, President of the Issuer, is knowledgeable about the material change and this report. He can be contacted at (604) 685-2222.

Item 9. **Date of Report** – Dated at Vancouver, British Columbia, this 23rd day of September 2010.