

BC FORM 45-103F4
Securities Act

REPORT OF EXEMPT DISTRIBUTION

Issuer Information

1. State the full name, address and telephone number of the issuer of the security distributed. Include former name if name has changed since last report. If this report is filed by a vendor, other than the issuer, also state the full name and address of the vendor.

Arctic Star Diamond Corp.
Suite 2833, 595 Burrard Street
Vancouver, BC V7X 1C4
Phone: (604) 689-1799

2. State whether the issuer is or is not a reporting issuer and, if so, the jurisdictions in which it is reporting.

The Issuer is a reporting issuer in the jurisdictions of British Columbia, Alberta and Ontario.

Details of Distribution

3. State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

April 27, 2004. ✓

4. For each security distributed:

- (a) describe the type of security, and
- (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date.

1,616,000 units of which 1,474,000 units will be issued on a flow-through basis, as to shares only. Each unit consists one common share without par value in the capital and one-half non-transferable share purchase warrant. Each full warrant entitles the holder to purchase one additional common share without par value in the capital stock of the Company for a period of one year at a price of Cdn \$0.66 per share.

5. Provide details of the distribution by completing the attached schedule.

See attached.

6. Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Provide a total dollar value of all securities distributed in all jurisdictions. Do not include in this table, securities issued as payment for commissions or finders fees disclosed under item 7, below.

Each jurisdiction where purchasers reside	Price per security (Canadian \$)	Total dollar value raised from purchasers in the jurisdiction (Canadian\$)
British Columbia	\$0.60	\$98,400 ✓
Ontario	\$0.60	\$300,000
Alberta	\$0.60	\$451,200
Foreign	\$0.60	\$120,000
Total dollar value of distribution in all jurisdictions (Canadian \$)		\$969,600

Commissions and Finder's Fees

7. Provide the following information for each person who is being compensated in connection with the distribution(s). When disclosing compensation paid or to be paid, include discounts, commissions or other fees or payments of a similar nature directly related to the distribution. Do not include payments for services incidental to the trade, such as clerical, printing, legal or accounting services.

Full Name and Address of person being compensated	Compensation paid (in Canadian \$ and, if applicable, number and type of securities)	Exemption relied on and date of distribution (if applicable)	Price per share (Canadian \$)
Canaccord Capital Corporation Suite 2200, 609 Granville Street Vancouver, BC, V7Y 1H1	\$6,000 cash	N/A April 27, 2004	Nil
Kurt Soost # 150, 1300 - 8 th Street S.W. Calgary, Alberta, T2R 0W1	\$43,260 cash	N/A April 27, 2004	Nil
Stephanie Carey # 35 West Bay Street, Box CB10985, Nassau, Bahamas	\$33,800 cash	N/A April 27, 2004	Nil
Norman Gross 249 South Sandom Street, # 208 Alexandria, Virginia, 22304, USA	\$10,000 cash	N/A April 27, 2004	Nil

T: \$93,060

5/4/04

Certificate

On behalf of the issuer (or vendor), I certify that the statements made in this report and in each schedule to this report are true.

DATED at Vancouver, BC, this 30th day of April, 2004.

Arctic Star Diamond Corp.
Name of Issuer or vendor (*please print*)

Patrick Power, President and Director
Print name and position of person signing


Signature