

**Amended
Form 45-106F1
*Report of Exempt Distribution***

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

Issuer information

Item 1: State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report.

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

Item 2: State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

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

Item 3: Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- | | |
|---|---|
| <input type="checkbox"/> Bio-tech | <input checked="" type="checkbox"/> Mining |
| <input type="checkbox"/> Financial Services | <input checked="" type="checkbox"/> Exploration/development |
| <input type="checkbox"/> Investment companies and funds | <input type="checkbox"/> Production |
| <input type="checkbox"/> Mortgage investment companies | <input type="checkbox"/> Oil and gas |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Hi-tech | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Other (describe) |

Details of distribution

Item 4: Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

Item 5: State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

March 24, 2006.

Item 6: For each security distributed:

- (a) describe the type of security,

Non flow-through units and flow-through shares.

- (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; and

9,361,113 units at a price of \$0.18 per unit. Each unit consists of one common share and one-half of one share purchase warrant, each whole warrant exercisable into an additional common share for a period of two years at a price of \$0.20 per share.

5,825,000 flow-through shares at a price of \$0.20 per share.

3,150,691 units at a price of \$0.26 per unit. Each unit consists of one common share and one-half of one share purchase warrant, each whole warrant exercisable into an additional common share for a period of two years at a price of \$0.35 per share.

250,001 flow-through shares at a price of \$0.26 per share.

- (c) state the exemption(s) relied on.

Sections 2.3(2) and 2.5(2) of National Instrument 45-106 and British Columbia Instrument 72-503.

Item 7: Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	26	\$0.26	\$301,340.00
	14	\$0.20	500,000.00
	38	\$0.18	578,709.72
Alberta	3	\$0.26	72,500.22
	15	\$0.20	633,000.00
	6	\$0.18	188,100.00

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Manitoba	2	\$0.26	7,499.96
	1	\$0.20	5,000.00
	1	\$0.18	2,500.02
Ontario	9	\$0.26	345,004.40
	2	\$0.20	27,000.00
	9	\$0.18	538,895.70
Switzerland	1	\$0.18	99,900.00
Bermuda	1	\$0.26	30,000.10
	2	\$0.18	140,000.04
Slovakia	1	\$0.18	9,599.76
Total number of Purchasers	131		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$3,479,049.92

Note 1: If securities are issued at different prices list the highest and lowest price the securities were sold for.

Commissions and finder's fees

Item 8: Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Compensation paid or to be paid (cash and/or securities)				
	Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Stephanie Carey 35 West Bay Nassau, Bahamas	Nil	28,600 shares	\$0.18 (deemed)	2.3(2) NI 45-106 March 29, 2006	\$5,148 (deemed)
Aaron Cheer 2890 Uclid Avenue Vancouver, BC, V5R 5C1	Nil	18,000 shares	\$0.18 (deemed)	128(f) of the Rules March 29, 2006	\$3,240 (deemed)

Full name and address of the person being compensated	Compensation paid or to be paid (cash and/or securities)				
	Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Canaccord Capital Corp. PO Box 10337 Pacific Centre 2200-609 Granville Street Vancouver, BC, V7Y 1H2	Nil	211,111 shares	\$0.18 (deemed)	128(f) of the Rules March 29, 2006	\$37,999.98 (deemed)
J.F. Mackie & Company 1550, 335-8 th Ave S.W. Calgary, Alberta, T2P 1C9	Nil	177,698 shares	\$0.18 (deemed)	2.3(2) NI 45-106 March 29, 2006	\$31,985.64 (deemed)
Peter Miles 2220-5 th Ave West Vancouver, BC, V6K 1S3	Nil	486,011 shares	\$0.18 (deemed)	128(f) of the Rules March 29, 2006	\$87,481.98 (deemed)
Jeff Stuart 5680 Marine Drive West Vancouver, BC V7X 1C4	Nil	2,000 shares	\$0.18 (deemed)	128(f) of the Rules March 29, 2006	\$360 (deemed)
Gabriel Gates 636 Clyde Avenue, Suite 9 West Vancouver, BC V7T 1E1	Nil	4,000 shares	\$0.18 (deemed)	128(f) of the Rules March 29, 2006	\$720 (deemed)
Grant Gallelli Suite 707, 1905 Robson Street Vancouver, BC V6G 1E6	Nil	8,000 shares	\$0.18 (deemed)	128(f) of the Rules March 29, 2006	\$1,440 (deemed)
Allison Lee 4108 Bryson Place Richmond, BC, V6X 3S5	Nil	4,000 shares	\$0.18 (deemed)	128(f) of the Rules March 29, 2006	\$720 (deemed)

If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario Securities Commission.

Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: April 12, 2006

ARCTIC STAR DIAMOND CORP.

Name of issuer (please print)

Thomas Yingling, Vice President, (604) 689-1799

Print name, title and telephone number of person signing



Signature

Item 9: State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or, where applicable, the regulator in the jurisdiction(s) where the form is filed, at the address(es) listed at the end of this report.