

S-15/783-2
\$2,572,634.70
Feb. 21/07

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

Arctic Star Diamond Corp.

Suite 2833, 595 Burrard Street

Vancouver, BC V7X 1C4

Phone: (604) 689-1799

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.

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.

Bio-tech

Financial Services

investment companies and funds

mortgage investment companies

Forestry

Hi-tech

Industrial

Mining

exploration/development

production

Oil and gas

Real estate

Utilities

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.

Feb 21, 2007

Item 6: For each security distributed:

(a) describe the type of security,

1,060,000 non-flow-through units and 6,735,863 flow through units

(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

1,060,000 non flow-through units at a price of \$0.33 per unit consisting of one common share and one non-transferable share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.35 per share for a period of two years.

6,735,863 flow-through units at a price of \$0.33 per unit consisting of one common share and one non-transferable share purchase warrant entitling the holder to purchase one additional flow-through common share at a price of \$0.35 per share for a period of two years.

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

Section 2.3(2) and Section 2.5(2) of National Instrument 45-106 and BCI 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	28	\$0.33	\$866,455.00
Quebec	2	\$0.33	\$19,800.00
Manitoba	4	\$0.33	\$75,900.00
Ontario	8	\$0.33	\$931,049.70
Alberta	5	\$0.33	\$234,630.00
Switzerland	1	\$0.33	\$349,800.00
Bermuda	1	\$0.33	\$95,000.00
Total number of Purchasers	49		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$2,572,634.70

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	
Andrew Dunlop 1055 Dunsmuir Street Vancouver, BC V7X 1L4	\$2,475.00	N/A	\$0.33 (deemed)	S. 2.3(2) of NI 45-106 Feb 21/07	\$2,475.00 (deemed)
Arnold Rossen 11 Rostrevor Road Toronto, ON M6C 3E5	\$3,168.00	N/A	\$0.33 (deemed)	S. 2.3(2) of NI 45-106 Feb 21/07	\$3,168.00 (deemed)
Lorraine Levine 65 Magpie Crescent Toronto, ON M2L 2E6	\$3,960.00	N/A	\$0.33 (deemed)	S. 2.5(2) of NI 45-106 Feb 21/07	\$3,960.00 (deemed)
Grant Gallelli 707 – 1905 Robson Street Vancouver, BC V6G 1E6	\$2,970.00	N/A	\$0.33 (deemed)	S. 2.5(2) of NI 45-106 Feb 21/07	\$2,970.00 (deemed)
Joseph Liao #1001 – 610 Granville St. Vancouver, BC V6C 3T3	N/A	12,000 common shares	\$0.33 (deemed)	S. 2.5(2) of NI 45-106 Feb 21/07	\$3,960 (deemed)
Alex Kuznecov 1558 W. Hastings St. Vancouver, BC V6G 3J4	\$4,712.40	N/A	\$0.33 (deemed)	S. 2.3(2) of NI 45-106 Feb 21/07	\$4,712.40 (deemed)
Aaron Cheer 2890 Euclid Avenue Vancouver, BC V5R 5C1	N/A	9,600 common shares	\$0.33 (deemed)	S. 2.5(2) of NI 45-106 Feb 21/07	\$3,168 (deemed)
Stephanie Carey 35 Harbour Mews West Bay Street Nassau, Bahamas	\$3,960.00	N/A	\$0.33 (deemed)	BCI 72-503 Feb 21/07	\$3,960.00 (deemed)
Brian Trowbridge Tropicana Plaza Leeward Highway Box 656 Provinciales, Turks & Caicos Islands	\$20,988.00	N/A	\$0.33 (deemed)	BCI 72-503 Feb 21/07	\$20,988.00 (deemed)
Jeff Stuart 5680 Marine Drive West Vancouver, BC V7W 2R6	\$2,574.00	N/A	\$0.33 (deemed)	S. 2.5(2) of NI 45-106 Feb 21/07	\$2,574.00 (deemed)

Item 9: 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: March 14, 2007

Arctic Star Diamond Corp.

Name of issuer (please print)

Patrick Power, President, 604.689.1799

Print name, title and telephone number of person signing



Signature

Item 10: 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.