

**Form 45-103F4
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.

**Blackstone Ventures Inc.
900 - 808 West Hastings Street
Vancouver, BC V6C 2X4**

Telephone: 604-687-3929

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 British Columbia, Alberta and Saskatchewan.

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.

August 5, 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.

✓ 2,000,000 flow-through units at a price of \$0.50 per flow-through unit. Each flow-through unit is comprised of one common share without par value, on a flow-through basis, and one half of one transferable share purchase warrant, on a non-flow-through basis. Each whole warrant is convertible into one common share, on a non-flow-through basis, at an exercise price of \$0.60 per share for a period of one year (expiry on August 5, 2005). T = 3,200,000 UT

✓ 1,200,000 non-flow-through units at a price of \$0.42 per non-flow-through unit. Each non-flow-through unit is comprised of one common share without par value, on a non-flow-through basis, and one half of one transferable share purchase warrant, on a non-flow-through basis. Each whole warrant is convertible into one common share at an exercise price of \$0.55 per share for a period of two years (expiry on August 5, 2006).

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

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 finder's 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	\$0.50	\$838,000
Alberta	\$0.50	\$152,000
Ontario	\$0.50	\$10,000
British Columbia	\$0.42	\$344,599.50
Alberta	\$0.42	\$159,400.50
Total dollar value of distribution in all jurisdictions (Canadian \$)		\$1,504,000.00

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, #2200 - 609 Granville St., Vancouver, BC V7Y 1H2	\$220,730 cash	N/A	N/A
Canaccord Capital Corporation, #2200 - 609 Granville St., Vancouver, BC V7Y 1H2	22,857 non-flow-through units	s.74(2)(23) of the Act August 5, 2004	\$0.42 per non-flow-through unit <i>(= \$9,599.94)</i>
Canaccord Capital Corporation, #2200 - 609 Granville St., Vancouver, BC V7Y 1H2	320,000 non-transferable warrants convertible to one common shares at a price of \$0.54 per share	s.74(2)(23) of the Act August 5, 2004	Nil <i>✓</i>
Canaccord Capital Corporation, #2200 - 609 Granville St., Vancouver, BC V7Y 1H2	100,000 common shares	s.74(2)(23) of the Act August 5, 2004	\$0.42 per share <i>(= \$42,000)</i>

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.

Date: August 10, 2004

Blackstone Ventures Inc.
Name of issuer or vendor (please print)

Donald McInnes, President and Director
Print name and position of person signing



Signature