

Form 45-106F6

British Columbia Report of Exempt Distribution

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

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

- the full name of the issuer of the security distributed. Include the former name of the issuer if its name has changed since this report was last filed;
- the issuer's website address; and
- the address, telephone number and email address of the issuer's head office.

Black Smoker Ventures Inc. (the "Issuer")

700 – 510 W. Hastings St.

Vancouver, BC V6B 1L8

Phone: 604 687-7130

Email: info@blacksmokerventures.com

Website: www.blacksmokerventures.com

Item 2: Reporting issuer status

A. 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 Ontario

B. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, name the investment fund manager and state the jurisdiction(s) where it is registered. N/A

Item 3: Issuer's industry

Indicate the industry of the issuer by checking the appropriate box 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)
- Consumer Products and Services

Item 4: Insiders and promoters of non-reporting issuers

If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each insider and promoter of the issuer. If the insider or promoter is not an individual, complete the table for directors and officers of the insider or promoter.

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
N/A	N/A	N/A	N/A

Details of distribution**Item 5: Distribution date**

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

December 2, 2011

Item 6: Number and type of securities

For each security distributed:

- describe the type of security;

Units (Common Shares)

- 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

Private placement of 11,797,286 units (“Units”) at a price of \$0.105 per unit. Each Unit consists of one common share of the Issuer and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder to purchase one additional common share at a price of \$0.30 per share for a period of 24 months from the date of issue.

- if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption. N/A

Item 7: Geographical information about purchasers

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report. The information provided in this table must reconcile with the information provided in item 8 and Schedules I and II.

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	47	\$0.105	\$943,115.00
Alberta	1	\$0.105	\$5,250.00
Manitoba	1	\$0.105	\$10,000.00
Ontario	7	\$0.105	\$144,099.90
Albania	1	\$0.105	\$5,000.00
Australia	1	\$0.105	\$21,000.00
Germany	1	\$0.105	\$15,750.00
Luxembourg	1	\$0.105	\$21,000.00
Singapore	1	\$0.105	\$31,500.00
Switzerland	1	\$0.105	\$42,000.00
Total number of Purchasers	62		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$1,238,714.90

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

Item 8: Information about purchasers

Instructions

- A. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.
- B. Information about the purchasers of securities under the distribution is required to be disclosed in different tables in this report. Complete
- the following table for each purchaser that is not an individual, and
 - the tables in Schedules I and II of this report for each purchaser who is an individual.

Do not include in the tables information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report.

- C. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) [TSX *Venture Exchange offering*] of National Instrument 45-106 *Prospectus and Registration Exemptions* may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Oakes Ripley & Associates Inc. 360 – 485 W. 8th Ave. Vancouver BC V5Y 3Z5 Phone: 604-875-8477	N/A	100,000	\$10,500.00	Section 2.3(1) of NI 45-106	2011-12-02
Pathfinder Asset Management Limited 1320 – 885 W. Georgia St. Vancouver, BC V6C 3E8 Phone: 604-682-7312	N/A	1,500,000	\$157,500.00	Section 2.3(1) of NI 45-106	2011-12-02
Klassic-Fore Investments Inc. 42808 Janzen Rd. Chilliwack, BC V2R 4K4 Phone: 604-793-7416 Attention: Robert Krahn	N/A	476,190	\$50,000.00	Section 2.3(1) of NI 45-106	2011-12-02
642729 B.C. Ltd. 2257 128 St. Surrey, BC V4A 3V8 Phone: 604-613-4336 Attention: Sukwinder Rai	N/A	30,000	\$3,150.00	Section 2.3(1) of NI 45-106	2011-12-02
B.Line Consultants Ltd. 9560 Blundell Rd. Richmond, BC V6Y 1K6 Phone: 604-908-9567 Attention: Rick Bianchin	N/A	100,000	\$10,500.00	Section 2.3(1) of NI 45-106	2011-12-02
Skanderbeg Capital Group Ltd. 700 – 510 W. Hastings St. Vancouver, BC V6B 1L8 Phone: 604-687-7130 Attention: Brian Slusarchuk	N/A	380,953	\$40,000.00	Section 2.3(1) of NI 45-106	2011-12-02
Red Fern Consulting Ltd. 704 – 1199 Seymour St. Vancouver, BC V6B 1K3 Phone: 604-802-4447 Attention: Jonathan Richards	N/A	100,000	\$10,500.00	Section 2.5(1) of NI 45-106	2011-12-02

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
DLK Minerals Ltd. 2C – 2020 Portage Ave. Winnipeg, MB R3J 0K4 Phone: 204-953-1460 Attention: Mark Olson	N/A	95,238	\$10,000.00	Section 2.3(1) of NI 45-106	2011-12-02
Aston & Martine PTY Ltd. Level 4, 20 Loftus St., Sydney, NSW, 2000 Australia Phone: +61-2-9241-5999 Attention: J. Gregg	N/A	200,000	\$21,000.00	Section 2.3(1) of NI 45-106	2011-12-02
Dexolmenos Development SA 6, rue Adolphe L-1116 Luxembourg Phone: +4352-26-27-371 Attention: Michelle Delfosse	N/A	200,000	\$21,000.00	Section 2.3(1) of NI 45-106	2011-12-02
Aran Asset Management SA Bahnhofplatz PO Box 4010 6304 ZUG Switzerland Phone: +41-41-726-0470 Attention: Michael C. Thalmann	N/A	400,000	\$42,000.00	Section 2.3(1) of NI 45-106	2011-12-02
General Research GMBH Burgstrasse 12 D-80331 Munich Germany Phone: +49-89-2500-4330 Attention: Georg Hochwimmer	N/A	150,000	\$15,750.00	Section 2.3(1) of NI 45-106	2011-12-02

Commissions and finder's fees

Item 9: Commissions and finder's fees

Instructions

- A. 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 information about payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.
- B. If the securities being issued as compensation are or include convertible securities, such as warrants or options, 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	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	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 (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
Macquarie Private Wealth Inc. 500 – 550 Burrard Street Vancouver, BC V6C 2B5	N/A	\$12,627.30	120,260.00 Finder's Warrants	\$0.30	2.3(1) of NI 45-106 2011-12-02	\$12,627.30
Raymond James Ltd. 400 -925 W. Georgia St. Vancouver, BC V6C 3L2	N/A	\$14,525.00	138,333 Finder's Warrants	\$0.30	2.3(1) of NI 45-106 2011-12-02	\$14,525.00
Canaccord Genuity Corp. 2200 – 609 Granville St. Vancouver, BC V7Y 1H2	N/A	\$7,203.00	68,600 Finder's Warrants	\$0.30	2.3(1) of NI 45-106 2011-12-02	\$7,203.00
Skanderbeg Capital Group Ltd. 700 – 510 W. Hastings St. Vancouver, BC V6B 1L8	N/A	\$13,256.25	126,250 Finder's Warrants*	\$0.30	2.3(1) of NI 45-106 2011-12-02	\$12,521.25
Leede Financial Markets Inc. 1800 - 1140 W. Pender St. Vancouver, BC V6E 4G1	N/A	\$2,205.00	21,000 Finder's Warrants	\$0.30	2.3(1) of NI 45-106 2011-12-02	\$2,205.00
Haywood Securities Inc. 700 - 200 Burrard St. Vancouver, BC V6C 3L6	N/A	\$1,470.00	14,000 Finder's Warrants	\$0.30	2.3(1) of NI 45-106 2011-12-02	\$1,470.00
Dundee Securities Ltd. 3424 - 1055 Dunsmuir St. Vancouver, BC V7X 1K8	N/A	\$3,454.50	32,900 Finder's Warrants	\$0.30	2.3(1) of NI 45-106 2011-12-02	\$3,454.50
Scharfe Holdings Inc. 700 – 510 W. Hastings St. Vancouver, BC V6B 1L8	N/A	\$14,245.00	135,666 Finder's Warrants	\$0.30	2.3(1) of NI 45-106 2011-12-02	\$14,245.00
Deborah Trustham 10070 Wolfe Street Mission, BC V4S 1G7	N/A	\$5,262.25	50,116 Finder's Warrants	\$0.30	2.3(1) of NI 45-106 2011-12-02	\$5,262.25
BMO Nesbitt Burns 1 First Canadian Place 48th floor Toronto, ON M5X 1H3	N/A	\$735.00	7,000 Finder's Warrants	\$0.30	2.3(1) of NI 45-106 2011-12-02	\$735.00

*Each Finder's Warrant entitles the holder to purchase a one common share at a price of \$0.30 per share for a period of 24 months from the date of issue.

Certificate

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

Date: December 2, 2011

BLACK SMOKER VENTURES INC.

by its authorized signatory

“Carson Seabolt”

CARSON SEABOLT

Chief Executive Officer

Phone: 604-687-7130 (ext. 103)

Instruction

The person certifying this report must complete the information in the square brackets by deleting the inapplicable word. For electronic filings, substitute a typewritten signature for a manual signature.

Item 10: Contact information

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. – N/A

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