

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. Also state the full name and address of the vendor if this report is filed (a) by a vendor who is not the issuer, and (b) in connection with an exemption other than those contained in MI 45-103.

Name of issuer: Blue Diamond Mining Corporation
Address: 133 Winfield Heights, 55210 RR232
Sherwood Park, Alberta T8B 1B9
Telephone Number: 780 417-5117

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 reporting in the Provinces of British Columbia and Alberta

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.

June 30, 2005

4. For each security distributed:

- (a) describe the type of security, and

Units comprised of common shares and warrants.

- (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.

First tranche closing of a non-brokered private placement in the aggregate principal amount of 1,836,379 Units at a price of \$0.14 for total proceeds of \$257,093.00. Each Unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share exercisable for two years at a price of \$0.20 expiring June 30, 2007. The Warrants have a 4 month hold period expiring October 30, 2005.

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

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COMMUNICATIONS

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	\$0.14 per unit	\$10,900
Alberta	\$0.14 per unit	\$201,900
Cyprus	\$0.14 per unit	\$44,293
Total		\$257,093

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 \$)
N/A			

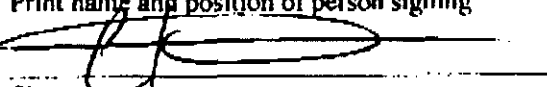
Certificate

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: July 6, 2005.

BLUE DIAMOND MINING CORPORATION
Name of issuer or vendor (please print)

Larry Kryska, President
Print name and position of person signing


Signature