

X024713

\$ 10,350,000

Feb 27, 2007

**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.

Blackstone Ventures Inc.  
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Vancouver, BC V6C 3K4  
Telephone: (604) 687-3929

**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 British Columbia, Alberta and Saskatchewan

**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.

February 27, 2007

**Item 6:** For each security distributed:

- (a) describe the type of security,

Units at a price of \$0.90 per unit.

- (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

11,500,000 Units at a price of \$0.90 per unit. Each Unit consists of one common share without par value in the capital of the Issuer (a "Share") and one half of one share purchase warrant (a "Warrant").

One whole Warrant will entitle the holder, on exercise, to purchase one additional common share (a "Warrant Share") of the Issuer at a price of \$1.35 per Warrant Share at any time until the close of business on the day which is 18 months from the date of issue of the Warrant.

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

The Units are issued in reliance on the following exemptions: NI 45-106 -2.3 Accredited Investor and BCI 72-503 Distributions of Securities Outside of British Columbia.

**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 \$) <sup>1</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	32	\$0.90	\$919,890
Alberta	6	\$0.90	\$91,890
Saskatchewan	16	\$0.90	\$242,010
Manitoba	3	\$0.90	\$87,660
Ontario	20	\$0.90	\$5,924,250
United Kingdom	3	\$0.90	\$1,125,000
Cayman Islands	1	\$0.90	\$1,125,000
Switzerland	1	\$0.90	\$495,000
Saudi Arabia	1	\$0.90	\$180,000
Gibraltar	1	\$0.90	\$99,000
Singapore	1	\$0.90	\$45,000
New Zealand	1	\$0.90	\$15,300
<b>Total number of Purchasers</b>	86		
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>			\$10,350,000

**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)				Total dollar value of compensation (Canadian \$)
	Cash (Canadian \$)	Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Wellington West Capital Inc. Investment Banking 145 King Street West, Suite 700, Toronto, Ontario, M5H 1J8	\$434,700.00	483,000 Agent's Warrants <sup>1</sup>	N/A	Section 2.3 NI 45-106 Feb. 27, 2007	\$434,700.00
Toll Cross Securities Inc. 77 King Street West, Suite 3120, P.O. Box 138, Toronto, Ontario, M5K 1H1	\$124,200.00	138,000 Agent's Warrants <sup>1</sup>	N/A	Section 2.3 NI 45-106 Feb. 27, 2007	\$124,200.00
Versant Partners Inc. 145 King Street West, Suite 1030, Toronto, Ontario, M5H 1J8	\$62,100.00	69,000 Agent's Warrants <sup>1</sup>	N/A	Section 2.3 NI 45-106 Feb. 27, 2007	\$62,100.00
<b>TOTAL</b>					<b>\$621,000.00</b>

Notes:

- Each Agent's Warrant will entitle the holder thereof to purchase one common share at a price of \$0.90 per share until August 27, 2008.

**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.

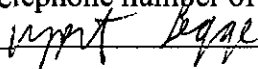
Date: March 5, 2007

Blackstone Ventures Inc.

Name of issuer (please print)

Rupert Legge, Corporate Secretary, 604-643-1286

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.**