

British Columbia
Securities Commission

Form 45-103F4

2003 DEC 29 ANNUAL REPORT OF EXEMPT DISTRIBUTION

Issuer information RECEIVED

1. State the full, 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.
501-675 West Hastings Street
Vancouver, BC
V6B 1N2
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.

December 19, 2003

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.
 - (i) 2,329,142 units ("Units") to the purchasers at a price of \$0.35 per Unit, with each unit consisting of one common share and one half of one warrant. Each whole warrant is exercisable for one common share for a period of two years at a price of \$0.45.
 - (ii) 93,166 Units to the Agents.
 - (iii) 232,914 Agents' warrants ("Agents' Warrants") each of which is exercisable for one common share at a price of \$0.40 for a period of two years.

- (iv) 100,000 corporate finance units, with each unit consisting of a common share and one warrant. Each corporate finance warrant is exercisable for one common share at an exercise price of \$0.45 for a period of two years.

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	\$0.35 per Unit	\$592,950.05
Alberta	\$0.35 per Unit	\$131,249.65
Ontario	\$0.35 per Unit	\$9,800
United Kingdom	\$0.35 per Unit	\$38,500
Germany	\$0.35 per Unit	\$22,750
Switzerland	\$0.35 per Unit	\$19,950
Total dollar value of distribution in all jurisdictions (Canadian \$)		<u>\$ 815,199.70</u>

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 P.O. Box 10337, Pacific Centre 2200 - 609 Granville Street Vancouver, BC V7Y 1H2	165,914 Agents' Warrants 66,366 Units \$23,227.98 100,000 Corporate Finance Units <i>T = 166,366 UT</i>	s.74(2)(23) of the BC Securities Act December 19, 2003 <i>(5.35) (= \$8,228.10)</i>	N/A

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 \$)
Leede Financial Markets 1900-777, 8th Ave., S.W. Calgary, AB. T2P 3R5	10,000 Agents' Warrants 4,000 Units \$1,400.00	s.74(2)(23) of the BC Securities Act December 19, 2003	N/A
Pacific International Securities Inc. 1900-666 Burrard St., Vancouver, B.C. V6C 3N1	57,000 Agents' Warrants 22,800 Units \$7,980.01	s.74(2)(23) of the BC Securities Act December 19, 2003 (= \$7980) EC	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.

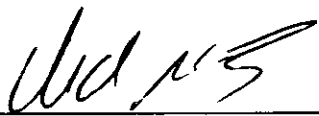
Date: December 24, 2003

BLACKSTONE VENTURES INC.

Name of issuer or vendor (please print)

Donald A. McInnes, President

name and position of person signing


Signature