

Form 45-103F4  
Report of Exempt Distribution

2003 SEP 26 AM 9:49

**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.

Blue Diamond Mining Corporation  
133 Winfield Heights  
55210 RR232  
Sherwood Park, Alberta T8B 1B9

Telephone: (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 a TSX Exchange reporting issuer and is reporting in British Columbia and Alberta. The primary reporting jurisdiction of the Issuer is British Columbia.

**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.

September 8, 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.

Private placement of 814,100 units of the Issuer at a price of \$0.25 per Unit. Each Unit consists of one common share and one common share purchase warrant. One whole share purchase warrant exercisable to acquire up to an additional 814,100 common shares of the Issuer at an exercise price of \$0.40 per share exercisable over a twelve month period, up to and including September 8, 2004.

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

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   | \$0.25                           | \$22,500 ✓  |
| Alberta  | \$0.25                           | \$171,025   |
| <b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b> |                                  | <b>\$193,525</b>  |

**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 \$) |
|---|--|-------|--|-------------------------------|
|   | Name of Purchaser  | Total |  |                               |
| N/A ✓   | N/A  | N/A   | N/A  | 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.

DATED Sept 12, 2003.

Blue Diamond Mining Corporation  
Name of issuer or vendor (please print)

Larry Kryska, President  
Print name and position of person signing

  
Signature