

S 198995 - 2  
\$ 1,318,500<sup>00</sup>  
Dec. 29, 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:** KLONDIKE SILVER CORP.  
711-675 West Hastings Street  
Vancouver, B.C., V6B 1N2  
Phone: 604-685-2222

**Item 2:** The Issuer is a reporting issuer in British Columbia and Alberta.

**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:** Date of Distribution: December 29, 2007

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

- (a) Describe the type of security -1,770,000 non-flow through units at \$0.30 per unit and, each unit consisting of one common share and one share purchase warrant

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exercisable on or before December 28, 2008 at a price of \$0.40 per share and on or before December 28, 2009 at a price of \$0.50 per share and 1,740,000 non flow through units at \$0.45 per unit, each unit consisting of one common share and one share purchase warrant exercisable on or before December 28, 2009

- (b) Total number of securities distributed – 3,510,000 common shares and 3,510,000 share purchase warrants
- (c) Exemption relied upon – NI 45-106, 2.3(5) and NI 45-106, 2.5(2)

**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	1	\$0.30	\$ 9,000
Ontario	4	\$0.30	\$787,500
British Columbia	3	\$0.45	\$471,000
Italy	1	\$0.45	\$15,000
Ontario	2	\$0.45	\$36,000
<b>Total number of Purchasers</b>	11		
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>	\$1,318,500		

**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)				
	Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Limited Market Dealership 1110 Finch Avenue West Suite 210 Toronto, Ontario M3J 2T2	\$63,000				\$63,000

**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. **Filed with the Ontario Securities Commission.**

### Certificate

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

Date: January 25, 2008

Klondike Silver Corp.

Name of issuer (please print)

Linda Brennan, Corporate Secretary – 604-685-2222

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.**