

Form 45-106F1
Report of Exempt Distribution

Issuer information:

Item 1: Klondike Silver Corp.,

#711 – 675 West Hastings Street, Vancouver, B.C. V6B 1N2

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.

- | | |
|--|--|
| <input type="checkbox"/> Bio-tech | <input checked="" type="checkbox"/> Mining: |
| <input type="checkbox"/> Financial Services: | <input checked="" type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production |
| <input type="checkbox"/> mortgage investment companies | <input type="checkbox"/> Oil and gas |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Hi-tech | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Other (describe) |
-

Details of distribution

Item 4: Completed Schedule I is attached to this report.

Item 5: The distribution date was June 7, 2007.

Item 6: For each security distributed:

- (a) The security is common shares.
- (b) The total number of securities distributed is 1,400,000 shares.
- (c) The exemption(s) relied on is NI 45-106, 2.13(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 \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
B.C.	1	\$0.43	\$129,000
B.C.	5	\$0.45	\$225,000
B.C.	1	\$0.48	\$144,000
Ontario	1	\$0.65	\$195,000
Total number of Purchasers	1		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$693,000

Commissions and finder's fees:**Item 8: N/A**

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	
N/A					

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: June 11, 2007

Name of issuer: KLONDIKE SILVER CORP.

/s/ "Alan Campbell"

Alan Campbell, Director, 604-685-2222

Item 10: Contact Diana Mark 604-685-2222.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Authorization of Indirect Collection of Personal Information for Distributions in Ontario

The attached Schedule I contains personal information of purchasers and details of the distribution(s). The issuer hereby confirms that each purchaser listed in Schedule I of this report

- (a) has been notified by the issuer
 - (i) of the delivery to the Ontario Securities Commission of the information pertaining to the person as set out in Schedule I,
 - (ii) that this information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation,
 - (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and
 - (iv) of the title, business address and business telephone number of the public official in Ontario, as set out in this report, who can answer questions about the Ontario Securities Commission's indirect collection of the information, and
- (b) has authorized the indirect collection of the information by the Ontario Securities Commission.