

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.

- | | |
|--|--|
| ☐ Bio-tech | ☒ <u>Mining:</u> |
| ☐ <u>Financial Services:</u> | ☒ exploration/development |
| ☐ investment companies and funds | ☐ production |
| ☐ mortgage investment companies | ☐ Oil and gas |
| ☐ Forestry | ☐ Real estate |
| ☐ Hi-tech | ☐ Utilities |
| ☐ Industrial | ☐ Other (describe) |
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DETAILS OF DISTRIBUTION

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

Item 5: The distribution date is **May 22, 2009**.

Item 6: For each security distributed:

- (a) The security is common shares.
- (b) The total number of securities distributed is **6,279,332** flow through units at **\$0.06** per unit and **2,668,300** non flow through units at **\$0.06** per unit. Each flow through and non flow through unit consists of one common share and one non flow through share purchase warrant exercisable on or before **May 21, 2011** at a price of **\$0.10** per share.
- (c) The exemption(s) relied on is NI 45-106 2.3(5)

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 \$)
British Columbia	13	\$0.06	\$446,840
United Kingdom	1	\$0.06	\$60,000
United States	1	\$0.06	\$30,000
Total number of Purchasers	15		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$536,840

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.

COMMISSIONS AND FINDERS FEES:

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	
Haywood Securities Inc. 2000-400 Burrard St. Vancouver, B.C. V6C 3A6	\$7,996				\$7,996

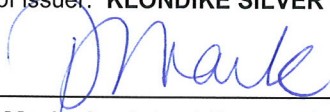
Item 9 If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario 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: **May 29, 2009**

Name of issuer: **KLONDIKE SILVER CORP.**



Diana Mark, Assistant Corporate Secretary

Item 9. 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

Contact: Kathi Bartels, 604 – 685-2222

Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or, where applicable, the regulator in the jurisdiction(s) where the form is filed, at the address(es) listed at the end of this report.

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