MATERIAL CHANGE REPORT

To: British Columbia Securities Commission
Alberta Securities Commission
Quebec Securities Commission
TSX Venture Exchange

Item 1. **Name and Address of Company** – **Klondike Silver Corp.**, Suite 711 – 675 West Hastings Street, Vancouver, B.C., Canada V6B 1N2

Item 2. **Date of Material Change** – October 20, 2009.

Item 3. **News Release** – News Release issued October 20, 2009, at Vancouver, BC.

Item 4. **Summary of Material Change – Klondike Silver Corp. (TSX-V: KS)** announces it has commenced a diamond drilling program and re-evaluation in an easily accessible, partly-explored area near former productive stopes.

Item 5. **Full Description of Material Change** – **Klondike Silver Corp.** (TSX.V: KS) announces it has commenced a diamond drilling program and re-evaluation in an easily accessible, partly-explored area near former productive stopes. Test mining is planned for this area on and just below the main 4625 Level of the Silvana Mine. The program is taking place as the Company is also extending a drift at the west end of the 4625 level into the recently discovered lode structure (see press release October 7, 2009). Upon completion of the western drift extension the drill will be moved to drill into the lode structure to test for mineralization.

The Company has identified an area close to and updip of the East Decline (main access to the lower levels of the Silvana Mine) which in the past received limited diamond drilling partly because of its proximity to this main production haulageway. Earlier drilling shows intermittent narrow widths of high grade mineralization in an overall area of several thousand square feet. This occurs in the Main Lode structure between more consistently mineralized areas.

In-fill diamond drilling is planned for the gaps between the narrow intercepts to identify possible mineralized areas amenable to small-scale mining. Preliminary work has been completed including rehabilitation in both the 4625 East Drift and East Decline accesses with rock removal in the latter and re-establishing electric, compressed air and water services. Total drilling planned is 600 feet in up to 8 holes drilled from the 4625 East Drift and the East Decline. The intent is to explore at or above the elevation of the main 4625 Level so that no sinking would be necessary to access any remove mineralized material selected for milling.

Test mining would be by via cross-cutting to and/or raising relatively short distances (< 100 feet) to the Main Lode structure in any identified areas of interest. As with the 4755 Level program previously announced grade control would be paramount, to include extensive channel and muck sampling to identify the economic production area(s). Similarly the muck from the development would be evaluated and stockpiled. On-site assaying of samples is available by fire and wet methods and by a newly commissioned Niton XRF analyzer. The Niton analyzer enables rapid multiple determinations of metal contents in conventionally-prepared samples. Turnaround time and quantity of data available to the mining operation are improved, both relevant factors in decision-making on a daily basis. Personnel using the XRF device are certified by NRCAN. Niton analyzer results are for in-house purposes only and are not NI 43-101 compliant.

The Qualified Person for the purpose of National Instrument 43-101 is Ed Craft, PEng, who has read and agreed with the technical information in this news release.

Item 6. **Reliance on Section 7.1(2) or (3) of National Instrument 51-102** – Not applicable.

Item 7. **Omitted Information** – The undersigned is aware of no information of a material nature that has been omitted.

Item 8. **Executive Officer** – Mr. Richard Hughes, President of the Issuer, is knowledgeable about the material change and this report. He can be contacted at (604) 685-2222.

Item 9. **Date of Report** – Dated at Vancouver, British Columbia, this 20th day of October 2009.