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** – May 23, 2012.

Item 3. **News Release** – News Release issued May 23, 2012, at Vancouver, BC.

Item 4. **Summary of Material Change – Klondike Silver Corp. (TSX-V: KS)** is pleased to announce it has arranged for a private placement of up to 4,000,000 units for total proceeds of up to $ 800,000.

Item 5. **Full Description of Material Change** –

Klondike Silver Corp. (TSX.V: KS) announces that it has arranged a Private Placement for up to 4,000,000 flow-through and non flow-through units priced at $0.20 and$0.15 per unit respectively. Each unit will consist of either one flow through or one non-flow through common share and one non-flow through, non-transferable share purchase warrant entitling the holder to purchase one additional common share for a period of four years at a price of $0.25 per share in the case of flow through units and $0.20 in the case of non-flow through units.

In accordance with Exchange policies, finders' fees may be paid on a portion of the funds raised. The private placement is subject to regulatory approval.

The proceeds of the private placement will be used for exploration programs, property option payments and general working capital.

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** – Alan Campbell, Chief Financial Officer 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 25th day of May 2012.