

Form 45-106F1
Report of Exempt Distribution

Except in British Columbia, this is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution. In British Columbia, the required form is Form 45-106F6.

Issuer/underwriter information

Item 1: State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report. If an underwriter is completing this form, also state the full name of the underwriter and the address and telephone number of the head office of the underwriter.

KLONDIKE SILVER CORP. (the "Issuer")
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Item 2: State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The issuer is a reporting issuer in British Columbia, Alberta and Quebec.

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 | 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"/> securitized products issuers | <input type="checkbox"/> Real estate |

- Forestry
- Hi-tech
- Industrial

- 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: State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

June 2, 2016.

Item 6: For each security distributed:

- (a) describe the type of security,
- (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and
- (c) state the exemption(s) relied on.

20,166,667 units at a purchase price of \$0.03. Each unit consists of one common share and one non-transferable share purchase warrant, with each warrant exercisable for 48-months from the closing at a price of \$0.05 per share.

Exemptions NI 45-106: s.2.3 & s.2.5

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	16	\$0.03 per Unit	\$564,000
Alberta	1	\$0.03 per Unit	\$6,000
Ontario	1	\$0.03 per Unit	\$5,000
Quebec	3	\$0.03 per Unit	\$30,000
Total number of Purchasers	21		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$605,000

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	
Redplug Capital Corp. 10177 170A St. Surrey BC V4N 4N6 Brandon Munday	50,700	-	-	-	50,700
Gordon James 2847 Austin Avenue Victoria, BC V9A 2K8	3,000	-	-	-	3,000
Leede Jones Gable 1800-1140 W. Pender St Vancouver BC V6E 4G1 Jim Love	600	-	-	-	600

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 9, 2016

Klondike Silver Corp.

Name of issuer (please print)

Thomas Kennedy, CEO 604-682-2928

Print name, title and telephone number of person signing

"Thomas Kennedy"

Signature

Instruction

The person filing the form must complete the bracketed information by deleting the inappropriate word.

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.

Dale Dobson, Accountant 604-682-2928

Print name, title and telephone number of contact person

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