

KLONDIKE SILVER

OUR VISION: Silver/Lead/Zinc Production

BC Mines Act Permit Approval

August 20, 2018 - Vancouver, Canada – Klondike Silver Corp. (the “Company”) (TSX.V:KS):

KLONDIKE SILVER is very pleased to announce that the BC Ministry of Energy, Mines and Petroleum (EMPR) has approved the Company’s Application to Amend the Silvana Mine, Mines Act Permit M-65 Mine Plan and Reclamation Program.

The amendment approval gives Klondike the **Green Light** to immediately proceed to explore and drill the under-explored section of the “Main Lode”, referred to as the “Silver Mile”. The “Main Lode” is the most productive silver-lead-zinc vein in the Slocan Mining Camp, southeast British Columbia.

Klondike Silver issued a News Release dated February 28, 2018 which contained the following information:

“In the fall of 2017, Company staff took several chip samples from stope pillars and raises between the 4625 and 4755 level, west end workings of the Silvana Mine. The results are listed below:

Sample Number	Silver		Lead (%)	Zinc (%)
	(oz/t)	(g/T)		
1675	37.5	1,285	16.3	15.3
1676B	328.1	11,250	23.4	32.6
1677	41.6	1,425	12.8	24.7
1678	220.2	7,550	0.6	40.2

Note: 1 troy ounce per short ton (g/t) = 34.2857 grams per metric tonne (g/T)

Company staff also explored the Carnation 5480 level which is the lowest and most easterly of the Carnation workings. Sampling of the footwall Main Lode are listed below:

Sample Number	Silver		Lead (%)	Zinc (%)
	(oz/t)	(g/T)		
1367	41.4	1,419	1.5	37.4
1369	23.5	806	3.1	41.1
1370	96.8	3,319	58.6	6.3
1371	54.5	1,869	5.6	45.9

Note: 1 troy ounce per short ton (g/t) = 34.2857 grams per metric tonne (g/T)

The high silver assay values with respect to lead assay values in some of the samples are attributed to Pyrargyrite, also known as Ruby Silver rather than Argentiferous Galena.

The distance between the western end of the Silvana Mine (4625 West Lateral Drift) and the eastern end of the Carnation workings (Carnation 5480) is approximately 350 meters. The Company’s goal is to advance the Silvana 4625 West Lateral Drift and new internal levels and raises to eventually connect to the Carnation 5480. This underground exploration of the “Silver Mile” will continue to explore the Main Lode to its property boundary, 1.5 kilometers to the west.

All samples in this news release were analyzed at ALS Canada Limited, North Vancouver. Samples were crushed to 70% < 2mm (Code: CRU-31), riffle split (Code: SPL-21) and pulverized to 85% < 75µm (Code: PUL-31). The subsequent pulps were digested using a four-acid solution and assayed using an ICP-AES instrument (Code: OG62). Silver samples that were over the detection limit used a 30 g Fire Assay with a Gravimetric Finish method (Code: Ag-GRA21 or Ag-CON01). Lead and zinc samples over the detection limit used classical titration methods (Code: Pb-VOL70 and Zn-VOL50 respectively). ALS Canada is a certified ISO/IEC 17025:2005 and ISO 9001:2015 compliant facility which incorporated their standard QA/QC laboratory procedure to the above samples."

The samples in the news release dated February 28, 2018 set out above were selective samples and are not necessarily representative of the mineralization hosted on the property.

The Company will now proceed with extending the 4625 West Lateral Drift, create a diamond drill station and will then drill an initial fan pattern of diamond drill holes to intersect the "Silver Mile" section of the "Main Lode". The data from this initial drill program will be used in planning the next section of exploration drifting and drilling. Should Silver-Lead-Zinc mineralization be intersected by the drilling, additional holes will be added to the program to delineate these mineralized pods. This methodical testing of the Main Lode has been very successful in extending the life of the Silvana Mine over the past 40 years.

About Klondike Silver

Klondike Silver's royalty-free **SILVER LEAD ZINC** land package (100 km²) is located in the historic **SLOCAN MINING CAMP**, southeast British Columbia. It is 138 km north of Teck's Trail BC **Lead-Zinc smelter**. Based on the British Columbia MINFILE mineral database, **sixty-eight** (68) of the one hundred and seventy-three (173) past producing **Silver Lead Zinc** mines in the Slocan Mining Camp are located in the Klondike Silver land package. Klondike Silver has created (with the use of modern technology) the first real opportunity, in the history of the camp, to invest in and properly explore a sizeable portion of one of the most historic mining camps in British Columbia. Klondike considers the Slocan the best under-explored **Silver Lead Zinc** camp, in Canada. For additional information please visit the Company's website www.klondikesilver.com.

The scientific and technical disclosure in this news release has been reviewed and approved by David Makepeace, P.Eng., Senior Geologist – Environmental Engineer for Micon International Limited, who is an independent consultant to the Company and Qualified Person as defined in NI 43-101.

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On Behalf of the Board of Directors

Klondike Silver Corp.

"Thomas Kennedy"

Thomas Kennedy

CEO, President and Director

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