

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

**1. Name and Address of the Issuer**

Klondike Silver Corp. (the “Issuer”)  
804 – 750 West Pender Street  
Vancouver, British Columbia  
V6C 2T7

**2. Date of Material Change**

September 25, 2020

**3. News Release**

On September 25, news release was issued and disseminated and subsequently filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

**4. Summary of Material Change**

The Issuer issued 8,300,000 private placement units at a price of \$0.05 each. Each Unit was comprised of one common share and one-half of one share purchase warrant.

**5. Full Description of Material Change**

The Issuer announced a second tranche is closing raising gross proceeds of \$415,000 through the issuance of 8,300,000 units (“Unit”) at a price of \$0.05 per each Unit. Each Unit will be comprised of one common share and one-half of one share purchase warrant (a “Warrant”). Each whole Warrant is exercisable to purchase one common share of the Company at a price of \$0.10 per share for a period of 30 months from the date of closing.

The private placement is subject to TSX Venture Exchange approval and all securities are subject to a four month hold period. Finder’s fees will be payable in connection with the private placements, all in accordance with the policies of the TSX Venture Exchange. The net proceeds will be used for advancing Klondike’s Sandon B.C. Silver Zinc Lead project (**drifting and drilling the main vein structure**), and for general working capital.

In the first tranche a director of the Company purchased 180,000 Units of the private placement. In the second tranche an existing insider (10% holder) of the Company purchased 800,000 Units of the private placement. The placement to those persons constitutes a “related party transaction” within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 -*Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) adopted in the Policy. The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in

respect of related party participation in the placement as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involved the related parties, exceeded 25% of the Company's market capitalization (as determined under MI 61-101).

**6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**7. Omitted Information**

Not applicable.

**8. Executive Officer**

For further information, please contact Tom Kennedy, President, tel: (604) 682-2928.

**9. Date of Report**

October 2, 2020