Geological Mapping, Trenching and Prospecting Cody Creek property, southeastern British Columbia Mineral Tenures: 507060 *et al.*

NTS map sheet 082F
1:20,000 trim map sheets 082F095
Centered at 117° 11’ 42” W, 49° 57’ 42” N

Slocan Mining Division

By

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Introduction

The Cody Cr. property is a group of tenures owned and operated by Klondike Silver Corp. in the historic Slocan Silver Camp. The camp produced more than four million tonnes of ore, rich in silver, lead, and zinc. Most of the ore was shipped to the smelter around the turn of the century and mining activity in the area has, for the most part, been limited to surface exploration since that time. One exception however, is the Silvana mine (Minfile# 082FNW050), which remains in operation under the ownership of Klondike Silver Corp. The company is actively exploring other areas of the camp and reassessing past producing mines to add to their holdings.

The Cody Cr. property contains several past producing mines with production totalling 36,668 tonnes. This report describes the results of geological mapping, prospecting and mechanical trenching on the property conducted in the 2010 field season.

Location, access, and physiography.

The Cody Cr. property is located 14km southeast of New Denver and 2km east of Sandon. The area is best accessed along the gravel road which begins at Hwy 31A, passes through Sandon and continues along Carpenter Creek. The property straddles Cody Cr., extends west to Sandon Cr. and east to the ridge occupied by Mt. Cody. The slopes on both sides of Cody Cr. are steep with canyons forming in many areas. A thin terrace of glacial sands occurs near the fork of the creek on the east side. The maximum relief on the property is 1370m with the highest point at 2470m on Mt. Cody and the lowest along Carpenter Cr. in the northwest corner of the property

Exploration History

Known past exploration on the Cody Cr. property is limited to the results shown in B.C. Minfile and Assessment reports. Some of the ground is covered by crown grant parcels for which recorded work is not necessary and therefore unavailable. Several past producing mines and prospects are located on the Cody Cr. property and provide insight into its potential.

The Noonday mine (Minfile# 082FNW056) was established in 1893 but after several different owners and operators with long periods of inactivity, production totalled only 357 tonnes by 1954. The 4 levels of the mine each have adits and the majority of ore was recovered from above level 2; however, room exists between level 3 and 4 for “important mineral deposition” (Cairnes, 1935, p. 65). The mineralization is hosted within a shear less than a meter wide and trending to the northeast (sub-parallel to bedding).

The Chicago No. 2 (Minfile# 082FNW194), the Colonial (Minfile# 082FNW069) and Freddie Lee (Minfile# 082FNW055) mines are all situated on the east slope of the ridge separating Sandon and Cody Creeks. The mines were all established around the same time to explore the same shear structure which trends east-west and dips steeply south. Within the body of the shear are extensional fissure veins striking at oblique angles to the shear and hosting mineralization. Combined, these three mines produced a total of 1050 tonnes.

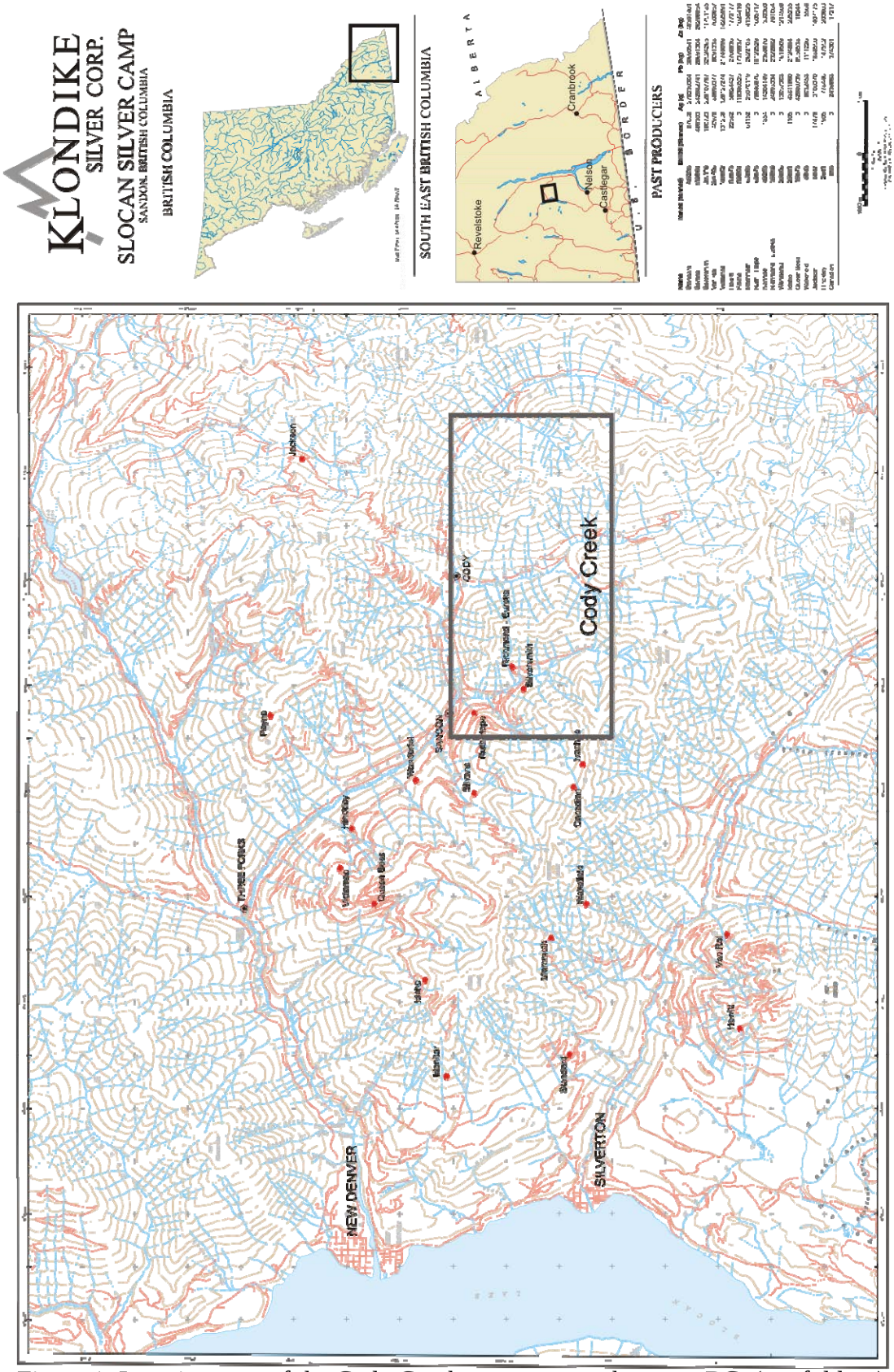

Figure 1: Location map of the Cody Creek property, southeastern BC. (see foldout)

To the west of the Freddy Lee mine, on the west slope of the ridge separating Sandon and Cody Creeks, is the Richmond-Eureka mine (Minfile# 082FNW054). The Richmond-Eureka began development in 1895 and was intermittently worked on until 1961. The workings include at least 6 levels connected by a shaft with the upper levels consisting mainly of open cuts and short adits. The most recent ore in the Richmond-Eureka was recovered between levels 5 and 6, the lowest two levels in the mine. In total, the mine produced 36,650 tonnes at grades of 682g/tonne Ag, 6.34% Pb and 2.08% Zn with 0.016g/tonne Au and 40.9g/tonne Cd.

Just below the Richmond-Eureka, on Sandon Creek, is a group of short adits known as the Slocan King (Minfile# 082FNW196). The Slocan King is connected via a raise to the No. 5 level of the Silversmith mine (Minfile# 082FNW053) and was developed to explore the eastern extension of the Silversmith lode (main lode) and the down dip extension of the Richmond-Eureka vein. Although heavy mineralization was encountered in the mine, the three years of mining only produced 18 tonnes of recorded ore.

The Silversmith mine was one of the best producers in the camp and occupies the main lode to the east of Klondike Silver Corp.'s current underground efforts in the Silvana mine (Minfile# 082FNW050). Production was first recorded in 1893 from the Slocan Star orebody which was exhausted by 1917 after which time the Silversmith orebody was discovered and mined until 1926. The workings consist of 12 levels, 6 of which have adits, connected by shafts and raises. The rich ore produced by the Silversmith mine totalled 355,110 tonnes at grades of 637g/tonne Ag, 9.16% Pb and 3.31% Zn with 0.106g/tonne Au and 48.3g/tonne Cd.

In 1981 soil geochemistry lines were sampled along the east slope of the ridge separating Sandon and Cody Creek to the south (Goldsmith, 1981). By 1985, the soil grid had expanded and a discovery was made in a shallow trench known now as the Jazmine showing (Minfile# 082FNW254) (Goldsmith, 1984). A 1 meter chip sample from a shear zone exposed in the trench assayed 972g/tonne Ag, 52.42% Pb and 1.4% Zn (Goldsmith, 1985).

Klondike Silver Corp. began exploring the property in 2007 with "grass-roots" methods to establish larger zones for exploration. A soil geochemistry survey was conducted, and several east-west trending linear anomalies were indicated in the plot (Good, 2008). The following year, the grid was expanded to the east side of Cody Cr. and another set of linear anomalies were indicated, but not necessarily contiguous with those on the west side (Höy, Jackaman and Good, 2009).

In 2009 Klondike Silver Corp. continued exploration of the Cody Creek property focusing primarily on the east side of Cody Creek (Seabrook and Höy , 2010a). The 2009 program included two ground geophysics surveys, backhoe trenching and prospecting. The geophysics indicated a strong North-South magnetic anomaly and a single sub east-west VLF EM anomaly in the southern grid. Trenching conducted over the VLF anomaly discovered a quartz breccias zone with iron carbonate staining but absent of mineralization. Due to lithological unit competency it was recommended that exploration be shifted to the west side of Cody Creek where prospecting samples taken in 2009 had yielded high concentrations of lead and silver.

Claims

The Cody Cr. property consists of a group of mineral tenures and crown granted claims owned and operated by Klondike Silver Corp. as well as two-post claims in joint venture with L.B. Goldsmith. The approximate area covered by these tenures is 1,800ha, however, crown granted parcels hold rights to a portion of this land adjusting the area available for exploration. Figure 2 shows the locations of the Cody Cr. tenures as well as active crown grant parcels. In addition to the tenures indicated on the map, Klondike Silver Corp. holds adjoining tenures to the east and west referred to as the Mt. Con property and Wonderful property respectively.

Claim No.	Type	Name	Owner	Good to	Area (ha)
507060	Mineral		Klondike Silver Corp.	2017/mar/15	540.36
599035	Mineral		Klondike Silver Corp.	2017/mar/15	519.61
631124	Mineral	CODYCRJNCTN	Klondike Silver Corp.	2017/mar/15	41.58
598885	Mineral		Klondike Silver Corp.	2017/mar/15	374.13
506482	Mineral		Klondike Silver Corp.	2017/mar/15	41.56
506481	Mineral		Klondike Silver Corp.	2017/mar/15	83.11
506478	Mineral		Klondike Silver Corp.	2017/mar/15	41.56
506477	Mineral		Klondike Silver Corp.	2017/mar/15	103.89

Table 1. Mineral Tenures, Cody Creek property.

Lot No.	Type	Name	Owner	Status	Area (ha)
9842	Crown Grant	Edith Fr.	Klondike Silver Corp.	Active	13.36
5368	Crown Grant	Ophir No. 3	Klondike Silver Corp.	Active	18.94
6522	Crown Grant	Eva Fr.	Klondike Silver Corp.	Active	5.09
1477	Crown Grant	Empire	Klondike Silver Corp.	Active	6.45
1472	Crown Grant	Richmond	Klondike Silver Corp.	Active	14.02
1473	Crown Grant	Starview	Klondike Silver Corp.	Active	14.27
4374	Crown Grant	Summit	Klondike Silver Corp.	Active	12.39
1715	Crown Grant	Hidden Treasure No. 2	Klondike Silver Corp.	Active	6.32
1009	Crown Grant	Emma	Klondike Silver Corp.	Active	4.27
2284	Crown Grant	Eureka No. 2	Klondike Silver Corp.	Active	3.85
2285	Crown Grant	Mineral Hill	Klondike Silver Corp.	Active	6.72
4856	Crown Grant	Morning Sun	Klondike Silver Corp.	Active	8.66
546	Crown Grant	Jennie	Klondike Silver Corp.	Active	2.26
545	Crown Grant	Slocan Star	Klondike Silver Corp.	Active	8.25
6915	Crown Grant	Minnesota	Klondike Silver Corp.	Active	13.85
547	Crown Grant	Slocan King	Klondike Silver Corp.	Active	7.29
6523	Crown Grant	Hillside	Klondike Silver Corp.	Active	17.07
15481	Crown Grant	Hemlock Fr.	Klondike Silver Corp.	Active	19.81
6916	Crown Grant	Whistler Fr.	Klondike Silver Corp.	Active	14.88
15482	Crown Grant	Silver Mountain	Klondike Silver Corp.	Active	21.12
15483	Crown Grant	Boomer Fr.	Klondike Silver Corp.	Active	11.91
15484	Crown Grant	Robin Fr.	Klondike Silver Corp.	Active	15.16

Table 2. Crown Grant Parcels, Cody Creek property.

No.	Type	Name	Owner	Status	Area (ha)
405319	MC2B	Chicago No. 2	Locke, B. Goldsmith	Active	25.00

Table 3. Joint Venture Claims, Cody Creek property.

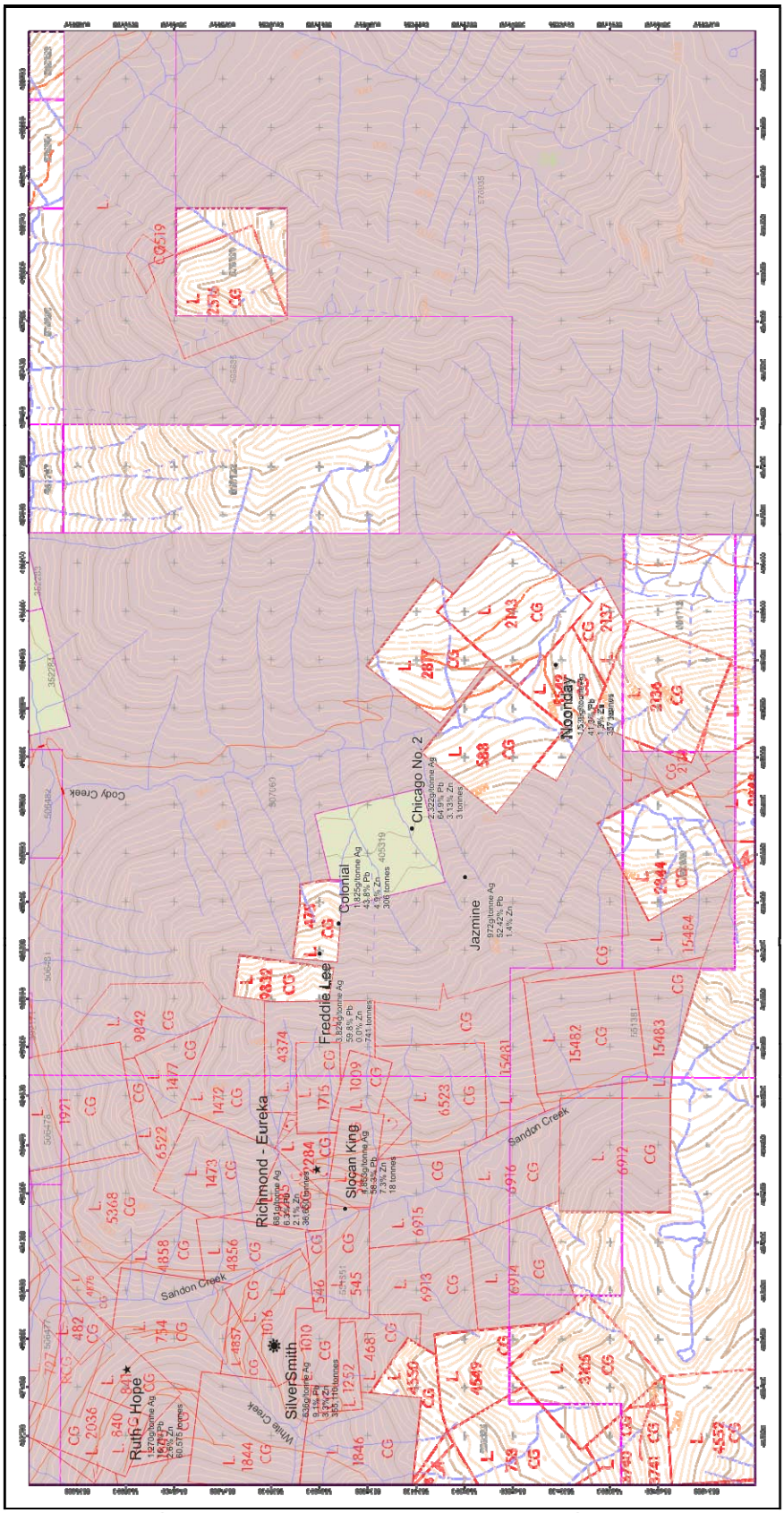

Figure 2: Map of claims, Cody Creek property. (see foldout)

Regional Geology

The Cody Creek property lies within the Slocan Silver camp on the Kokanee Range of the Slocan Mountains in southeastern British Columbia. The Kokanee Range is bounded to the west by the Valhalla metamorphic complex, exposed on the west side of Slocan Lake (Figure 3). The Valhalla complex was unroofed in Middle Eocene time by normal displacement along the low-angle, east-dipping Slocan Lake fault (Carr *et al*., 1987). The Slocan Lake fault is an extensional fault of crustal dimension that is imaged to extend eastward beneath the Slocan Silver camp and the Nelson batholith (Figure 3).

The Slocan Group comprises mainly argillite, impure sandstones, argillaceous limestone and minor mafic tuff (Hedley, 1952) that was deposited west of oceanic Slide Mountain terrane. These rocks are highly deformed, tightly folded and sheared. However, metamorphic grade is low and hence many sedimentary structures such as cross-beds and graded beds are well preserved. Argillites are soft to moderately hard, fine-grained and dark in colour. They commonly form bluffs and are often difficult to distinguish from dark limestone. Limey and silty beds are common throughout the argillite units and quartzites are typically impure, commonly consisting of dark argillaceous, silty to limey sandstone.

A variety of intrusive rocks occur throughout the area. The Slocan camp is at the northern edge of the Nelson batholith, a large, composite mainly granodiorite intrusion that underlies much of the area south of the camp and extends between Slocan and Kootenay Lakes to south of the town of Nelson. It is a syn to post-kinematic intrusion, dated at 165-170 Ma (Carr *et al*., 1987). Other small intermediate dikes and stocks in the area are probably phases of the Nelson batholith. Lamprophyre and gabbro dikes are common throughout the camp and in other silver camps within the Kokanee Range. Many of these have been dated, yielding a model age of approximately 47.5 Ma (Eocene) (Beaudoin *et al*., 1992a). Vein mineralization in the camp clearly cuts intrusive rocks related to the Nelson batholith and hence must be younger than the batholith. Relationship between mineralization and lamprophyre dikes is more ambiguous; locally, veins appear to cut lamprophyre dikes, but at other locations, veins are truncated by these dikes leading Beaudoin *et al*. (1992b) to conclude that mineralization is Eocene in age.

The structure of the Slocan Group is complex. In the Slocan camp, these rocks are strongly folded into complex asymmetric and overturned folds (Hedley, 1952). This folding is associated with a cleavage and, locally, by prominent shears. In general, stratigraphy and cleavage within the camp trend northwesterly and dip steeply to the northeast; however, both steepen locally and overturn resulting in southwest dipping successions. Hedley (*op. cit.*) noted that numerous top determinations throughout the camp indicate local reversals in stratigraphic tops due to tight to isoclinal folding. .

Mineralization in the Slocan camp occurs along a number of east-trending faults. Five main mineralized vein-fault systems trend generally eastward through the camp south of Carpenter Creek and have been projected northeastward into similar style deposits that occur north of Carpenter Creek (Höy, 2005). The main lode zones south of Carpenter Creek are referred to as the Hinckley-Idaho, Wonderful-Alamo, Yakima-Sunshine, Silvana-Ruth-Hope, and Canadian-Ivanhoe. Several parallel zones are known to occur north of these, including the Violamac and Monitor, and other small parallel systems between the main lodes.

Local Geology

The Cody Cr. property is underlain by predominantly meta-sedimentary rocks of the Triassic Slocan group. To the west, geological mapping by Hedley (1952) differentiated the sediments into mainly quartzites and argillites. This differentiation is similar on the Cody Cr. Property west of the Colonial mine. However, east of the Freddy Lee mine slates and phyllite make up the bulk of the country rock with thin beds of limestone occasionally distributed throughout. Generally, the beds strike north-south and dip steeply to the west with local variations. Similar rocks can be found on both the Payne property to the northwest and the Jackson property due north (Seabrook and Höy, 2010b & c)

Dykes, varying from lamprophyre to granodiorite and monzonite, intrude the metasediments. These dykes often but not always, emanate from stocks or plugs common to the camp. A plug approximately 800m along the long axis is oriented northeast and is exposed on the ridge separating Sandon and Cody Creeks. The plug and two similarly oriented dykes crossing Cody Cr. were mapped by Cairnes in 1934. To the south of the property, granite rocks of the Mt. Carlyle stock dominate the upper slopes and are responsible for float boulders of granite found on the property.

The earliest stage of deformation is multi-phase folding of the sediments formed by compression in the late Triassic and Jurassic. Tight, isoclinal small scale folds are superimposed on broader large scale folds which plunge shallowly to the northwest or southeast. The fold hinges of small scale folds are fractured and broken and in the case of both the Colonial and Freddy Lee mines have been known to host mineralization, specifically within adjacent synclines (Minfile #082FNW069). The relationship of folding to mineralization in the two mines is not well understood; it may simply be that the structural conditions within a hinge are more suitable for the precipitation of sulphide minerals.

The focus of exploration is on identifying lode structures which are the primary hosts of metal sulphides in the camp. Two very important lode structures are known to enter the Cody Cr. property from the west, the Main Lode and the Adams Lode. The Main Lode hosts some of the largest mines in the area including the Standard (Minfile# 082FNW180), Ruth-Hope (082FNW052) and Silvana. The main lode trends east west onto the property and develops mineralization as far as the Richmond-Eureka mine. The Main Lode may continue to the east to the Freddy Lee and Colonial mines; however, this is also the location where host rock becomes less competent. 400m to the south, and trending sub-parallel, is the Adams Lode. The Adams lode hosts the Ivanhoe (Minfile# 082FNW057) and Canadian mines (082FNW197) in the Ivanhoe basin. The farthest east exposure of the lode is west of Sandon Cr. where it passes underneath a broad avalanche chute at the headwaters of Sandon Creek.

The latest structural feature in the camp is a series of normal faults sub-perpendicular to the lode structures. These faults have been observed hosting mineralization in the camp, and are sometimes mistaken for lode structures. Their timing probably overlaps formation of lode structure as sulphide minerals appear both entrained and precipitated within the fault, but lode structures are offset by the event. Based on soil geochemistry and geophysical surveys (Seabrook and Höy, 2010a), a north trending fault is believed to cut through the property less than 100m to the east of Cody Creek.

Figure 3: Regional geology map of the Slocan Silver Camp. (see foldout)

Geological Mapping

Introduction

Work conducted in the Cody Creek area dates back to the early days of exploration in the Slocan Silver Camp. Generations of road networks wind through the property most of which are related to mining activity, but there is very little record of the work and no documented geological mapping. Therefore, Klondike Silver Corp. set out to conduct preliminary mapping at a scale of 1:2000 in the Cody Creek property with a focus on the west side of Cody Creek. A secondary area on the east side of Sandon Creek, in the vicinity of the Richmond Eureka Mine, was mapped to determine host rock competency required for mineralization.

In both areas, the same techniques were employed to establish a consistency in geological mapping. Each outcrop visited along a traverse was marked by a Garmin 60cx handheld GPS and plotted on a field map. Descriptions of lithology, structures, alteration and mineralization were recorded in a field notebook, along with structural measurements using a compass. The mapped locations, descriptions and measurements were combined to produce the outcrop map pages in Appendix 4 which were then interpreted, along with data from previous year work, to produce the geology map in Figure 4

Overview of Mapping Results

Although a relatively small area of the property was traversed during geological mapping, some important conclusions can be made for the data, the most important of which is a transition from west to east of decreasing rock competancy. Competant rock units of the Slocan Group tend to be coarser grained and brittle. These units include quartzites, limestones and mixed banded rocks but can also include silicification of some argillites. The competant units were deposited late in the group and are mostly found to the west with the exception of the silicified argillite which can occur anywhere in the stratigraphic sequence.

The incompetant units are a variable combination of shales (argillites) and slates which are abundant to the east of Cody creek, and can be found on the lower slopes on the west side. This unit bears resemblance to rocks nearby in the Payne property to the northwest, and the Jackson property directly north. In both properties the dominant lithologies are argillites and slates with thin limestone beds. Unlike the Jackson property, the incompetant unit in the Cody does not have a significant proportion of phyllite and there does not appear to be a transitional unit in the Jackson to correlate to the Cody area (Seabrook and Höy, 2010c). Also, the Payne argillite units exhibit blocky and shaley cleavage resembling those found in the Cody. However, incompetant units have poor resistance to localized deformation and would not make good marker beds. A correlation between the units found on the Cody property and those of the Payne property can not be made at this time. While the units have similarities, insufficient mapping of both properties, and the area of unmapped ground between them, prevents this correlation from being made. The area between the properties is within a topographic low, punctuated by Carpenter Creek where mappable outcrop is less available.

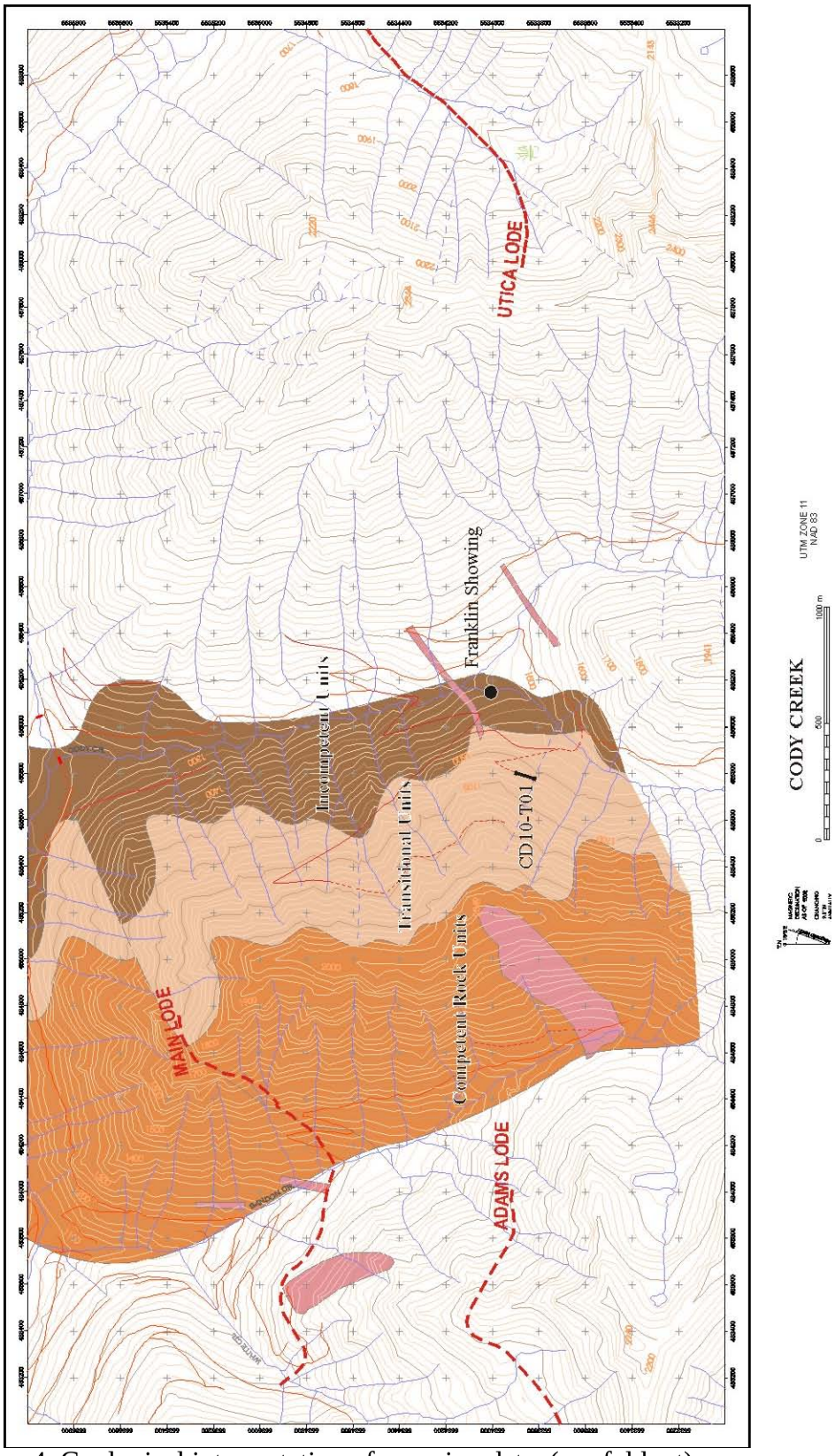

Figure 4: Geological interpretation of mapping data. (see foldout)

Mapping conducted near the ridge west of Cody Cr. found that many outcrops of sedimentary rocks were intruded by bedding parallel granodiorite sills or sill-like dikes. These intrusions are usually sourced from a nearby plug or stock and form swarms around the plug's margin as observed on other properties in the camp. The source plug for the swarm of sills in the Cody was not identified during this phase of geological mapping. However, previous work by Cairnes indicated an intrusive plug to the west of the sill swarm (Cairnes, 1934). The plug has been plotted on the geological interpretation map in Figure 4.

Cairnes also identified two large northeast trending dikes in the Cody area, one of which was mapped to some extent in this phase of mapping. The dike is located near the fork of Cody Creek and extends across the creek. The width of the dike is not known as the southern contact is obscured by overburden. While not common, dikes have been known to host mineralized structures when striking parallel to lode trends in the camp. This phenomenon is best seen in the Mt. Con mine where high grade silver sulphides were deposited in a quartz carbonate vein along, and within, a lamprophyre dike (Seabrook and Höy, 2009). The northeast trending dike on the Cody Creek property is felsic and it is unclear if lithology or formation timing is a factor in the mineralization at the former Mt. Con mine.

Mineralization was discovered in two areas in the Cody Creek property, the first of which is believed to be a short adit to the former Chicago No. 2 mine. The structure identified at this location trends roughly east and dips steeply to the south and is comprised mainly of wall rock, cemented by quartz and calcite with significant iron carbonate staining, mostly in the form of bright yellow limonite. Based on the orientation of the structure it is believed that it may be the extension of the lode found in the Freddy Lee and Colonial mines to the west. A mineralized outcrop at the Jazmine showing was also mapped. The outcrop was mostly obscured by overburden but the little exposure present indicated a quartz breccia with blebby, cubic galena and beige siderite. With the assumption that mineralization occurs mainly along lode structures, it is unclear which lode structure the Jazmine showing is related to. It is posible that it is on trend with the Adams Lode, responsible for the Canadian-Ivanhoe group of mines to the west, or an exposure of the structure in the Noonday mine to the southeast. Either possibility suggests a potential for additional mineralization in and around the showing.

Trenching

Introduction

In 2009 Klondike Silver Corp. began a backhoe trenching program on the east side of Cody Creek. It was determined after trenching that lithological units on the east side of the creek were not ideal for hosting mineralization (Seabrook and Höy, 2010a). It was recommended at that time that trenching be conducted on the west side of Cody Creek in more favourable rock units and near known showings. A Kobelco SK-03 backhoe with a relatively narrow track base was used to excavate the single trench described in this report to a maximum depth of 2m. Material removed from the trench was preserved for rehabilitation and re-contouring where required.

Trench locations were determined by a handheld GARMIN 60Cx series device. UTM NAD 83 (zone 11) coordinates were marked at the starting location for each trench. Trenches were then surveyed with a field tape and compass and plotted on a field map for reference. Finally, each trench was systematically logged with structures, alteration and mineralization noted. Vein and alteration samples were taken and assayed for 24 elements using Aqua Regia digestion ICP-ES analysis (Appendix 6). The completed trench log is in Appendix 5 and a diagram is shown in Figure 5.

Overview of Trenching Results

Initially two trenches were planned in the program but only one was excavated due to weather constraints. The backhoe operated in the area for several days building a temporary exploration trail, rehabilitating existing trail, and constructing a temporary access bridge. The trench CD10-T01 was intended to expose the west extension of the Franklin showing located 100m south of the Cody Creek fork (Figure 4). Soil sampling in 2007 indicated anomalous silver in the trenching area (Good, 2008). The trench was 160m long and oriented northeast.

Along much of the trench, angular fragments of fine grained sedimentary rocks loosely lay above bedrock. The uniform lithology of these fragments and similarity to nearby exposures of bedrock suggests a very short transportation distance, and possibly sourced from rock directly below. It is likely that the weathering of bedrock took place before glaciations as till sediments can be found above the angular fragment unit. This is important as mineralization, found in fragments of the weathered unit, is likely sourced within ten meters of the discovery. Two samples of quartz vein material with disseminated pyrite and iron carbonate rust were taken from the weathered unit but did not contain anomalous metal concentrations in assay results.

Bedrock exposed in the trench was primarily argillites, as were most of the fragments found in the weathered unit. The argillite exhibited a blocky fracture pattern that is likely the result of weaknesses along bedding and cleavage planes. The blocky argillite is brittle but not graphitic as are some argillite beds in the Slocan Silver Camp. A distinction can be made between the graphitic argillite and the blocky argillite as the former exhibits tight folding. A short interval of slates near the south extent of the trench could be attributed to localized deformation, such as a tight fold of argillaceous rocks and may not be a separate unit.

Towards the north end of the trench a fault appears to be bent around a more competent mixed banded siltstone and argillite unit. The fault roughly trends east and separates the competent unit below from the blocky argillite above. Both bedding and cleavage are highly irregular near this contact, and the fault itself shallows to the northeast where it is exposed in a cliff face. It is possible that the fault is derived from the difference in physical behaviour of the competent mixed unit and the incompetent argillite when folded. The argillite is more easily compressed, and as a result, a shear develops between the units.

North of the mixed banded unit is black limestone that is fractured and cemented by quartz calcite veins. Along the footwall of the limestone is a thin hematite alteration zone which may be associated with the veining, but a sample of the zone did not indicate the presence of metals. The limestone is obscured to the north by weathered fragments of argillite and is likely no thicker than two meters.

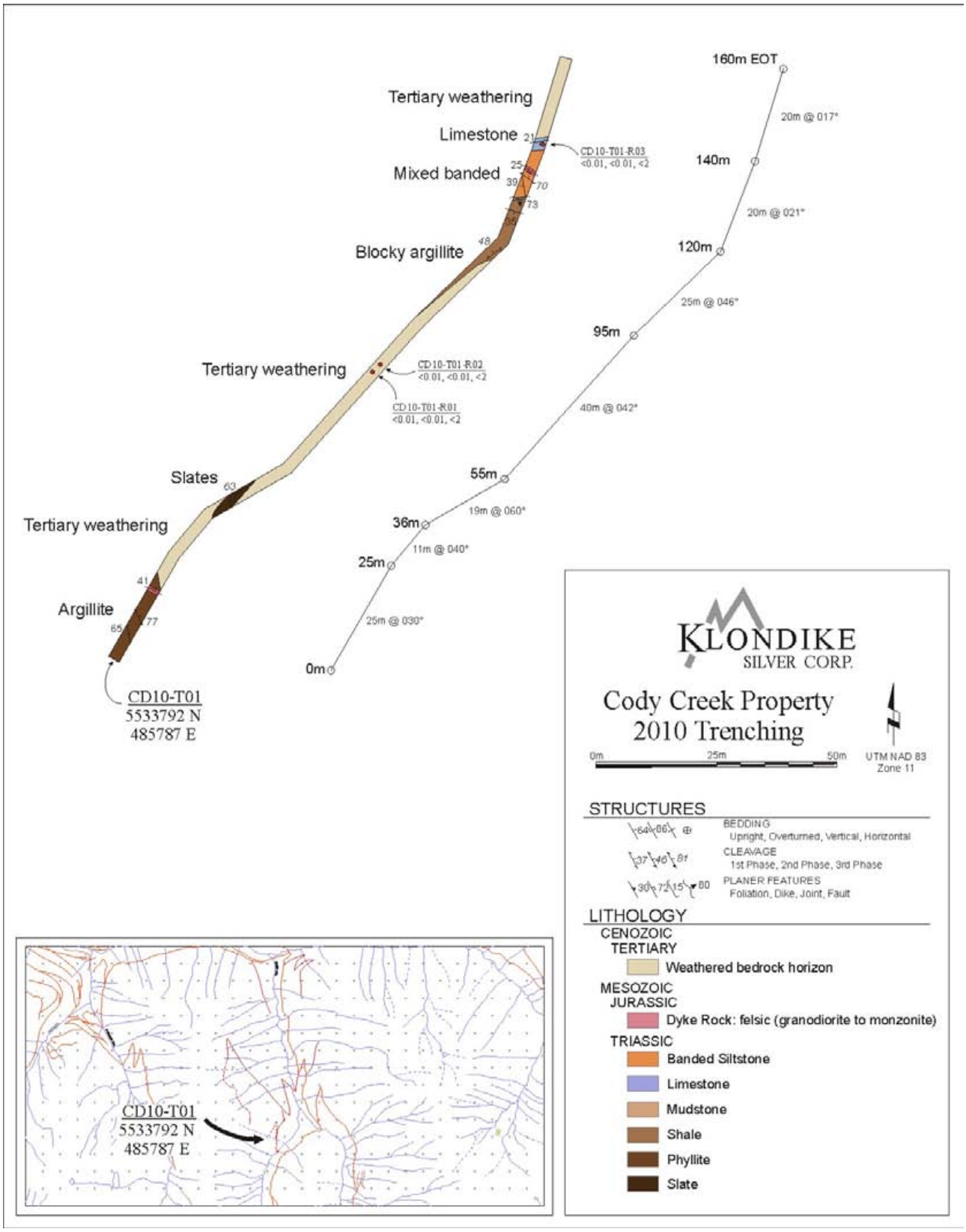

Figure 5: Trench Diagram for CD10-T01. (see foldout for location)

Prospecting

Introduction

In conjunction with geological mapping, prospecting was conducted in the Cody Creek property. As in the mapping and trenching, the focus for prospecting was on the west slope of Cody Creek. Several prospecting samples from the previous year contained high metal concentrations, and although many of the samples were sourced from mine dump material, further prospecting was warranted (Seabrook and Höy, 2010a). In total twenty three samples were taken from the Cody Creek property but four of those, CD10-07, 08, 16, and 23 had imprecise GPS coordinate, plotting kilometres away from the property. CD10-07 and CD10-08 were taken near CD10-06 and are included in the table below (Table 4), but CD10-16 and 23 could have been sampled from one of several different locations and thus, they are not included in this report. Samples from prospecting are plotted on the map in Figure 6.

Sample #	Easting	Northing	Description	Pb (%)	Zn (%)	Ag (g/mt)
CD10-01	5534620	485624	Dike along shear plane	<0.01	0.04	<2
CD10-02	5534345	485711	Float from exploration pit	<0.01	0.03	<2
CD10-03	5534207	485500	Float from exploration pit	<0.01	0.01	<2
CD10-04	5534176	485475	quartz vein breccia in argillite	<0.01	0.75	16
CD10-05	5534189	485538	quartz vein breccia float	<0.01	<0.01	<2
CD10-06	5534239	485854	thin bed of limestone/ dolomite with disseminated pyrite	<0.01	<0.01	<2
CD10-07	near	CD10-06	cleavage parallel quartz veins with iron carbonate alteration	<0.01	0.02	<2
CD10-08	near	CD10-06	Quartz breccia in iron carbonate altered host rock	<0.01	0.01	<2
CD10-09	5534917	484274	galena in a quartz vein with iron carbonate alteration	77.91	0.34	>300
CD10-10	5534856	484316	galena, sphalerite and pyrite in a quart breccia vein hosted by silliciclastics	11.21	13.91	>300
CD10-11	5533317	484669	mineralized quartz veinlet in silliciclastic rock with iron carbonate alteration	0.26	0.09	19
CD10-12	5533428	484649	sedimentary rock host with iron carbonate alteration	0.25	0.01	12
CD10-13	5534597	485659	intrusive with no alteration near faultzone?	<0.01	<0.01	<2
CD10-14	5534541	485609	intusive with disseminated pyrite and iron carbonate alteration	<0.01	<0.01	<2
CD10-15	5534186	485487	galena mineralized quartz vein with iron carbonate alteration	29.49	0.37	>300
CD10-17	5534616	485661	granite dike at 201° trend, disseminated galena mineralization near adit	0.25	0.06	6
CD10-18	5534616	485661	quartz breccia, galena mineralization, down slope along 201° trending dike	27.03	0.30	>300
CD10-19	5534593	485653	mineralized sediments, dike and fault rocks around	0.07	0.02	3
CD10-20	5534545	485613	Quartz vein with pyrite and galena, iron carbonate alteration.	0.05	0.05	3
CD10-21	5533360	484700	iron carbonate alteration in dark sediments	<0.01	<0.01	<2
CD10-22	5533415	484658	Quartz veins in dark sediments	<0.01	<0.01	<2

Table 4: Prospectors results, Cody Creek property.

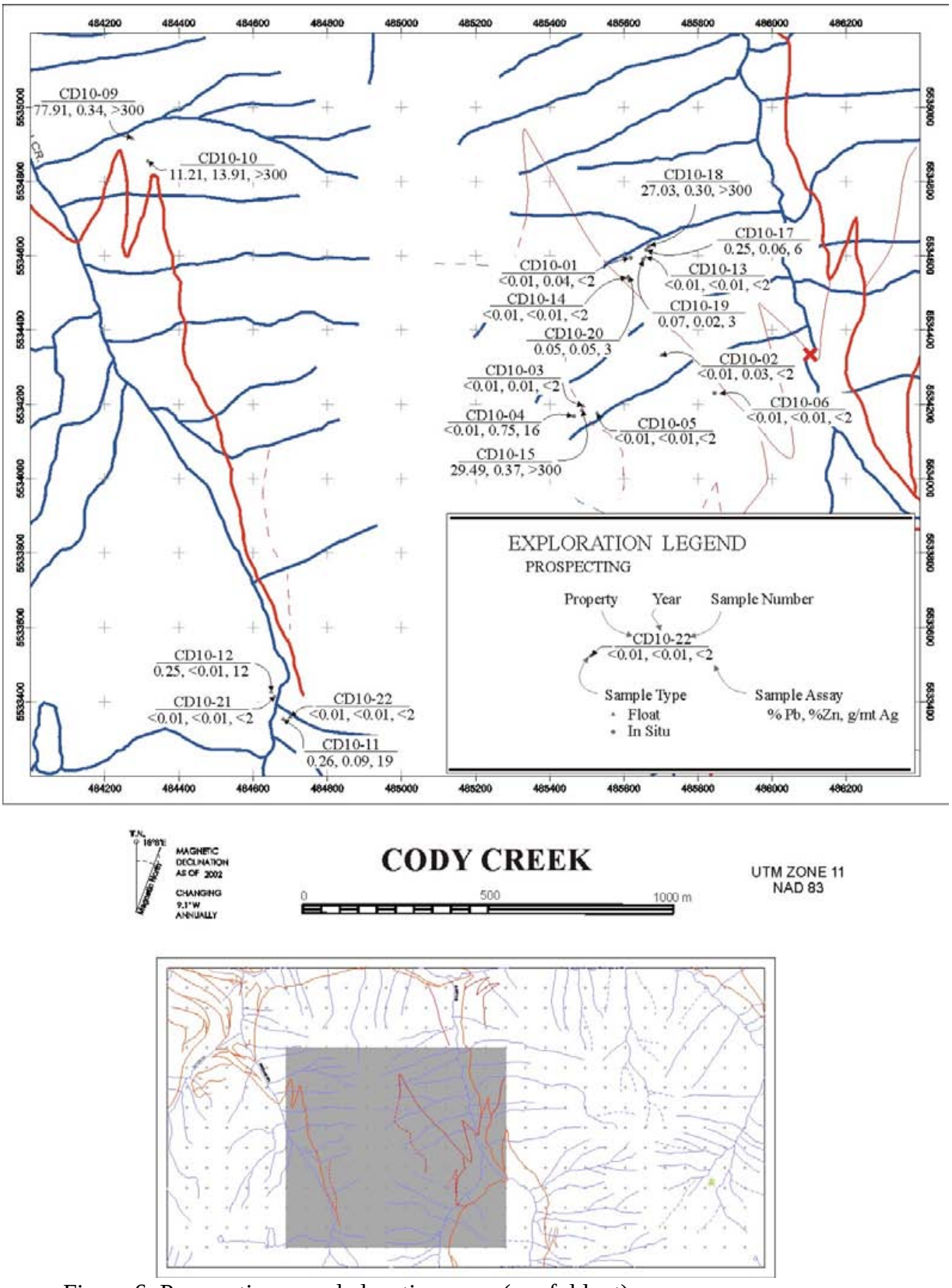

Figure 6: Prospecting sample location map. (see foldout)

Overview of prospecting results

Four of the nineteen samples, listed in the table above, had greater than 300g/T silver all of which had lead in concentrations greater than 10%. It should be noted however, that samples CD10-09 and 10 were recovered from the Richmond-Eureka mine dump.

To the south, along Sandon Creek, four samples (CD10-11 to 12 and 21 to 22) contained only slightly elevated metal concentrations. The samples exhibited iron carbonate alteration within quartz veins that were in competent rock units. Additionally, there is no documented evidence of exploration activity in the area though south of the Adams lode (Canadian-Ivanhoe) the sampled area, further exploration may discover a parallel structure.

The two most interesting samples recovered during prospecting are CD10-18 and CD10-15. CD10-18 was chipped from a showing exposed by an adit. The adit is believed to be a portal to the Chicago No.2 mine on joint venture land. The mineralization is said to occur along a dike trending 10° east of north. This trend would align with the location of a small adit to the southwest which has been buried by the road to the former Freddy Lee and Colonial mines. Samples from the dump at the buried adit did not contain mineralization and further to the southwest, a decrepit mining camp was searched, with no indication of an adit nearby.

Southwest along the same trend is the location of the Jasmine showing and the sample CD10-15. While not fully exposed, the showing contains coarse grained galena in a quartz breccia. The trend of the vein could not be determined but exploration pits nearby suggest a more easterly trend than that of the dike at the Chicago No. 2. Sample CD10-15 contained nearly 30% lead and greater than 300g/mt silver and has not been mined in any significant way.

Summary and Recommendations

The 2010 exploration program in the Cody Creek property focused on the west side of Cody Creek. Access to the property was difficult as the former route was interrupted by a collapsed bridge and downed trees. It was not until the end of the season, when a temporary bridge was constructed, that access to the west side of the creek by ATV was available. Most of the exploration was done on foot and consisted of geological mapping and prospecting until trenching began in late October. Necessary road rehabilitation and trail construction consumed far too much of the available time to complete all of the exploration goals for the program. Therefore, the goals for the program, and recommendations for exploration, remain the same as those of the previous year (Seabrook and Höy, 2010a), and are as follows:

1. Ground geophysics over the Jazmine showing including magnetic and VLF EM.
2. Construct a trail and trench the Jazmine showing.
3. Rehabilitate Sandon Creek road and evaluate area for potential.

Acknowledgments

Prospecting on the Cody Creek property was conducted by Jordan Cliff and Casey DeJong of Klondike Silver Corp. while trenching was contracted out to Rod Kelly of Mad Gripper Gold Mining Company. B.A. Belton supervised trenching and assisted in geological mapping of the property.

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Appendix 1: Statement of Costs

Activity		**Cost**
Prospecting		
Prospecting (10 days @$230/day)		2,300.00
Accommodations (5 days @$60/day)		300.00
Meals (5 days @$40/day)		200.00
Vehicle (5 days @$100/day)		500.00
Acme Assays (26 samples @ $20.00ea)		520.00
Sample and data prep (1 days @$225/day)		225.00
	Prospecting Subtotal:	4,045.00
Geological Mapping		
Mapping (7 days @$400/day)		2,800.00
Accommodations (4 days @$60/day)		240.00
Meals (4 days @$40/day)		160.00
Vehicle (4 days @$100/day)		400.00
Plotting (1 days @$400/day)		400.00
	Mapping Subtotal:	4,000.00
Trenching		
Excavating (107hrs @$75/hr)		8,025.00
Trench logging (14 days @$370/day)		5,180.00
Accommodations (7 days @$60/day)		420.00
Meals (7 days @$40/day)		280.00
Vehicle (7 days @$100/day)		700.00
Acme Assays (3 sample @ $20.00ea)		60.00
Map plotting and transcribing (1 days @$370/day)		370.00
	Trenching Subtotal:	15,035.00
Report preparation (10.5days @$400/day)		4,200.00
	Subtotal:	27,325.00
Management (@15%)		4,098.75
	Total:	31,423.75

Appendix 2: Statement of Qualifications: (Trygve Höy)

I, Trygve Höy, PhD., P. Eng. do hereby certify that:

1. I attained the degree of Doctor of Philosophy (PhD) in geology from Queens University, Kingston, Ontario in 1974.

2. I have an MSc. in Geology from Carleton University, Ottawa, Ontario (1970), and a BSc. in Geology from the University of British Columbia (1968).

3. I am a member of the Association of Professional Engineers and Geoscientists of BC. and a member of the Society of Economic Geologists.

4. I have worked as a geologist for a total of 34 years since my graduation from university, 27 years as a project geologist with the B.C. Geological Survey Branch and 7 years as an independent consulting geologist.

5. I acted as manager for Klondike Silver Corp. during this program and have visited the property many times.

6. I am coauthor of this report entitled: *Geological Mapping, Trenching and prospecting. Cody Creek property, southeastern British Columbia* dated May 18, 2011.

Trygve Hoy, PEng
May 18, 2011

Appendix 3: Statement of Qualifications: (Michael Seabrook)

I, Michael Sean Seabrook, BSc. do hereby certify that:

1. I attained the degree of Bachelor of Science (BSc.) in geology from the University of Calgary, Calgary, Alberta in 2008.

2. I have worked in the geological exploration industry for 4 years as an independent contractor.

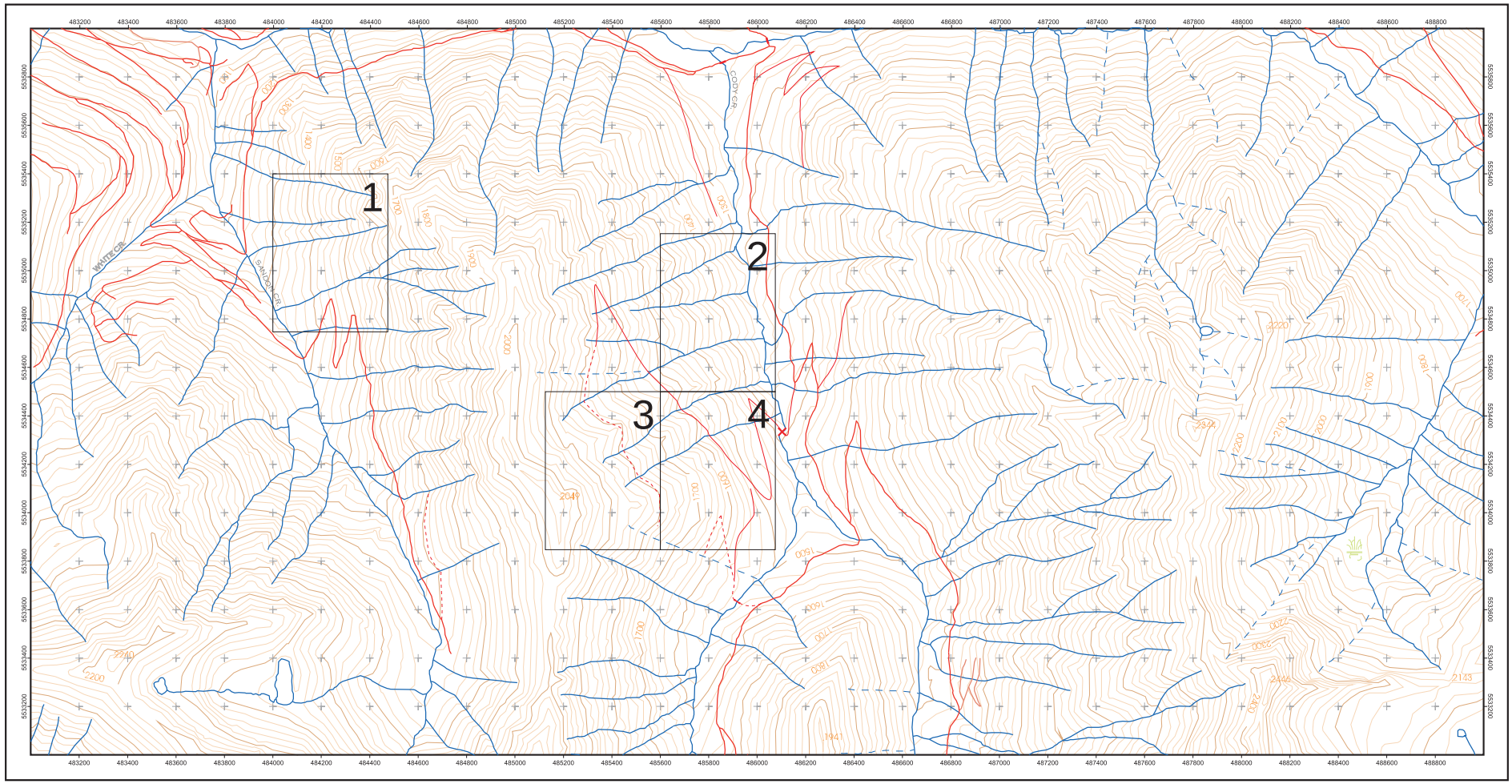
3. I acted as regional geologist for Klondike Silver Corp. during this program and have visited the property many times.

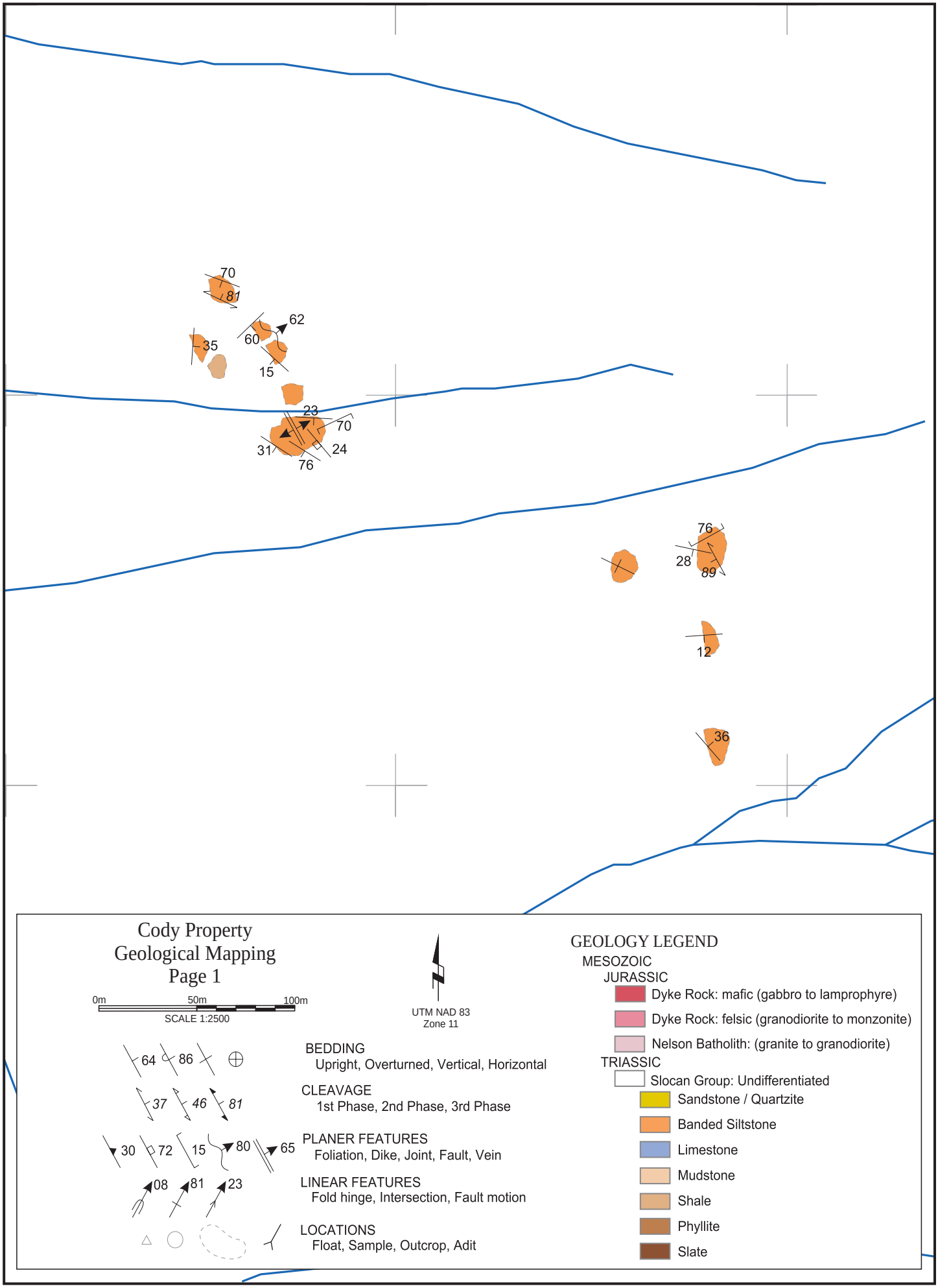
4. I am coauthor and responsible for the preparation of this report entitled: *Geological Mapping, Trenching and prospecting. Cody Creek property, southeastern British Columbia* dated May 15, 2011.

_____

Michael Sean Seabrook, BSc
May 18, 2011

Appendix 4: Geological Mapping Outcrop Pages





Cody Property
Geological Mapping
Page 1

0m 50m 100m
SCALE 1:2500

UTM NAD 83
Zone 11

64 86

BEDDING
Upright, Overturned, Vertical, Horizontal

37 46 81

CLEAVAGE
1st Phase, 2nd Phase, 3rd Phase

30 72 15 80 65

PLANER FEATURES
Foliation, Dike, Joint, Fault, Vein

08 81 23

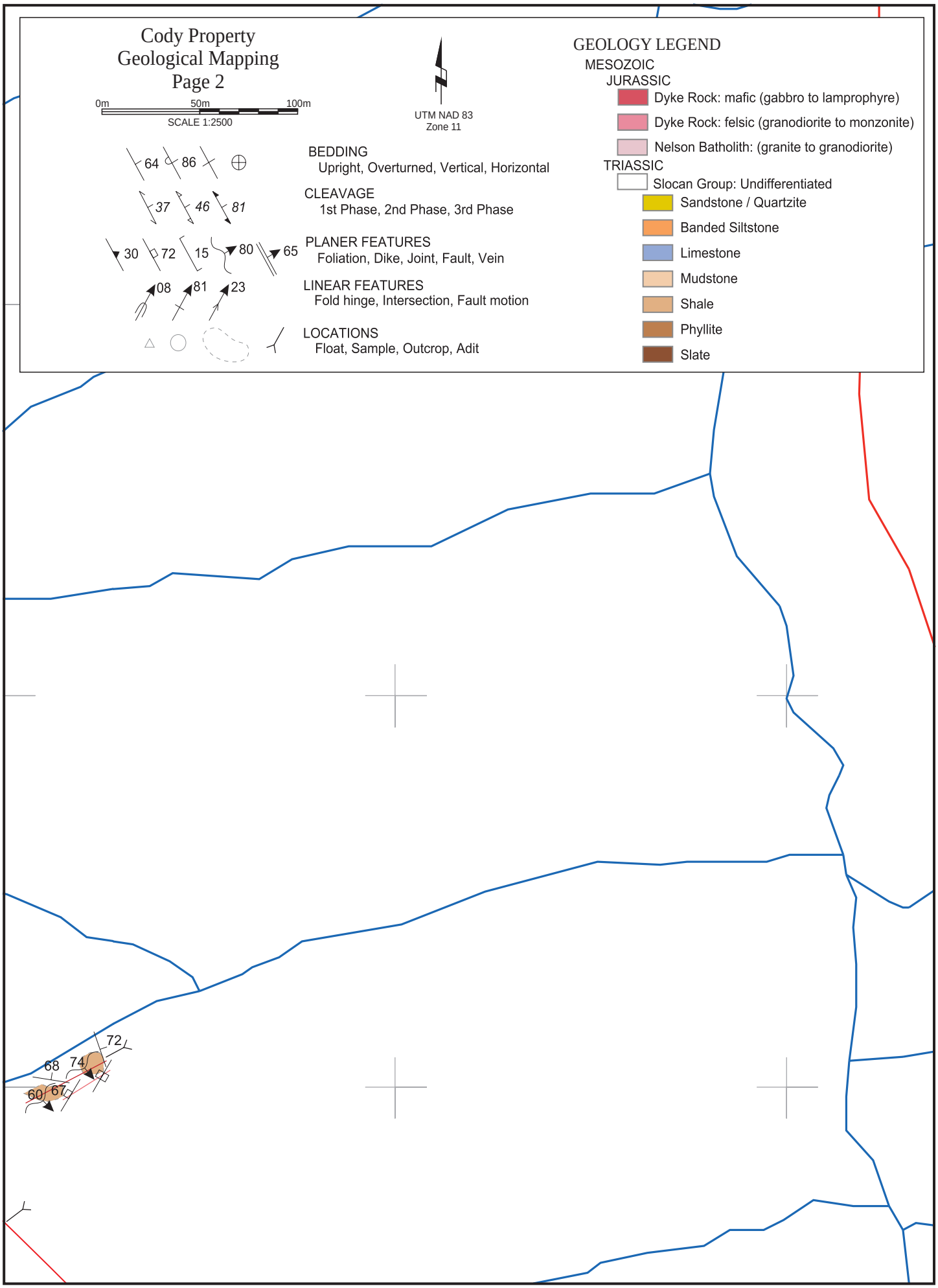
LINEAR FEATURES
Fold hinge, Intersection, Fault motion

LOCATIONS
Float, Sample, Outcrop, Adit

GEOLOGY LEGEND

MESOZOIC
JURASSIC
- Dyke Rock: mafic (gabbro to lamprophyre)
- Dyke Rock: felsic (granodiorite to monzonite)
- Nelson Batholith: (granite to granodiorite)

TRIASSIC
- Slocan Group: Undifferentiated
  - Sandstone / Quartzite
  - Banded Siltstone
  - Limestone
  - Mudstone
  - Shale
  - Phyllite
  - Slate


Cody Property
Geological Mapping
Page 2
0m
50m
100m
SCALE 1:2500
UTM NAD 83
Zone 11
64
86
37
46
81
30
72
15
80
65
08
81
23
BEDDING
Upright, Overturned, Vertical, Horizontal
CLEAVAGE
1st Phase, 2nd Phase, 3rd Phase
PLANER FEATURES
Foliation, Dike, Joint, Fault, Vein
LINEAR FEATURES
Fold hinge, Intersection, Fault motion
LOCATIONS
Float, Sample, Outcrop, Adit
GEOLOGY LEGEND
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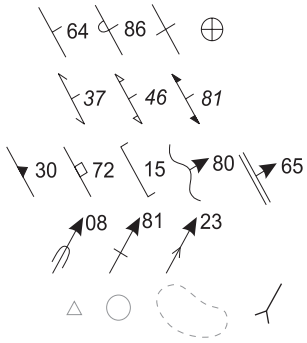
Dyke Rock: mafic (gabbro to lamprophyre)
Dyke Rock: felsic (granodiorite to monzonite)
Nelson Batholith: (granite to granodiorite)
TRIASSIC
Slocan Group: Undifferentiated
Sandstone / Quartzite
Banded Siltstone
Limestone
Mudstone
Shale
Phyllite
Slate
72
68
74
60
67

Cody Property
Geological Mapping
Page 3

0m 50m 100m
SCALE 1:2500

UTM NAD 83
Zone 11



BEDDING
Upright, Overturned, Vertical, Horizontal

CLEAVAGE
1st Phase, 2nd Phase, 3rd Phase

PLANER FEATURES
Foliation, Dike, Joint, Fault, Vein

LINEAR FEATURES
Fold hinge, Intersection, Fault motion

LOCATIONS
Float, Sample, Outcrop, Adit

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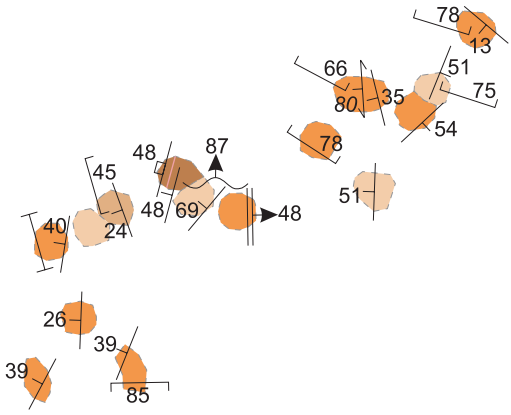
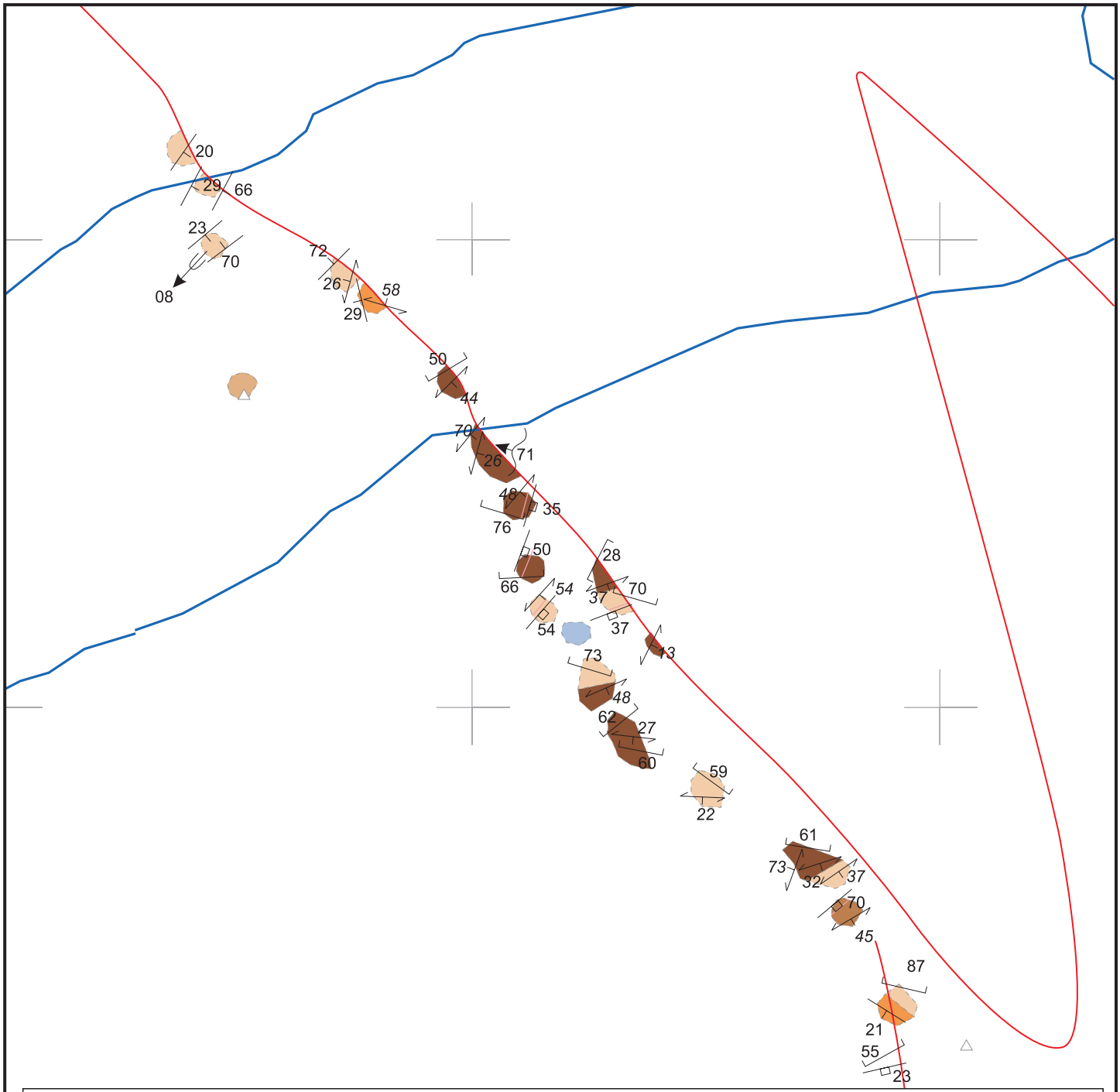
  - Phyllite
  - Slate





Cody Property Geological Mapping Page 4

0m 50m 100m

SCALE 1:2500

UTM NAD 83
Zone 11

64 86

BEDDING
Upright, Overturned, Vertical, Horizontal

37 46 81

CLEAVAGE
1st Phase, 2nd Phase, 3rd Phase

30 72 15 80 65

PLANER FEATURES
Foliation, Dike, Joint, Fault, Vein

08 81 23

LINEAR FEATURES
Fold hinge, Intersection, Fault motion

LOCATIONS
Float, Sample, Outcrop, Adit

GEOLOGY LEGEND

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- Dyke Rock: felsic (granodiorite to monzonite)
- Nelson Batholith: (granite to granodiorite)

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  - Banded Siltstone
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  - Mudstone
  - Shale
  - Phyllite
  - Slate

From	To		Structures			Alteration		Mineralization (%)				
(m)	(m)	Description	Type	S/T	D/P	Type	%	Gn	Sp	Py	Other	Sample #
		Note The Initial section of the trench is primarily loose material of angular fragments and weathered fragments with organic material. This is likely due to tertiary weathering as features can be recognized such as dikes and bedding planes. Zones of outcrop are scatted within the weathered zone and some locations of subcrob exhibit bedding and structural features.										
0	20	Light grey **argillite** with weak carbonate alteration and minor silts. Thinned quartz veins and stringers along fractured planes <13m> Blocky argillite cleavage measurement. Bedding parallel shears <18m> 10cm iron carbonate altered dike with 40cm fault in hanging wall. Composition of granodiorite.	BED CL DIKE	170 330 296	65 77 41	HEM LIM/JAR	10 60			3 1		
20	37	Obscured bedrock from **tertiary weathering** subcrop of argillite and siltstone with lens of quartzite strong indication of shearing weakly iron carbonate altered										
37	42	Thinly plated black **slates**	CL	221	63							
42	60	**Tertiary weathering** of bedrock. Fragments of argillite and siltstone (angular)										
60	72	Same **tertiary weathering** of bedrock. Larger angular fragments of argillite and siltstone <72m> 2m wide exposure of bedrock. Highly altered siltstone and argillite hosting quartz vein breccia with pyrite mineralization. **Strong** sulphur smell.				Iron	40			3		T01-R01
72	96	<75m> 30cm lens of dark brown iron carbonate with thick **quartz veins** and quartz stringers				CARB	90			10		T01-R02
96	111	**Tertiary weathering** of bedrock, subcrop of black, flakey argillite to slate				HEM	10					
111	126	Thinly plated black **slates** <125m> Bedding Measurement	CL BED	230 106	48 35							
126	140	**Blocky argillite** overlying mixed **argillite and siltstone** with possible unconformity. All beds are strongly altered. <137m> Jarrosite altered (~1-2m thick) offset by fault ~3m normally. **Dike** is bedding parallel	BED CL DIKE FAULT	171 303 123 265	39 70 25 73							
140	142	2m thick, dark black, fined grained **limestone** with quartz calcite breccia. Hematite alteration zone in footwall of limestone bed.	BED	083	21					1		T01-R03
142	160	Overburden and **tertiary weathered** bedrock. No exposure. Fragments of siltstone and argillite with moderate Iron alteration.										

Appendix 6: Cody Creek Sampling Assay Results.

Acme Analytical Laboratories LTD.
852 E. Hastings St., Vancouver B.C., V6A 1R6 Canada
Phone (604) 253-3158, Fax (604) 253-1716

Group 7AR2 (24 element Aqua Regia digestion and ICP-ES analysis) on 26 samples

Acme Analytical Laboratories (Vancouver) Ltd.
1020 Cordova St. East Vancouver BC V6A 4A3 Canada

www.acmelab.com

Client: **Klondike Silver Corp.**
614 Rosebery Park Rd.
New Denver BC V0G 1S1 Canada

Submitted By: Jody Cliff
Receiving Lab: Canada-Vancouver
Received: January 18, 2011
Report Date: January 27, 2011
Page: 1 of 2

CERTIFICATE OF ANALYSIS VAN11000331.1

CLIENT JOB INFORMATION

Project: CODY 2010
Shipment ID:
P.O. Number
Number of Samples: 26

SAMPLE DISPOSAL

DISP-PLP Dispose of Pulp After 90 days
DISP-RJT Dispose of Reject After 90 days

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Method Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
R200-250	26	Crush, split and pulverize 250 g rock to 200 mesh			VAN
7AR2	26	1:1:1 Aqua Regia digestion ICP-ES analysis	1	Completed	VAN
7AR.1	4	1:1:1 Aqua Regia Digestion ICP-ES Finish	0.1	Completed	VAN

ADDITIONAL COMMENTS

Invoice To: Klondike Silver Corp.
614 Rosebery Park Rd.
New Denver BC V0G 1S1
Canada

CC: Mike Seabrook
Trygve Hoy

BRITISH COLUMBIA CERTIFIED ASSAYER
CLARENCE LEONG
GENERAL MANAGER

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.
All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of analysis only.
"*" asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.

Acme Analytical Laboratories (Vancouver) Ltd.
1020 Cordova St. East Vancouver BC V6A 4A3 Canada
Phone (604) 253-3158 Fax (604) 253-1716
www.acmelab.com

Client: **Klondike Silver Corp.**
614 Rosebery Park Rd.
New Denver BC V0G 1S1 Canada

Project: CODY 2010
Report Date: January 27, 2011

CERTIFICATE OF ANALYSIS VAN11000331.1

Method		WGHT	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR
Analyte		Wgt	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Sr	Cd	Sb	Bi	Ca	P	Cr	Mg	Al
Unit		kg	%	%	%	%	gm/t	%	%	%	%	%	%	%	%	%	%	%	%	%	%
MDL		0.01	0.001	0.001	0.01	0.01	2	0.001	0.001	0.01	0.01	0.01	0.001	0.001	0.001	0.01	0.01	0.001	0.001	0.01	0.01
CD10-1	Rock	0.56	<0.001	0.002	<0.01	0.04	<2	0.002	0.001	0.11	4.97	<0.01	0.013	<0.001	<0.001	<0.01	2.16	0.257	<0.001	0.74	0.94
CD10-2	Rock	0.43	0.002	0.003	<0.01	0.03	<2	0.001	<0.001	<0.01	1.95	<0.01	<0.001	<0.001	<0.001	<0.01	0.05	0.049	<0.001	0.04	0.40
CD10-3	Rock	0.53	<0.001	0.005	<0.01	0.01	<2	0.004	0.001	0.12	3.07	<0.01	<0.001	<0.001	<0.001	<0.01	0.05	0.035	<0.001	0.08	0.55
CD10-4	Rock	0.47	<0.001	0.003	<0.01	0.75	16	<0.001	<0.001	0.06	0.54	<0.01	<0.001	<0.001	<0.001	<0.01	0.01	0.006	<0.001	0.04	0.30
CD10-5	Rock	0.50	<0.001	<0.001	<0.01	<0.01	<2	0.002	<0.001	0.02	1.39	0.03	0.003	<0.001	<0.001	<0.01	0.03	0.019	<0.001	0.02	0.32
CD10-6	Rock	0.95	<0.001	0.003	<0.01	<0.01	<2	0.003	<0.001	0.06	2.73	<0.01	0.007	<0.001	<0.001	<0.01	4.63	0.058	0.006	2.41	1.88
CD10-7	Rock	0.47	0.001	0.001	<0.01	0.02	<2	<0.001	<0.001	<0.01	0.44	<0.01	<0.001	<0.001	<0.001	<0.01	0.05	0.007	0.001	0.09	0.15
CD10-8	Rock	0.41	<0.001	<0.001	<0.01	0.01	<2	<0.001	<0.001	<0.01	0.42	<0.01	<0.001	<0.001	<0.001	<0.01	0.06	0.014	0.001	0.09	0.20
CD10-9	Rock	1.06	<0.001	0.158	>4	0.34	>300	<0.001	<0.001	<0.01	3.01	0.04	<0.001	0.005	0.319	<0.01	<0.01	<0.001	<0.001	<0.01	0.02
CD10-10	Rock	0.63	<0.001	0.433	>4	13.91	>300	0.002	<0.001	3.11	16.41	0.08	0.002	0.094	0.022	<0.01	0.19	0.003	<0.001	0.47	0.21
CD10-11	Rock	0.53	<0.001	0.005	0.26	0.09	19	0.002	<0.001	0.05	3.07	<0.01	0.003	<0.001	0.001	<0.01	0.18	0.047	0.002	0.52	1.25
CD10-12	Rock	0.79	<0.001	0.002	0.25	0.01	12	0.001	<0.001	0.02	0.90	<0.01	0.003	<0.001	<0.001	<0.01	0.23	0.034	0.002	0.25	0.56
CD10-13	Rock	0.62	<0.001	0.007	<0.01	<0.01	<2	0.043	0.004	0.07	4.66	<0.01	0.011	0.001	<0.001	<0.01	0.88	0.215	0.008	6.76	2.74
CD10-14	Rock	0.29	<0.001	<0.001	<0.01	<0.01	<2	0.001	<0.001	0.02	0.84	<0.01	0.004	<0.001	<0.001	<0.01	0.08	0.015	<0.001	0.12	0.40
CD10-15	Rock	1.05	<0.001	0.032	>4	0.37	>300	<0.001	<0.001	0.01	0.67	<0.01	0.023	0.001	0.034	<0.01	<0.01	0.004	<0.001	<0.01	0.08
CD10-16	Rock	0.65	<0.001	0.006	0.05	<0.01	<2	<0.001	<0.001	0.08	3.39	<0.01	0.006	<0.001	<0.001	<0.01	0.51	0.128	0.002	1.27	1.97
CD10-17	Rock	0.61	<0.001	0.001	0.25	0.06	6	0.002	0.001	0.09	4.80	<0.01	0.018	0.001	<0.001	<0.01	2.26	0.251	<0.001	0.56	0.64
CD10-18	Rock	0.94	0.002	0.031	>4	0.30	>300	<0.001	<0.001	0.02	1.62	0.03	0.003	0.003	0.040	<0.01	0.02	0.020	<0.001	0.03	0.15
CD10-19	Rock	0.68	0.001	0.006	0.07	0.02	3	0.006	<0.001	0.01	2.30	<0.01	0.001	<0.001	<0.001	<0.01	0.20	0.086	0.002	0.70	0.87
CD10-20	Rock	1.19	<0.001	0.001	0.05	0.05	3	<0.001	<0.001	0.03	0.51	<0.01	0.007	<0.001	<0.001	<0.01	1.26	0.024	0.001	0.08	0.15
CD10-21	Rock	0.66	<0.001	0.001	<0.01	<0.01	<2	<0.001	<0.001	0.06	1.96	<0.01	0.016	<0.001	<0.001	<0.01	0.21	0.034	0.003	0.71	1.48
CD10-22	Rock	0.31	<0.001	0.001	<0.01	<0.01	<2	0.003	0.001	0.05	3.79	<0.01	0.002	<0.001	<0.001	<0.01	0.07	0.018	0.003	1.02	2.10
CD10-23	Rock	1.11	<0.001	0.004	<0.01	0.02	<2	0.004	<0.001	0.10	2.21	<0.01	0.029	<0.001	<0.001	<0.01	6.68	0.108	0.004	1.20	1.16
CD10-T01-R01	Rock	0.67	0.001	0.003	<0.01	0.01	<2	0.004	<0.001	0.04	3.03	<0.01	0.006	<0.001	<0.001	<0.01	0.41	0.089	0.003	0.85	1.48
CD10-T01-R02	Rock	0.63	<0.001	0.001	<0.01	<0.01	<2	0.001	<0.001	0.10	1.53	<0.01	0.005	<0.001	<0.001	<0.01	0.19	0.048	0.002	0.43	0.65
CD10-T01-R03	Rock	0.56	<0.001	0.003	<0.01	<0.01	<2	<0.001	<0.001	0.17	1.88	<0.01	0.089	<0.001	<0.001	<0.01	25.33	0.028	<0.001	0.93	0.54

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New Denver BC V0G 1S1 Canada

Project: CODY 2010
Report Date: January 27, 2011

CERTIFICATE OF ANALYSIS VAN11000331.1

Method		7AR	7AR	7AR	7AR	7AR	7AR.1
Analyte		Na	K	W	Hg	S	Pb
Unit		%	%	%	%	%	%
MDL		0.01	0.01	0.001	0.001	0.05	0.01
CD10-1	Rock	0.05	0.27	<0.001	<0.001	2.79	
CD10-2	Rock	0.03	0.19	<0.001	<0.001	<0.05	
CD10-3	Rock	0.01	0.38	<0.001	<0.001	<0.05	
CD10-4	Rock	0.02	0.16	<0.001	<0.001	<0.05	
CD10-5	Rock	0.02	0.29	<0.001	<0.001	0.06	
CD10-6	Rock	0.07	1.50	<0.001	<0.001	1.50	
CD10-7	Rock	0.03	0.01	<0.001	<0.001	<0.05	
CD10-8	Rock	0.05	0.12	<0.001	<0.001	<0.05	
CD10-9	Rock	<0.01	0.03	<0.001	<0.001	15.14	77.91
CD10-10	Rock	<0.01	0.06	<0.001	<0.001	17.79	11.21
CD10-11	Rock	0.07	0.26	<0.001	<0.001	0.23	
CD10-12	Rock	0.11	0.18	<0.001	<0.001	0.88	
CD10-13	Rock	0.03	0.93	<0.001	<0.001	0.09	
CD10-14	Rock	0.15	0.13	<0.001	<0.001	0.12	
CD10-15	Rock	<0.01	0.06	<0.001	<0.001	2.90	29.49
CD10-16	Rock	0.14	0.92	<0.001	<0.001	0.16	
CD10-17	Rock	0.09	0.31	<0.001	<0.001	2.66	
CD10-18	Rock	<0.01	0.04	<0.001	<0.001	1.28	27.03
CD10-19	Rock	0.05	0.39	<0.001	<0.001	1.47	
CD10-20	Rock	0.03	0.06	<0.001	<0.001	0.11	
CD10-21	Rock	0.12	0.63	<0.001	<0.001	0.14	
CD10-22	Rock	0.06	0.44	<0.001	<0.001	<0.05	
CD10-23	Rock	0.04	0.59	<0.001	<0.001	0.10	
CD10-T01-R01	Rock	0.12	0.46	<0.001	<0.001	1.00	
CD10-T01-R02	Rock	0.08	0.15	<0.001	<0.001	0.14	
CD10-T01-R03	Rock	<0.01	0.38	<0.001	<0.001	0.51	

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Project: CODY 2010
Report Date: January 27, 2011

QUALITY CONTROL REPORT VAN11000331.1

	Method	WGHT	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR	7AR
	Analyte	Wgt	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Sr	Cd	Sb	Bi	Ca	P	Cr	Mg	Al
	Unit	kg	%	%	%	%	gm/t	%	%	%	%	%	%	%	%	%	%	%	%	%	%
	MDL	0.01	0.001	0.001	0.01	0.01	2	0.001	0.001	0.01	0.01	0.01	0.001	0.001	0.001	0.01	0.01	0.001	0.001	0.01	0.01
Pulp Duplicates																					
CD10-20	Rock	1.19	<0.001	0.001	0.05	0.05	3	<0.001	<0.001	0.03	0.51	<0.01	0.007	<0.001	<0.001	<0.01	1.26	0.024	0.001	0.08	0.15
REP CD10-20	QC		<0.001	0.001	0.05	0.05	4	<0.001	<0.001	0.03	0.51	<0.01	0.007	<0.001	<0.001	<0.01	1.28	0.024	0.001	0.08	0.11
Core Reject Duplicates																					
CD10-6	Rock	0.95	<0.001	0.003	<0.01	<0.01	<2	0.003	<0.001	0.06	2.73	<0.01	0.007	<0.001	<0.001	<0.01	4.63	0.058	0.006	2.41	1.88
DUP CD10-6	QC		<0.001	0.003	<0.01	<0.01	<2	0.003	<0.001	0.05	2.79	<0.01	0.007	<0.001	<0.001	<0.01	4.42	0.058	0.006	2.42	1.88
Reference Materials																					
STD CCU-1C	Standard																				
STD CZN-3	Standard																				
STD GBM997-6	Standard																				
STD PTC-1A	Standard																				
STD R4A	Standard		0.063	0.508	1.53	3.30	86	0.353	0.041	0.06	24.03	0.02	0.004	0.018	0.015	<0.01	0.99	0.043	0.013	0.87	1.30
STD R4A	Standard		0.063	0.509	1.53	3.30	86	0.352	0.041	0.06	24.02	0.02	0.004	0.018	0.015	<0.01	0.98	0.043	0.013	0.87	1.30
STD R4A Expected			0.062	0.502	1.5	3.31	86	0.334	0.04	0.06	23.38	0.023	0.004	0.017	0.0135	0.0024	0.94	0.042	0.012	0.83	1.25
STD CZN-3 Expected																					
STD PTC-1A Expected																					
STD CCU-1C Expected																					
STD GBM997-6 Expected																					
BLK	Blank		<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	<0.01	<0.01	<0.01	<0.001	<0.001	<0.001	<0.01	<0.01	<0.001	<0.001	<0.01	<0.01
BLK	Blank																				
Prep Wash																					
G1	Prep Blank	<0.01	<0.001	<0.001	0.01	<0.01	<2	<0.001	<0.001	0.06	1.98	<0.01	0.009	<0.001	<0.001	<0.01	0.60	0.077	0.001	0.57	1.27
G1	Prep Blank	<0.01	<0.001	<0.001	<0.01	<0.01	<2	<0.001	<0.001	0.06	1.96	<0.01	0.010	<0.001	<0.001	<0.01	0.60	0.077	0.001	0.55	1.34

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QUALITY CONTROL REPORT VAN11000331.1

	Method	7AR	7AR	7AR	7AR	7AR	7AR.1
	Analyte	Na	K	W	Hg	S	Pb
	Unit	%	%	%	%	%	%
	MDL	0.01	0.01	0.001	0.001	0.05	0.01
Pulp Duplicates							
CD10-20	Rock	0.03	0.06	<0.001	<0.001	0.11	
REP CD10-20	QC	0.02	0.06	<0.001	<0.001	0.12	
Core Reject Duplicates							
CD10-6	Rock	0.07	1.50	<0.001	<0.001	1.50	
DUP CD10-6	QC	0.07	1.43	<0.001	<0.001	1.54	
Reference Materials							
STD CCU-1C	Standard						0.38
STD CZN-3	Standard						0.10
STD GBM997-6	Standard						23.55
STD PTC-1A	Standard						0.06
STD R4A	Standard	0.09	0.55	<0.001	<0.001	16.35	
STD R4A	Standard	0.09	0.54	<0.001	<0.001	16.36	
STD R4A Expected		0.07	0.51	0.0011	0.001	16.7	
STD CZN-3 Expected							0.113
STD PTC-1A Expected							0.05
STD CCU-1C Expected							0.34
STD GBM997-6 Expected							24.9095
BLK	Blank	<0.01	<0.01	<0.001	<0.001	<0.05	
BLK	Blank						<0.01
Prep Wash							
G1	Prep Blank	0.16	0.63	<0.001	<0.001	<0.05	
G1	Prep Blank	0.22	0.62	<0.001	<0.001	<0.05	

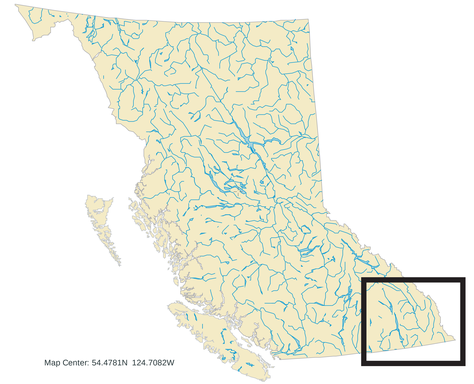
Appendix 7: Foldout Maps.

KLONDIKE SILVER CORP.

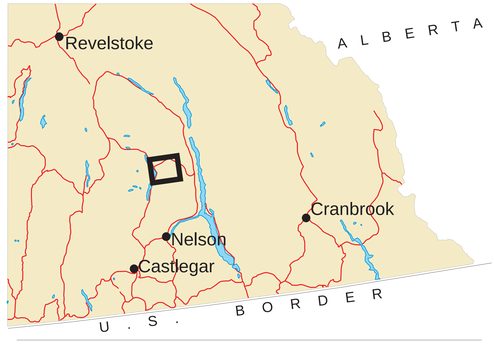
SLOCAN SILVER CAMP

SANDON, BRITISH COLUMBIA

BRITISH COLUMBIA



SOUTH EAST BRITISH COLUMBIA



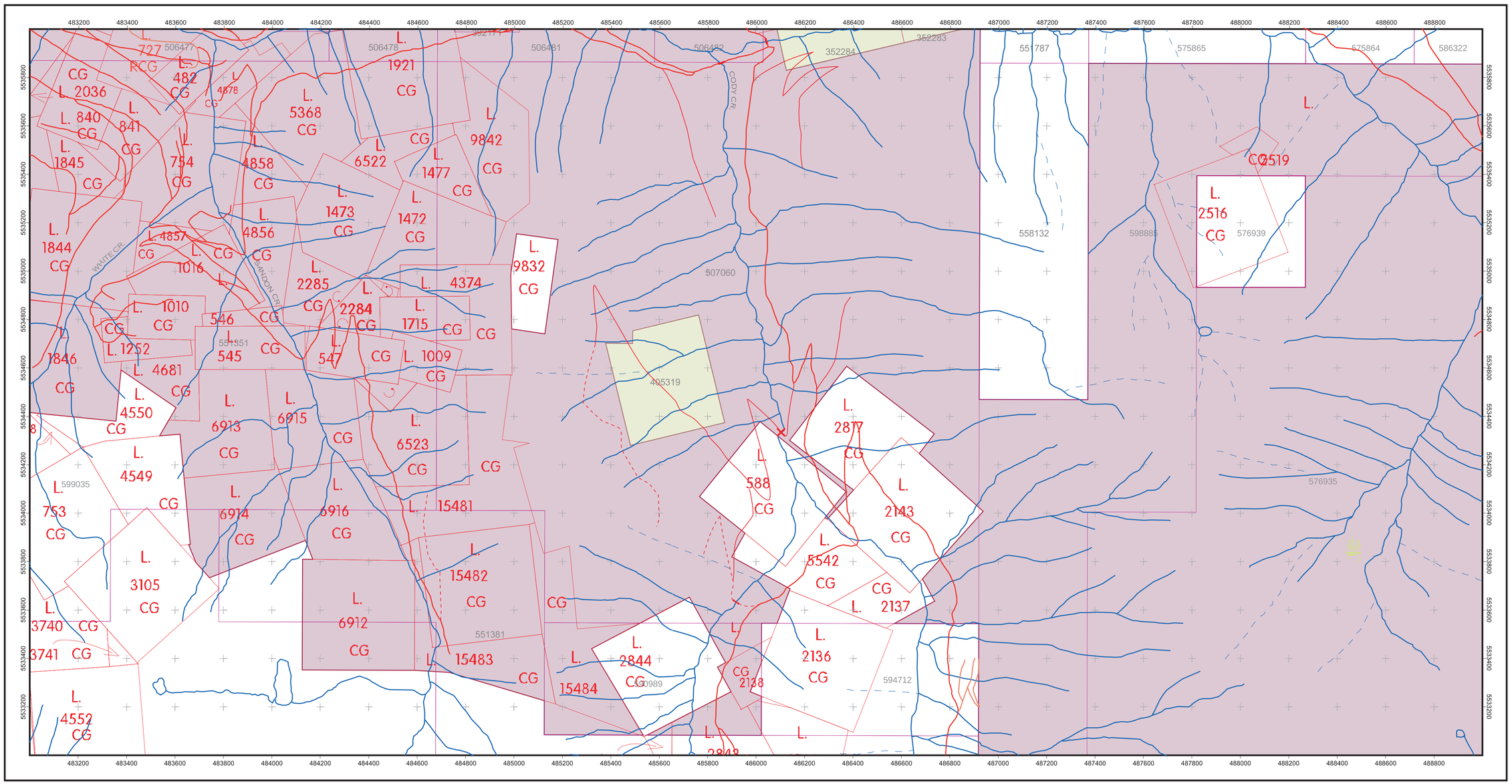
PAST PRODUCERS

Name	Mined (tonnes)	Milled (tonnes)	Ag (g)	Pb (kg)	Zn (kg)
Standard	746235	87638	278230004	39690541	49361401
Silvana	510964	499303	242982741	28691304	26299854
Silversmith	355110	190723	226107767	32524265	11751185
Van Roi	284706	40978	86690377	8091338	7600657
Violamac	149502	101239	129127274	21746099	14225991
Hewitt	112573	22582	59624427	2708636	1770177
Payne	110604	0	116386525	17376637	1024416
Mammoth	63865	61152	25670119	2622103	4158025
Ruth - Hope	60575	0	76946676	10122529	1605717
Ivanhoe	40293	1854	14204149	2366970	330300
Richmond - Eureka	36650	0	24993034	2322882	761064
Wonderful	28806	0	13057008	1619509	1214509
Idaho	26581	1105	48811960	2124884	225235
Queen Bess	16573	0	42980739	8558538	19244
Wakefield	8943	0	6032458	1111226	5568
Jackson	5847	17476	3106070	1888550	1407175
Hinckley	2011	1905	778446	147552	203603
Canadian	855	0	2439968	374301	17217

1000 m 0 1 km

SCALE 1:20 000

UTM ZONE 11
TRANSVERSE MERCATOR PROJECTION
NORTH AMERICAN DATUM 1983



T.N.
9° 18'8"E
Magnetic North
MAGNETIC DECLINATION AS OF 2002
CHANGING 9.1°W ANNUALLY

CODY CREEK

0 500 1000 m

UTM ZONE 11
NAD 83

CLAIM LEGEND

BOUNDARIES
- Mineral tenure outline
- Crown grant parcle outline

OWNERSHIP
- Klondike Silver Corp.
- Joint venture agreement
- Owner other than Klondike Silver Corp.

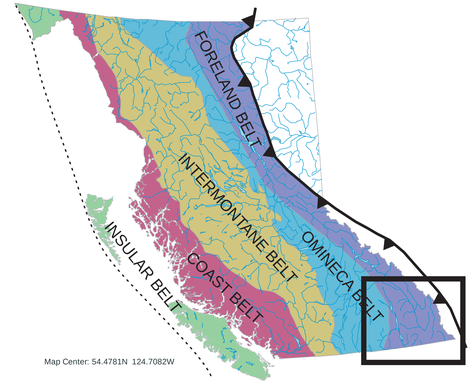
FEATURES
- Two-post claim marker

KLONDIKE SILVER CORP.

SLOCAN SILVER CAMP

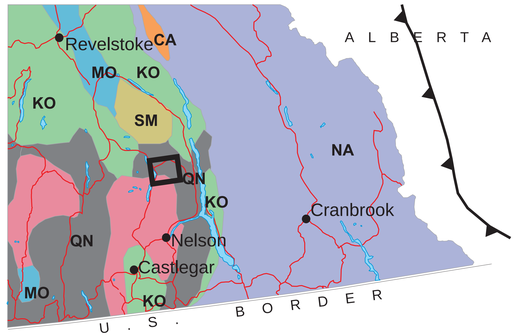
SANDON, BRITISH COLUMBIA

BRITISH COLUMBIA TECTONIC BELTS



Map Center: 54.4781N 124.7082W

SOUTH EAST BRITISH COLUMBIA TERRANES



GEOLOGY LEGEND

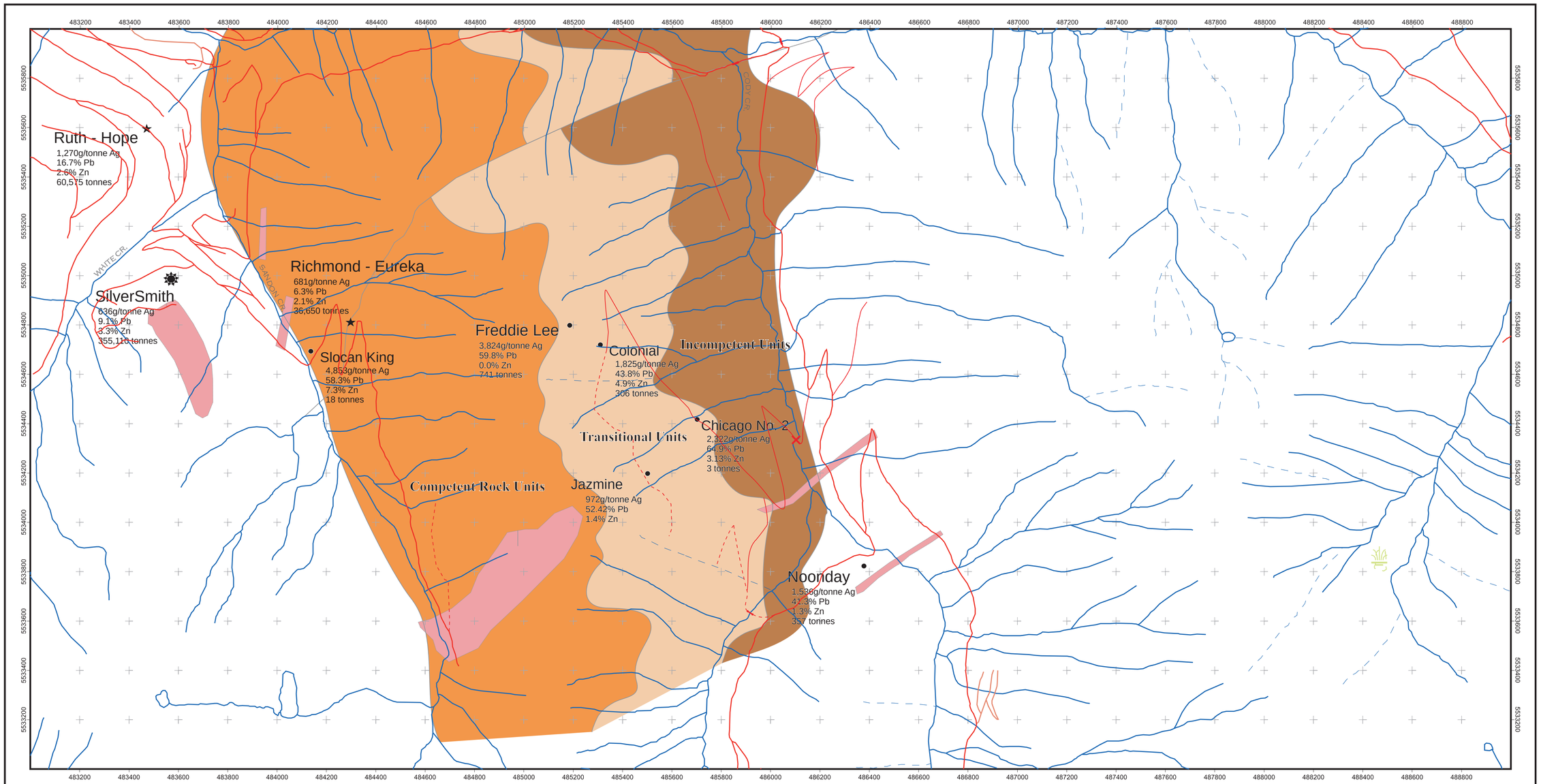
CENOZOIC
- TERTIARY
  - Ladybird Suite: (quartzmonzonite to granite)

MESOZOIC
- CRETACEOUS
  - Wraggie Creek Pluton: (quartzmonzonite)
- JURASSIC
  - Dyke Rock: felsic (granodiorite to monzonite)
  - Nelson Batholith: (granite to granodiorite)
- TRIASSIC
  - Slocan Group: Undifferentiated
    - Quartzite
    - Mixed Banded
    - Argillite
    - Limestone
    - Tuff

1000 m 0 1 km

SCALE 1:20 000

UTM ZONE 11
TRANSVERSE MERCATOR PROJECTION
NORTH AMERICAN DATUM 1983

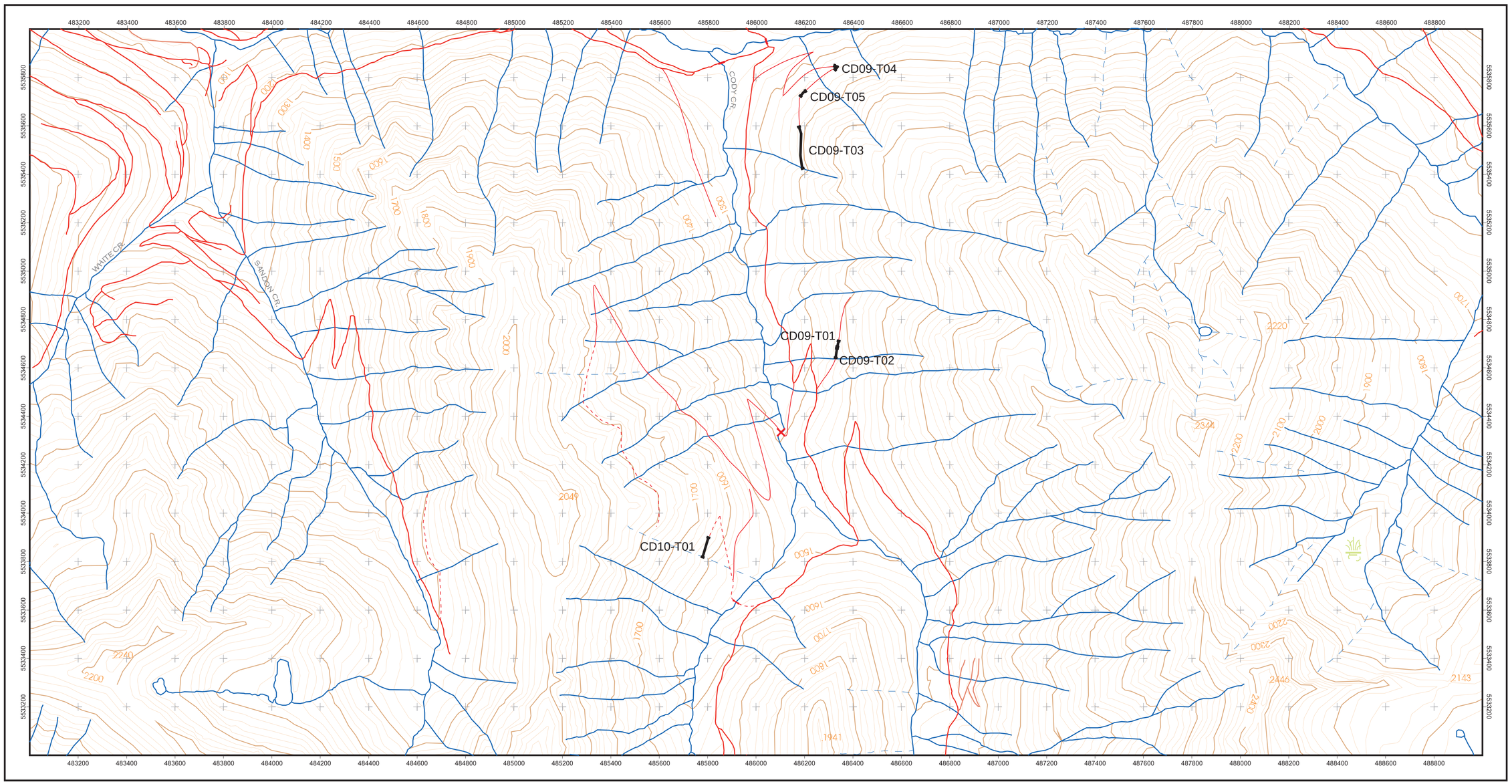


T.N. 18°8'E
Magnetic North
MAGNETIC DECLINATION AS OF 2002
CHANGING 9.1°W ANNUALLY

CODY CREEK

0 500 1000 m

UTM ZONE 11
NAD 83

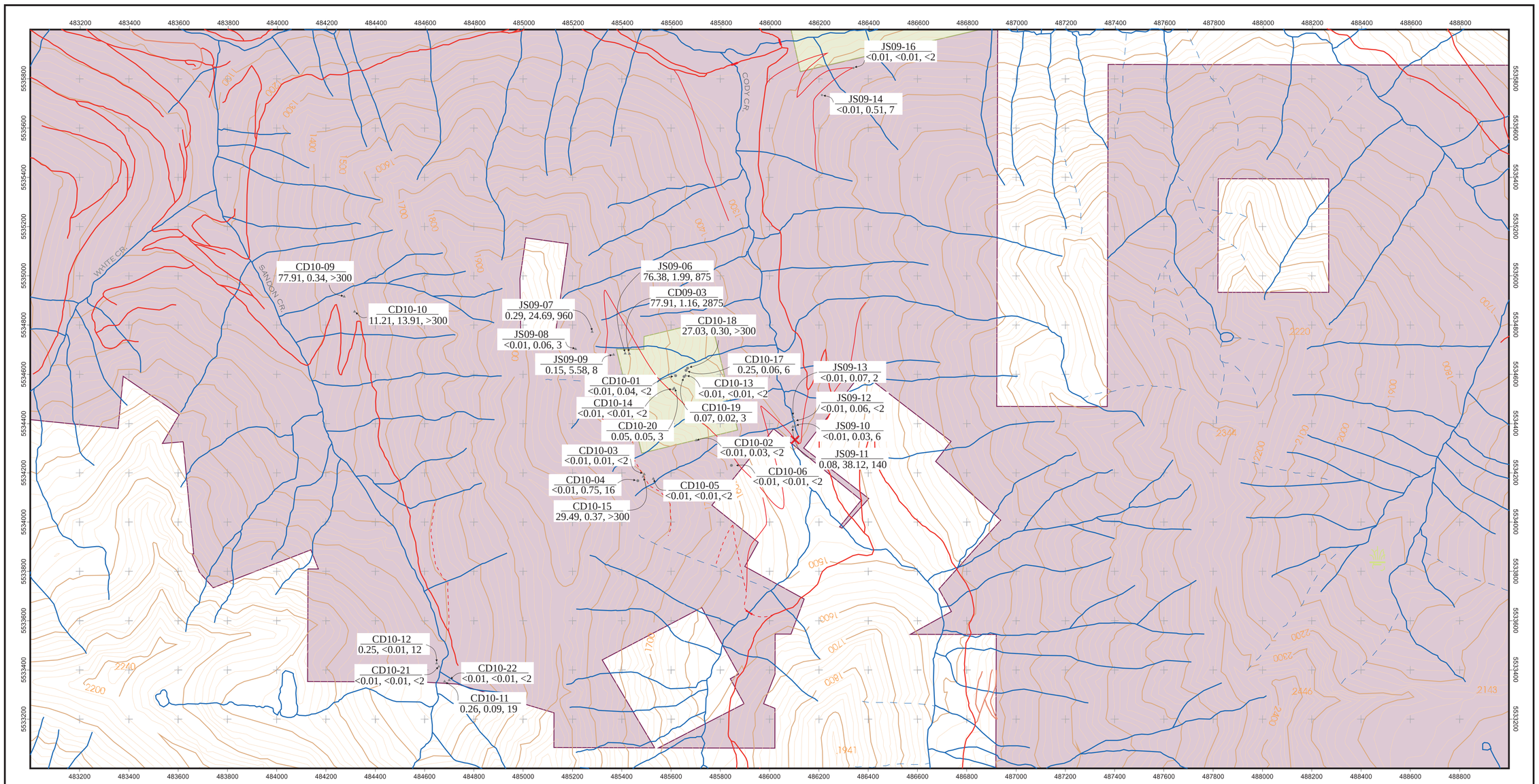


T.N.
9° 18'8"E
Magnetic North
MAGNETIC DECLINATION AS OF 2002
CHANGING 9.1'W ANNUALLY

CODY CREEK

0 500 1000 m

UTM ZONE 11
NAD 83



EXPLORATION LEGEND

PROSPECTING

Property Year Sample Number

CD10-22
<0.01, <0.01, <2

Sample Type
- Float
- In Situ

Sample Assay
% Pb, %Zn, g/mt Ag

T.N. 18°8'E
Magnetic North
MAGNETIC DECLINATION AS OF 2002
CHANGING 9.1' W ANNUALLY

CODY CREEK

0 500 1000 m

UTM ZONE 11
NAD 83

CLAIM LEGEND

BOUNDARIES
- Mineral tenure outline
- Crown grant parcle outline

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- Klondike Silver Corp.
- Joint venture agreement
- Owner other than Klondike Silver Corp.

FEATURES
- Two-post claim marker