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TSXV: KS

**Klondike Silver Corp. Samples 351 g/t Silver,
10.29% Lead, and 8.1% Zinc in Jackson Basin**

- **2009 SUMMER EXPLORATION TO FOCUS ON EXPANDING 2008 DISCOVERIES**
- **PERMITS RECEIVED AND TRENCHING PLANNED FOR EARLY JULY**

VANCOUVER — **Klondike Silver Corp.** (TSX-V:KS) (the 'Company') is pleased to announce that recent exploration programs have discovered new silver-rich prospects while also confirming the potential of targets similar to past-producing mines within the Slocan Silver Camp of south-central British Columbia.

The 2008 exploration program focused on testing several project areas that encompass past-producing mines.

Map of Slocan Silver Camp - <http://www.klondikesilver.com/i/pdf/08-07-02-Slocan-3.pdf>

JACKSON BASIN AREA

The **Jackson Basin Area**, includes the historic Jackson Mine discovered in 1892. Mining continued until 1955, followed by intermittent operations until 1975.

Trenching is planned to begin in July along with testing those areas of the Jackson Basin believed to potentially host high-grade silver zones. The main objectives of the 2008 exploration program in the Jackson Basin Area was to determine the extent of the main vein to the east of the Jackson Mine. The main lode exploited in the past is believed to extend as far west as the Northern Belle Crown Grant on the northeast side of the Mt. Payne which is also on the property.

Past programs conducted east of the Jackson Mine have generated encouraging results that revealed a thick breccia zone with massive sulphides throughout, cross-cut by quartz veins and hosted in a limestone of the Slocan Group.

About 2.5 meters of the breccia zone is visible in outcrop. Further exploration is required to determine its orientation and true thickness.

- Samples collected directly from the breccia zone returned values of **79 g/t silver, 3.25% lead and 2.16% zinc**. A vein crosscutting the breccia zone was also sampled and returned **351 g/t silver, 10.29% lead and 8.1% zinc**.

The Company also explored other portions of the Jackson Basin, which revealed potential for high-grade silver zones that may be further tested in future programs.

The Company is also conducting an underground exploration program focused on the western extent of the Main Lode hosting the Silvana Mine, the second largest past-producer in the Slocan Silver Camp. The goal is to define resources that can be mined and processed in the Company's fully permitted 100-tonne-per-day flotation mill in the nearby historic town of Sandon. The cash flow generated from test-mining and custom mining would be used to fund ongoing exploration programs.

The Company would also like to announce it has arranged a Private Placement for up to 10,000,000 flow-through or non flow-through units priced at \$0.06 per unit, for total proceeds of \$600,000. 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 two years at a price of \$0.10 per share. 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.

The Qualified Person for the purpose of National Instrument 43-101 is Freeman Smith, PGeo, who has reviewed the technical contents of this news release.

About Klondike Silver:

Klondike Silver Corp. has assembled a quality portfolio of silver properties in historic mineral districts in North America, and is applying advanced exploration technologies to add value to these core assets. Klondike Silver is reviving the Gowganda and Elk Lake silver camps in Ontario, and the world-famous Klondike district of Yukon Territory. The Company owns a 100 TPD fully operational flotation mill in Sandon, BC, which is currently processing material from one of its Yukon properties and local mines in the historic Slocan Silver Camp.

Klondike Silver is a member of the Hughes Exploration Group of Companies and is led by a team with a stellar track record of discovery and development in Canada.

Contact Information:

Corporate Inquiries: Kevin Hull, (604)-685-2222

Email: info@klondikesilver.com

Or visit Klondike Silver's web-site: www.klondikesilver.com to see Smartstox interviews with Company President, Richard Hughes.

AGORACOM Investor Relations

Email: KS@agoracom.com; Website: <http://www.agoracom.com/ir/KlondikeSilver>

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