

ASSESSMENT REPORT

describing

**2010 SOIL SAMPLING, PROSPECTING AND
GEOLOGICAL MAPPING**

at the

HART PROJECT

HART 1-48 YD34801-YD34848

ART 1-8 YD61301-YD61308

located at

NTS 115N/15, 115N/16

Latitude 63°55'N; Longitude 140°28'W

Dawson Mining District

Yukon, CANADA

for

KLONDIKE SILVER CORP.

prepared by

William D. Mann, M.Sc., P.Geol.

April 2011

Field Work Performed June 5 to August 10, 2010

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INTRODUCTION

The Hart project was staked to cover an area of favourable geology, geochemistry and magnetic anomaly east of an area known for an extensive system of silver-lead-gold veins, and located in the Sixtymile placer gold camp of western Yukon Territory. The project is comprised of 48 HART claims and 8 ART claims staked in 2010 and owned by Klondike Silver Corp. Subsequently the entire area surrounding the claims was staked: these new claims are thought to be held by Ryan Gold Corp.

This report describes a reconnaissance program of soil sampling, prospecting and geological mapping performed by the author and crew on behalf of Klondike Silver between June 5 and August 10, 2010. The author supervised the program and participated in the work. The Statement of Qualifications appears in Appendix I.

PROPERTY LOCATION, CLAIM DATA AND ACCESS

The Hart project consists of 56 contiguous mineral claims located in western Yukon at latitude 63°55' north and longitude 140°28' west on NTS map sheets 115N/15 & 115N/16 (Figure 1). The claims are all registered with the Dawson Mining Recorder. Claim data are listed below while the locations of individual claims are shown in Figure 1.

<u>Claim Name</u>	<u>Grant Number</u>	<u>Expiry Date*</u>
HART 1-48	YD34801-YD34848	March 04, 2013
ART 1-8	YD61301-YD61308	March 04, 2014

* Expiry dates include 2010 work which has been filed for assessment credit but not yet accepted.

The property lies 55 km due west of Dawson City and can be reached within two kilometres by four wheel drive vehicle via the Sixtymile Road, which runs south from the Top of the World Highway. An extensive system of bush roads and trails exist to the west and south of the property, but to reach them the Sixtymile River must be forded. During spring runoff and following major storms, this ford is sometimes impassable. The claims lie about 2 km from 4 wheel drive accessible bush roads.

The Top of the World Highway extends west from Dawson City into Alaska. It is open during summer and fall when the ferry across the Yukon River is in service. Dawson City is situated 536 km by road north of Whitehorse, the Yukon's main supply centre, and is reached via the all-season Klondike Highway. Helicopters are based in Dawson City but were not utilized during the 2010 exploration program.

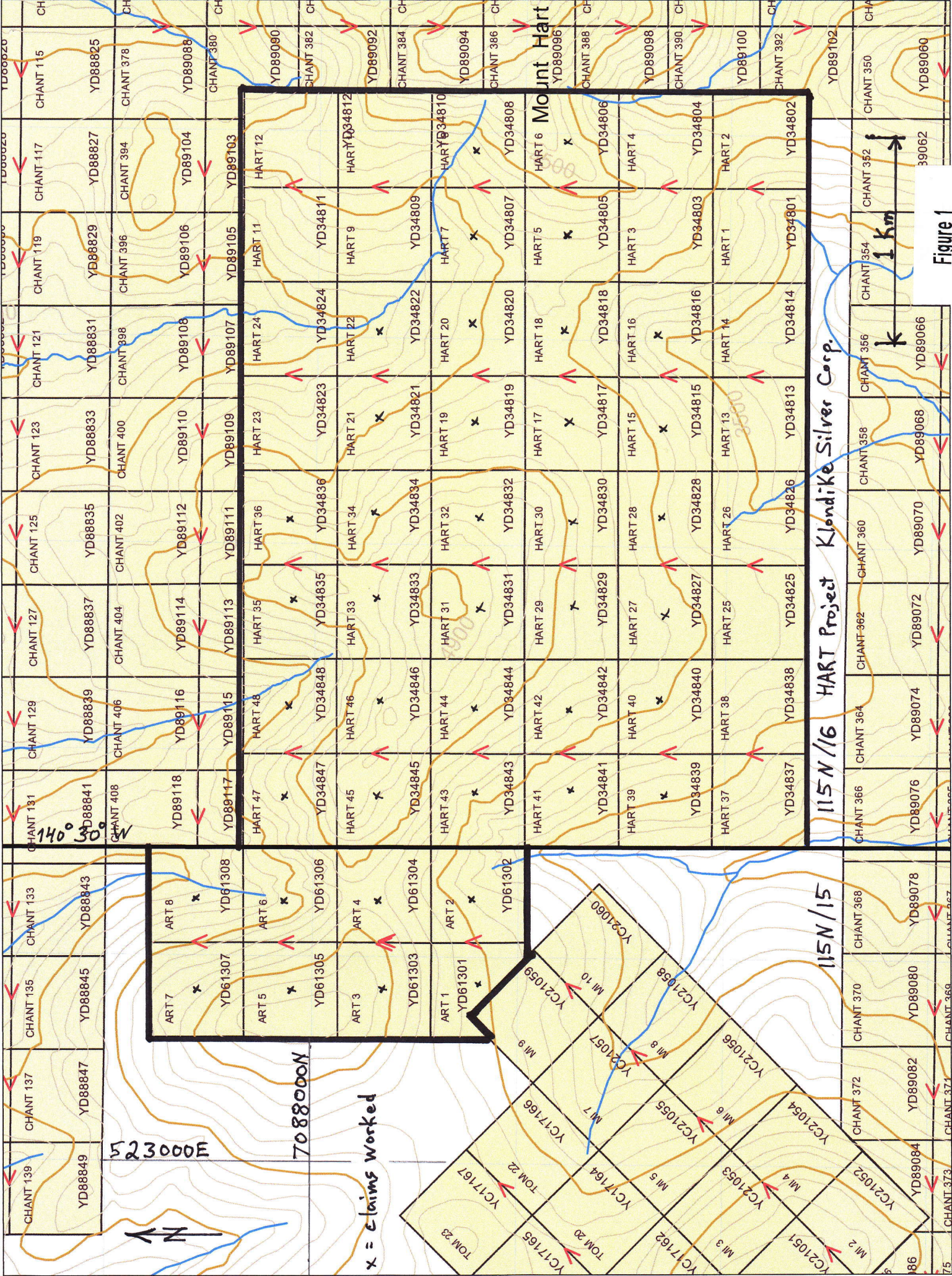


Figure 1

PREVIOUS WORK

This section summarizes pre-2010 exploration activities in the Hart project area. Although silver-lead-gold veins were likely found in the Sixtymile area in the late 1890s, the first reported discovery on the Hart trend was made by J. Lerner and M. Chefkoi in 1965, working to the west of this property.

In 1969 work by Connaught Mines Ltd. in the area included some reconnaissance stream sediment geochemistry on the streams draining the property (Cholach, 1969). The samples were analyzed only for lead, with some modest anomalies (up to 98 ppm Pb) reported from these streams.

Minfile occurrence 115N 044 “Enchantment” lies about 1 km south of the east side of the property (Traynor, 2005). The report indicates that this area was explored initially in 1966, 1969, 1973, 1987 by various workers, however little of this work is documented. In the period 1997 to 2000 Rudis and Nordling explored the area by geochemistry and magnetics. They discovered some modest gold anomalies in the Cheryl creek drainage, and also report that granitic rocks are more widespread than indicated on regional geological maps.

Minfile occurrence 115N 119 “Mt. Hart” is centred immediately north of the east side of the property (Traynor, 2005). This area was explored for paleoplacer gold in the conglomerate unit at the base of the Cretaceous volcanics in 1973 and 1981, with little documentation. Later work consisting of reconnaissance geochemistry and prospecting discovered significant multi-element anomalies in the area of the present property (Jaworski, 2000).

GEOMORPHOLOGY AND VEGETATION

The Hart project is situated in the Klondike Plateau ecoregion, part of the Boreal Cordillera ecozone (Smith, 2004). The property lies about 40 km southwest of the Tintina Trench. The area features rounded ridges and low peaks, which represent the top of an ancient peneplane that has been deeply incised by dendritic drainages (figure 2). Continental ice sheets did not cover the area but there is evidence of localized alpine glaciation. The property is drained by creeks that flow into the Sixtymile River, part of the Yukon River watershed.

Local elevations range from about 800 m alongside the Sixtymile River to 1525 m atop a ridge near the centre of the claim block. Terrain consists of moderately steep hillsides flanking broad, rounded hilltops. While rock is abundant as felsenmeer, outcrop is rare and is mostly confined to ridge crests. Soil development is fair, and there has been considerable solifluction on hillsides.

Vegetation varies from mature spruce and poplar forests on the floor of the Sixtymile River valley to sparse, stunted spruce and buckbrush on lower parts of the property, and grasses, moss and lichen near ridge tops. The project lies within the zone of extensive discontinuous permafrost, with north and east facing slopes that are often moss covered and permanently

frozen. This presents a significant obstacle to soil sampling, trenching and road construction. The southern part of the property was burned by a wildfire in the summer of 2009.



Figure 2. Geomorphology of the claims, view looking east of north-facing slopes. Abundant felsenmeer but sparse outcrop. Mt. Hart visible in top centre of photo.

GEOLOGY

Geology in the vicinity of the Hart project was most recently mapped at 1:50,000 scale by Mortensen (1996) and put into broader context by Gordey and Makepeace (1999). The Stewart River Area was mapped at 1:250,000 by Gordey and Ryan (2005), however no new mapping was done in the project area at that time. The Yukon Tanana Terrane has been recently examined and compiled as a whole (Colpron, 2006).

The property lies between the Tintina and Denali Faults within a part of Yukon that is mostly underlain by Yukon-Tanana Terrane. That tectonic terrane is composed of continental margin sediments, island arc volcanics and coeval intrusions, which were metamorphosed and deformed during accretion to the North American continent during Mesozoic times. In the Sixtymile district, the Yukon-Tanana Terrane is subdivided into two stratigraphic elements (the Nasina/

Finlayson and Klondike Schist Assemblages) and a metaplutonic package (the South Fiftymile Batholith). The Yukon-Tanana units are intruded by undeformed, Late Cretaceous plugs and stocks. The youngest units in the area are lower Cretaceous conglomerate and upper Cretaceous volcanics.

The geology in the vicinity of the Hart project is dominated by a late Cretaceous intrusive plug which intrudes quartz mica schist of the Yukon Tanana group. On the east side and south of the property the Carmacks group volcanics are present. The major lithological units are briefly summarized in the following paragraphs.

The **Nasina Assemblage** comprises Late Devonian to Mid-Mississippian fine grained, moderately to non-carbonaceous, quartz-muscovite-chlorite schist and quartzite with locally abundant interlayered mafic schist and amphibolite. In the Sixtymile River area, some higher grade metamorphic equivalent rocks are also present including coarse grained, locally garnetiferous biotite-quartz-muscovite schist and amphibolite. Lenses of recrystallized limestone are present on the property, and extend northward towards Mt. Nolan. Recent regional compilations have considered this rock package to be a volcanic lithofacies of the **Finlayson Assemblage**.

A string of Late Cretaceous **Plugs and Stocks** of the **Seagull Suite** (ca. 95 – 98 Ma) intrude the Nasina Assemblage in the central and western parts of the property. These plutons consist of fine to medium grained, equigranular biotite-hornblende quartz monzonite and granodiorite. Felsic dykes with local graphic granite pegmatite texture are common near the western side of the claims, and generally have a north-south trend.

Mt. Hart, on the east side of the property is composed of a thin layer of conglomerate of the lower Cretaceous **Tantalus Group** overlain by volcanics of the late Cretaceous **Carmacks Group**. The conglomerates are described as clast-supported pebble to cobble conglomerate with clasts of vein quartz and foliated quartzite. The volcanics are described as rhyodacite and dacite, commonly biotite and hornblende phyric, with lesser andesite and basalt, and minor rhyolite (Gordey & Ryan, 2005).

MINERALIZATION

The mineralized trend extending from the Hart project to the west for about 20 km has been explored for gold and for high-grade silver-lead \pm gold veins (Connaught project of ATAC and Klondike Silver). Bulk sampling of direct shipping silver-lead mineralization has been conducted from the No. 1 and No. 3 veins at the Connaught project. Some exploration has also been directed to skarn mineralization on the Mag claims of R. Nordling, and porphyry copper \pm molybdenum mineralization on immediately adjoining claims to the west (Lornex Capital claims). The Lornex ground also includes the No. 9 vein, one of the richest and largest Pb- Ag veins in the area.

The Tantalus conglomerate is thought to have potential to host paleoplacer gold. This formation has been explored for paleoplacers in the Indian River area sporadically for more than 100 years, with little encouragement.

Placer gold has been mined from many creeks in the area for over 100 years, with some recent activity in Cheryl creek which drains the claims to the south. The property lies within the Tintina Gold Belt, and at the north-western end of the White Gold District.

2010 EXPLORATION PROGRAM

The 2010 field program was conducted by the author, geologist Sandro Frizzi, senior field technicians Matt Little and Max Mikhailychev, and field technicians John-Mark Campbell, Daniel Gabriel and Jeremy Mann. The property was accessed on foot from the 4 wheel drive road on the Tom claims of Lornex Capital which adjoin the claims to the west. The western edge of the ART claims are about 2 km from the road, and reached by hiking across fairly level and open (but spongy) ground. Some work was done on a daily basis from a base camp on the Connaught property, but a two man camp on the Hart property was used for the soil sampling program.

2010 Soil Geochemistry

Soil sampling was selected as the best method for quick evaluation of the potential of the property. A total of 118 samples were taken at 50 m spacing along a UTM grid line on the south side of the claims and at roughly 100 m spacing along a contour line on the north side of the claims.

The 2010 soil samples were located using handheld GPS units, with supplemental navigation by compass. The sites are marked by aluminium tags inscribed with the sample numbers, which are affixed to 0.5 m wooden lath that were driven into the ground. Soil samples were collected using a spade. They were placed into Kraft paper bags along with an analytical sample tag. Soil descriptions were recorded in a notebook.

The 2010 samples were delivered to ALS Chemex in Whitehorse. The samples were then forwarded to their facility in North Vancouver where they were dried and sieved to -180 microns. A 15g portion of each sample was digested in aqua regia and then analysed for trace level gold (method Au- TL42) and 51 elements by the inductively coupled plasma-mass spectroscopy technique (ME-MS41). Soil sample locations from 2010 with gold values in ppb are shown on Figure 3. Certificates of Analysis for soil samples are in Appendix IV.

The highest gold in soil results were from the northeastern corner of the property (41 & 42 ppb Au). These samples were also anomalous in Ag, Bi, Mo, Sb, Se, & Te. This anomalous assemblage is suggestive of epithermal or intrusive-related mineralization.

2010 Prospecting and Geological Mapping

Prospecting was conducted in conjunction with geological mapping and soil sampling. This work was of a reconnaissance nature, focused on the ridge tops, with many areas of the property not visited. Geological mapping is incomplete, and was focused on intrusive contacts as the target mineralization is intrusion-related, and the intrusive unit is more prominent than shown on regional maps.

TABLE 1. Rock Sample Locations Hart 2010						Au	Ag
Sample	E	N	Sampler	Description		ppm	ppm
I065101	524530	7081240	Bill	green pyroxene skarn (white marble) on road to Cheryl Creek		0.010	0.10
I065102	523683	7087657		4mm grey QV cuts felsic intrusive float - Art claims		0.002	0.05
I065103	523967	7087820		calc-silicate hornfels: green pyroxene, epidote		0.003	0.07
I065104	523930	7087821		orange Qtz-rich silicified granite		0.001	0.04
I065105	523684	7088136		20 rusty pebbles		0.002	0.04
I065106	523844	7088144		20 rusty pebbles		0.002	0.03
I065107	523650	7087612		pyritic hornfels; ~1% pyrite		0.004	0.13
I065108	525854	7088162	Matt	rusty, Qtz-rich schist		0.003	0.05
I065109	525815	7087839		pyritic felsic intrusive		0.001	0.12
I065110	525802	7088206		pyritic felsic intrusive		0.001	0.10
I065111	525840	7088108		rusty hornfels		0.012	0.23
I065112	524120	7087702	Sandro	schist		0.001	0.08
I065113	524509	7087740		schist		0.004	0.04
I065114	525108	7087593		schist		0.002	0.05
I065115	525231	7087483		intermediate intrusion		0.002	0.05
I065116	526021	7087345		intermediate intrusion		0.003	0.29
I065117	524997	7087698		felsic dyke		<0.001	0.02
I065118	521884	7085965		H9 - off claims		0.001	0.02
I065119	521924	7085998		H10 - off claims		0.001	0.04

Rock descriptions for the 19 samples collected for analysis are presented in Table 1, and certificates of analysis are in Appendix III. Sample locations with Au results in ppb, and partial geological mapping are plotted in figure 3.

All samples were transported to ALS Chemex Whitehorse, where they were dried and fine crushed to better than 70% passing 2 mm. A 250 g split of the crushed material was pulverized to better than 85% passing 75 micron. The pulverized sample was then forwarded to ALS Chemex in North Vancouver. A 0.5g split was then subjected to aqua regia digestion and analyzed for 51 elements using the ME-MS41 ICPMS technique.

All samples were also analyzed for gold by the TL-42 method, with aqua regia digestion of a 15g sample split and analysis by ICP-MS.

The results of rock sampling were disappointing, with gold and silver values lower than in many of the soil samples. The best rock sample returned values of 0.012 ppm (12 ppb) gold and 0.23 ppm silver, from rusty hornfels near the northern edge of the property. The highest silver result was 0.29 ppm from an iron-rich sample collected near the centre of the intrusion. This sample was also anomalous in Bi and Mo. Gold pathfinder elements were generally low in all samples.

DISCUSSION AND CONCLUSIONS

The Hart project has potential for a variety of intrusion-related mineral occurrences, specifically high grade epithermal silver-gold-lead veins, gold-rich skarns, and porphyry type deposits as discovered along trend to the west. The occurrence of placer gold in the creeks draining the property is a favourable indicator, as are anomalous soil and rock samples. The occurrence of late Cretaceous intrusive rocks central to the property, and the related magnetic high signature are key to this interpretation.

Despite the presence of deep weathering, strong solifluction and permafrost, soil geochemistry has proven to be an excellent tool for identifying silver veins and other metallic targets that have been buried by overburden in this region. Soil geochemistry should be extended across the property on a systematic grid.

Detailed geological mapping is recommended. This may help to focus further exploration efforts. Prospecting beyond the ridges is also recommended, and should also examine areas where soil geochemical anomalies are present. The eastern side of the property is currently thought to be most promising, with gold in soil anomalies at the headwaters of Granite gulch and Enchantment creek. This area may coincide with a north-south fault at the boundary between intrusive and volcanic rocks. A similar north-south structure may control the boundary between intrusive and metamorphic rocks in the west-central part of the property, and this contact should be carefully prospected. Prospectors should also seek and sample altered portions of the volcanics and intrusives.

The next phase of field work should be done from a fly camp located on the saddle west of Mt. Hart. The eastern half of the property appears to have greater potential than the west, and the hike is a bit too far to the east side of the property from the access road on the Lornex Capital ground.

An airborne geophysical survey would be helpful in the identification of structures and rock types. A magnetics and radiometrics survey is recommended, as the intrusive unit and related hornfels is magnetic, and intrusive-related mineralization may have associated potassium anomalies.

An access trail could be constructed from the existing road to Cheryl creek, and an old pioneer dozer trail exists which goes most of the way to the property on Lornex Capital ground. However, the existing trail is extremely wet, and may not even be passable by ATV as it crosses a boggy alpine meadow underlain by permafrost. Construction of a 4 wheel drive access road will therefore be relatively expensive, and should not be done until a robust zone of mineralization has been discovered on the property.

Respectfully submitted,

William D. Mann, M.Sc., P.Geo.

REFERENCES

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- Traynor, S.
 2005 Yukon Minfile, Yukon Geological Survey, Yukon Energy, Mines and Resources.

APPENDIX I

STATEMENT OF QUALIFICATIONS

WILLIAM D. MANN, M.Sc., P.Geo.

19 HAYES CRESCENT, WHITEHORSE, YUKON Y1A 0E1

1. I am a member in good standing of the Association of Professional Engineers and Geoscientists of BC, Licence #31907.
2. I am a Graduate of Queen's University, 1986, with a Master of Science Degree in Mineral Exploration Geology.
3. I am a Graduate of the University of British Columbia, 1983, with a Bachelor of Science Degree in Geology.
4. I have worked in mineral exploration and mining continuously since 1979.
5. I designed, supervised and participated in the work program on the HART Project in 2010.
6. I am contract project geologist for Klondike Silver Corp., owner of the claims, and hold stock options in the company.

April 15, 2011

William D. Mann, M.Sc., P.Geo.

Klondike Silver Corp. - HART Project Statement of Expenditures, 2010

	<u>Date</u>	<u>Supplier</u>	<u>Invoice Number</u>	<u>Cost</u>	<u>Totals</u>
<u>Analytical costs</u>					
	Jun 29, 2010	ALS Chemex	2091763	555.72	
	Sep 02, 2010	ALS Chemex	2127354	2,941.13	
					<hr/>
					\$3,496.85
<u>Wage Invoices</u>		Bill Mann			
independent contractors		John Mark Campbell			
		Max Mikhailytchev			
(details confidential)		Daniel Gabriel			
		Sandro Frizzi			
		Matt Little			
		Jeremy Mann			
					<hr/>
					\$10,785.63
<u>Expense Invoices</u>					
(food, hardware, supplies)	Jun 05, 2010	Bill Mann	10-63E	1,345.93	
	Jun 28, 2010	Bill Mann	10-64E	178.60	
	Jul 26, 2010	Bill Mann	10-68E	23.78	
	Sep 10, 2010	Bill Mann	10-74E	651.72	
	Sep 17, 2010	Bill Mann	10-76E	9.84	
	Jul 19, 2010	Sandro Frizzi	YUKON/JULY/19/10	37.00	
	Jul 19, 2010	Max Mikhailytchev	YUKON/JULY/19	84.00	
					<hr/>
					\$2,330.87
map preparation	May 15, 2010	Aurora Geosciences Ltd.	9482	187.50	
					<hr/>
					\$187.50
		Field Expenses - subtotal:			<hr/>
					\$16,800.85
Report Preparation		W.D. Mann	(10% of field costs)		\$1,680.09
					<hr/>
		TOTAL ELIGIBLE EXPLORATION EXPENDITURES:			\$18,480.94

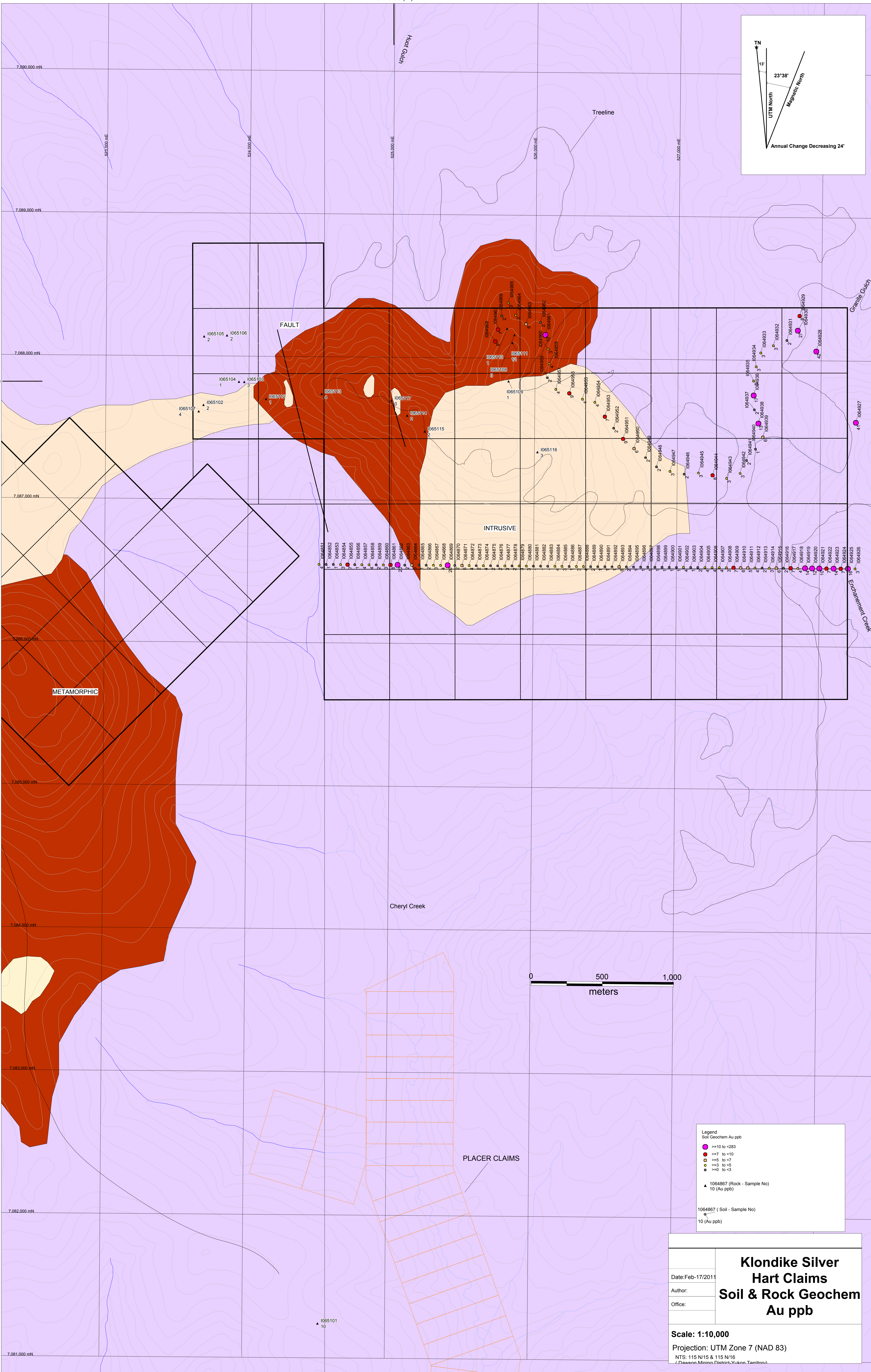
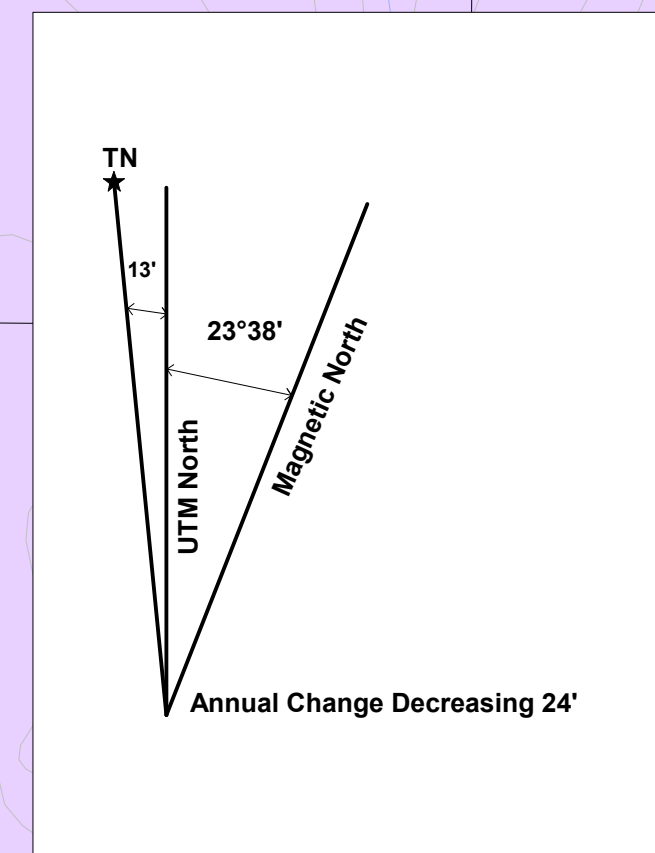
Field work conducted June 5 - August 10, 2010

Note: these expenses exclude all staking costs (Art claims recorded June 4, 2010)

signed: _____ date: _____

APPENDIX III
CERTIFICATES OF ANALYSIS - ROCK

APPENDIX IV
CERTIFICATES OF ANALYSIS - SOIL



Legend
 Soil Geochem Au ppb
 ● >=10 to <203
 ● >=7 to <10
 ● >=6 to <7
 ● >=3 to <5
 ● >=0 to <3
 ▲ 1064867 (Rock - Sample No)
 10 (Au ppb)
 ● 1064867 (Soil - Sample No)
 10 (Au ppb)

**Klondike Silver
 Hart Claims
 Soil & Rock Geochem
 Au ppb**

Date: Feb-17/2011
 Author:
 Office:

Scale: 1:10,000
 Projection: UTM Zone 7 (NAD 83)
 NTS: 115 N15 & 115 N16
 (Dawson Mining District, Yukon Territory)