

Klondike Source Limited



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SEARCHING FOR THE SOURCE OF THE KLONDIKE ALLUVIALS?

The Klondike gold rush of Robert Service and Eskimo Nell fame occurred over a century ago and produced over 12 million ounces of unrefined gold. However, unlike all other major alluvial gold fields of the world, the hardrock source of the Klondike alluvial gold has never been found.

Klondike Source Limited (KSL) is an Australian company that is raising up to \$2 million through a prospectus issue of 20 million shares at 10 cents. These funds will be used mainly to undertake exploration drilling in its quest to locate the source of the Klondike alluvials.

KSL has used modern techniques and new geological understandings in its exploration. KSL believes the hardrock gold source is in flat-lying stacked lenses, rather than the quartz reef systems of conventional wisdom. Similar geological models in other alluvial goldfields have led to the discovery of several large hardrock gold deposits – Sukhoi Log and Muruntau in Russia; Macraes in NZ and Kanowna Belle in WA. Significantly, the major Pogo gold deposit (+5 million ounces) which is located in nearby Alaska and in similar geology, is also of this type.

KSL has been working on the project since 1999 and has developed a number of drilling targets. There has been no previous drilling on KSL's tenements and little in the entire goldfield; by Australian standards, the heart of the Klondike is amazingly under-explored.

An attractive feature of the KSL IPO is that the founders and promoters have paid the issue price for all shares held by them. Rather, they will only take their reward from options which are exercisable at 2.5 times the IPO price. This aligns their financial interests with those of subscribers to the float.

The KSL issue is being sponsored by specialist Sydney resource broker, WHI Securities Pty Ltd.

The prospectus, which includes details of the offer and further information, can be obtained from KSL's website: www.klondikesource.com.au or by phoning Klondike Source Limited on (02) 9957 3199 or the Sponsoring Broker WHI Securities Ltd on (02) 9222 9111. Anyone wishing to acquire shares in KSL will need to complete the Application Form which accompanies the Prospectus.

For further information contact:

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