

Klondike Source Limited



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ALLOTMENT OF SHARES FOLLOWING CLOSURE OF SUCCESSFUL IPO

Shares Allotted

Following closure of the Company's successful IPO, the Directors have allotted 18,410,000 shares to subscribers to the IPO. Including the pre-IPO register of 13,094,900 shares, the total number of shares now on issue is 31,504,900. The PacRim/KSL Consolidation Agreement (to acquire the entire interest in the Joint Venture claims) will now be settled by the allotment of 11,975,100 shares to PacRim Resources Ltd to bring total shares on issue to 43,480,000.

Funds Raised

The IPO raised \$1,841,000, a result that is very pleasing to the Board as it provides adequate funds for the drill program that is planned to commence this coming June, and will enable additional drilling in the 2005 season.

Listing on Newcastle Stock Exchange

Arrangements for listing on the Newcastle Stock Exchange (NSX) are in process and the Company expects that trading will commence by 19 March 2004.

Preparations for Drilling

Arrangements are being finalised with a Yukon-based drilling contractor to mobilise a diamond drill rig and equipment to the Klondike area by late May. The statutory notification of exploration drilling operations as required by the Yukon government is in preparation. Negotiations are underway with a Dawson-based firm (who have previously contracted to the Company) to provide geological and field services to the 2004 program.

Capitalisation of KSL relative to Klondike Star Mineral Corporation

Klondike Star Mineral Corporation (traded on the Over the Counter Bulletin Board in the US) is earning a 55% interest in tenements adjacent to those held by Klondike Source Limited. Klondike Star has a market capitalisation of approximately A\$74 million implying the 100% interest in their adjacent claim block is valued by the share market at over A\$130 million. This compares with Klondike Source's market capitalisation (at the issue price) of A\$4.35 million.

For further information please contact

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