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13 February 2004

### CAPITAL DETAILS

Issue price	A10¢
Shares in IPO	10 million
	20 million
Shares pre-IPO	13,094,900
Shares post-IPO*	35,070,000
	45,070,000
Options post-IPO**	12,975,000
Market cap. post-IPO	A\$3.5 million
	A\$4.5 million

\*After completion of PacRim/KSL consolidation.

\*\*A20¢ and A25¢ options, both 31<sup>st</sup> December 2007.

### DIRECTORS

Non-Exec. Chairman	Pat Elliott
CEO	Bob Adamson
Technical Director	Colin Thomas
Non-Executive	Ray Soper

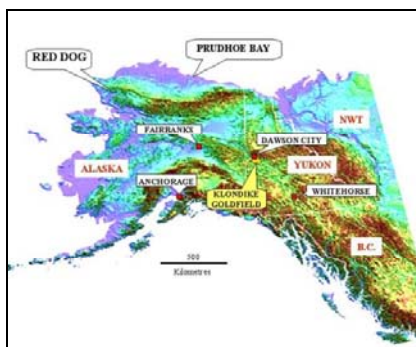
### DIRECTORS' SHAREHOLDINGS\*

Pat Elliott	2,500,000	19.1%
Colin Thomas	1,750,050	13.4%
Ray Soper	1,117,540	8.5%
Bob Adamson	296,750	2.3%

\*Pre-IPO.

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## Klondike Source Ltd [KSL]

Minimum funds of A\$1m committed for NSX listing.

Stronger A\$ vs. CDN\$ and extension of 25% exploration tax cash rebate will drive CDN\$ over 40% further.

12Moz Klondike Goldfield yet to reveal hardrock source...

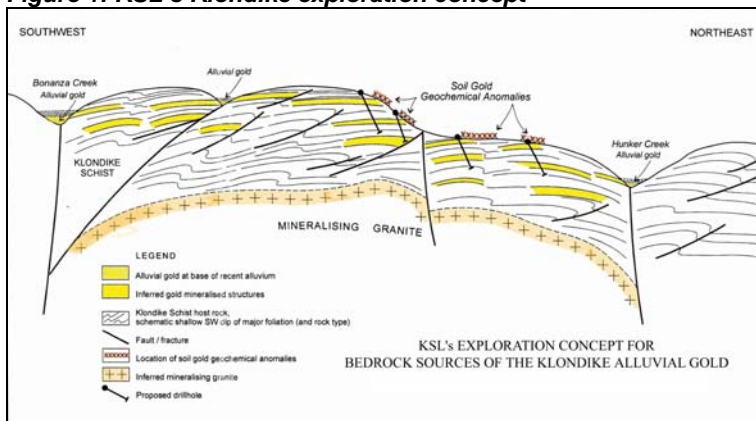
...and this is not surprising given the lack of exploration.

- ❑ A\$2m NSX IPO underway to fund exploration for the primary source of the Klondike alluvial goldfield in northwest Canada – the 8th largest such field in the world yet the only major one without a known source.
- ❑ In January 2004 the Yukon Territory Government announced an extension until March 2007 of its Mineral Exploration Tax Credit, which has been providing KSL's Canadian subsidiary with cash rebates of up to 25% tax credits for its exploration programmes since 2000.
- ❑ These rebates and the recent appreciation of the A\$ vs. the CDN\$ (up 14% from 0.91 in November 2003 to 1.04 at 12 February 2004), should push A\$ expenditure around 40% further.
- ❑ Commitments in excess of the A\$1m Minimum Subscription for the IPO have been made, although the rebate and A\$ appreciation will actually provide KSL with the equivalent of around A\$1.4m to spend in Canada.
- ❑ KSL's listing is capitalised at A\$3.5-4.5m, compared to similar NASDAQ-listed explorer, Klondike Star Mineral Corporation, at A\$70m (Klondike Star is earning an interest in 500 claims just south of KSL's tenements).
- ❑ KSL's post-IPO market capitalisation will be just 5% of Klondike Star's and is clearly a much better value entry.
- ❑ Despite over 100 years of alluvial mining, the hardrock area of the Klondike goldfield is significantly under-explored, with no previous drilling in KSL's tenements and very little in the rest of the goldfield.
- ❑ KSL believes that alluvial gold was sourced from flat-lying stacked lenses (as at world-class Sukhoi Log and Murantau in Russia, Macraes in NZ, Kanowna Belle in Australia and Pogo in Alaska), rather than the traditional quartz reefs of conventional wisdom.
- ❑ **KSL's experienced, well-known Australian management team is applying new exploration technology and concepts to a world-class, but inadequately explored, goldfield.**

## INVESTMENT REVIEW

- **The Klondike is probably the world's largest unexplained alluvial gold anomaly with around 12Moz recovered.**
- **Since gold was discovered in 1896, over 12Moz have been recovered from the rich alluvial deposits of the Klondike River and its tributaries, however, just 1000oz have been produced from hardrock sources.**
- **Over the last three years, KSL has spent around A\$700,000 to complete geological mapping and geochemical surveying and has identified a number of drill targets for the 2004 summer field season, commencing in June.**
- **KSL has developed a new geological model, in which the primary source of gold is believed to be a number of high-grade, shallow-dipping, stacked primary ore bodies, rather than the quartz veins of conventional wisdom.**
- **The Klondike goldfield lies within the 1000km long Tintina Gold Belt, which hosts a number of multi-million ounce hardrock gold projects, including the recently discovered, high-grade 5.5Moz Pogo deposit in Alaska. This is in a similar geological setting to the Klondike goldfield and has been used as the basis for KSL's exploration model.**

Figure 1: KSL's Klondike exploration concept

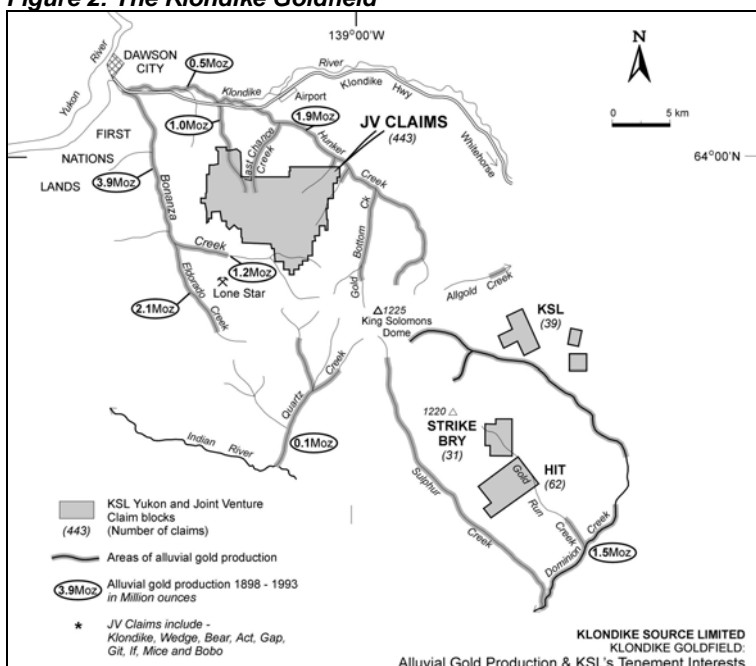


KSL disputes the conventional North America wisdom that the Klondike alluvials were sourced from either quartz reefs that have since been eroded, or low grade, disseminated mineralisation that, if found, would be uneconomic to mine.

KSL believes that alluvials were sourced from several high-grade, shallow-dipping, stacked ore bodies (figure 1), similar to those at Pogo.

A number of drillable geochemical gold anomalies have already been identified, along with what may be large igneous plutons, capable of driving major gold mineralising systems.

Figure 2: The Klondike Goldfield



Source: KSL

Figure 2 suggests that most of the gold in the Bonanza and Hunker creeks was shed from the dome covered by KSL's leases.

### High leverage gold exposure:

After the IPO, KSL will hold 100% of the Klondike project tenements through its wholly owned subsidiary, KSL Exploration (Yukon) Ltd...

...all of these tenements remain undrilled.

Furthermore, KSL's market capitalisation of just A\$3.5-4.5m, offers excellent leverage to any future gold discoveries.

Although KSL is targeting 5Moz+ gold deposits, WHIS conservatively estimates that a relatively modest 1Moz discovery could still be worth up to **A\$1 per share**, or 10 times the A\$0.10 offer price.

WHIS has estimated a 5Moz gold discovery to be worth up to **A\$5 per share**, or more than 50 times the offer price, and KSL believes that the Klondike goldfield could hold a number of such deposits.

# WHISecurities Pty Ltd

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- WHI Securities Pty Ltd is the Nominated Adviser to Klondike Source Ltd for its NSX listing and will receive a fee on normal commercial terms.
- WHI Securities Pty Ltd is the Sponsoring Broker to Klondike Source Ltd for its NSX listing and will receive a fee on normal commercial terms.