

Klondike Source Limited

ABN 64 087 595 980

Level 10, 80 Arthur Street, North Sydney NSW 2060
Telephone: 02 9957 3199 Facsimile: 02 9954 4011

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The Manager
Stock Exchange of Newcastle Limited
384 Hunter Street
NEWCASTLE NSW 2300

Dear Sir

Klondike Project - Gold Intersections on Adjacent Claims Blocks

Klondike Source Limited wishes to advise that a Press Release by Klondike Star Minerals Corporation (KDSM) dated 6 October 2005, has announced several gold-mineralised intersections from six diamond drill holes on its Lone Star property.

One hole intersected 1.14 g/t Au over 62.55m, including 5.46 g/t Au over 6.0m. These results are the first to be reported from 32 holes drilled during the now completed 2005 summer field season.

The Lone Star claims are located approximately 7 km southwest of the area drilled by KSL in 2004. The two areas are separated by Upper Bonanza Creek which has yielded about 1.2 million ounces of gold from alluvial deposits.

Descriptions of the mineralised zones at Lone Star suggest the geological setting and mineralisation are in very similar rock types to that drilled by KSL.

The press release published by KDSM may be found on that company's website
http://www.klondikestar.com/investor_relations

R G Adamson

Chief Executive Officer