

Klondex Mines Ltd. Enters Into Definitive Agreement With Newmont to Acquire the Midas Mine and Mill Complex and Announces Acquisition Financing

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VANCOUVER, BC -- (Marketwired - Dec 4, 2013) - [Klondex Mines Ltd.](#) (TSX: KDX) ("Klondex" or the "Company") is pleased to announce that it has entered into a definitive agreement to acquire the Midas mine and related ore milling facility located in the State of Nevada (collectively, "Midas") for approximately US\$83 million (the "Acquisition") from a subsidiary of Newmont Mining Corporation ("Newmont").

The purchase price, which is subject to customary adjustments, is comprised of (i) approximately US\$55 million in cash, and (ii) the replacement of Newmont surety arrangements with Nevada and federal regulatory authorities in the amount of approximately US\$28 million. In addition, Klondex will issue to Newmont 5 million common share purchase warrants of the Company with a 15-year term, subject to acceleration in certain circumstances, and an exercise price to be specified on the closing date of the Acquisition.

Paul Huet, President and CEO of Klondex, commented, "This acquisition is transformational for Klondex, during a pivotal point in our company's development. I am confident that Klondex's management team can leverage past experience, with some of the core leadership team having previously worked at Midas, to vastly benefit from the synergies and to unlock continued value in Klondex for shareholders going forward. Our team is extremely pleased to be working alongside Newmont to bring together two excellent epithermal deposits with a high-quality central mill."

The Acquisition is anticipated to close in early 2014, subject to the fulfillment of various closing conditions, including the receipt of requisite regulatory approval and other third party consents, and entry into certain ancillary arrangements with Newmont for the provision of transition services.

In addition to acting as exclusive financial advisor with respect to the Acquisition, GMP Securities L.P. has also been engaged by the Company to coordinate the financing of the Acquisition, which is expected to consist of a combination of equity, secured notes and a secured gold loan. Further details on the financing of the Acquisition will be provided once determined.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws, unless an exemption from such registration is available.

A conference call will be held at 5:00 pm EST on Wednesday, December 4, 2013 to discuss the above transaction. To dial in, please use the following phone numbers, and ask to join the Klondex conference call:

Canada & USA Toll Free Dial-In: 1-800-319-4610
Outside of Canada & USA call: 1-604-638-5340

A replay of the conference call will be available until January 4, 2014.

Conference Call Replay Numbers: 1-800-319-6413
Canada & USA Toll Free: 1-604-638-9010
Code: 3599#

Advisors

GMP Securities L.P. is acting as exclusive financial advisor to the Company and its Board of Directors in connection with the Acquisition. The Company's legal advisors are Bennett Jones LLP and Dorsey & Whitney LLP.

About Midas

The Midas underground mine and mill complex is located in north central Nevada, between Elko and Reno. Newmont acquired Midas through its merger with Normandy Mining Limited in 2002.

About Klondex Mines Ltd. (www.klondexmines.com)

Klondex Mines is focused on the exploration and development of its high-grade Fire Creek gold deposit in north central Nevada. Fire Creek is a compelling gold project located in a mining-friendly jurisdiction, near major producers, power, transportation, mining infrastructure and milling facilities. As at December 4, 2013, the Company had 79.2 million shares issued and outstanding and 97.2 million shares fully diluted.

Cautionary Note Regarding Forward-Looking Information

This news release contains certain information that may constitute forward-looking information under applicable Canadian securities legislation. This forward-looking information entails various risks and uncertainties that are based on current expectations, and actual results may differ materially from those contained in such information. These risks and uncertainties include, but are not limited to, completion of the proposed Acquisition; obtaining Acquisition-related financing; the risks and hazards associated with environmental compliance and permitting for its existing underground operations; the strength of the global economy; the price of gold; operational, funding and liquidity risks; the degree to which mineral resource estimates are reflective of actual mineral resources; and the degree to which factors which would make a mineral deposit commercially viable are present. There is no assurance that the Acquisition or any related financing will be completed, either on the terms proposed or at all. Risks and uncertainties about the Company's business are more fully discussed in the Company's disclosure materials filed with the securities regulatory authorities in Canada and available at www.sedar.com. Readers are urged to read these materials. The Company assumes no obligation to update any forward-looking information or to update the reasons why actual results could differ from such information unless required by law.

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