

Reports Promising Intercepts at the Gloria Zone

VANCOUVER, BC--(Marketwired - October 11, 2016) - [Klondex Mines Ltd.](http://www.klondexmines.com) (TSX: KDX) (NYSE MKT: KLDX) ("Klondex" or the "Company") provide an update on recent and historic exploration results at its Hollister Mine in Nevada (see FIGURE 1).

Gloria West Drilling Highlights: (see TABLE 1 below)

- GLOR15-034: 4.18 opt AuEq over 8.4 ft, or 143.3 g/t over 2.6 m
 - Including 18.36 opt AuEq over 1.7 ft, or 629.6 g/t over 0.5 m
- GLOR14-001: 2.42 opt AuEq over 2.2 ft, or 83.1 g/t over 0.7 m
- GLOR14-001: 3.63 opt AuEq over 0.5 ft, or 124.3 g/t over 0.2 m
- GLOR15-006: 3.59 opt AuEq over 1.1 ft, or 123.0 g/t over 0.3 m
- GLOR15-010: 1.39 opt AuEq over 7.2 ft, or 47.8 g/t over 2.2 m
 - Including 2.48 opt AuEq over 3.3 ft, or 85.2 g/t over 1.0 m
- GLOR15-011: 2.20 opt AuEq over 1.4 ft, or 75.6 g/t over 0.4 m
- GLOR15-020: 1.43 opt AuEq over 4.1 ft, or 48.9 g/t over 1.2 m
 - Including 8.07 opt AuEq over 0.7 ft, or 276.7 g/t over 0.2 m
- GLOR15-025: 3.85 opt AuEq over 0.6 ft, or 132.0 g/t over 0.2 m
- GLOR15-026: 2.20 opt AuEq over 2.5 ft, or 75.32g/t over 0.8 m
- GLOR15-032: 3.74 opt AuEq over 1.7 ft, or 128.2 g/t over 0.5 m

A total of 36 underground holes totaling 17,998 ft. (5,486 m) were drilled in 2014 and 2015 by the prior owner and were not previously reported. These holes encountered multiple veins and extended the Gloria vein system approximately 800 ft to the West and approximately 300 ft to the East. The Gloria vein system remains open up and down dip and along strike to the West. Klondex intends to infill drill the Gloria vein system in Q4 2016 to further define the Resource estimate and continue stepping out to the West (see FIGURE 2).

Hatter Graben Historical Drilling Highlights:

- H8-264: 0.54 opt Au over 7.8 ft, or 18.6 g/t over 2.4 m (est. true width of 5.5 ft, or 1.7 m)
- H8-269: 1.77 opt Au over 2.1 ft, or 60.7 g/t over 0.6 m (est. true width of 1.5 ft, or 0.5 m)
- H8-274: 7.8 opt Au over 1.4 ft, or 268.0 g/t over 0.4 m (est. true width of 1.0 ft, or 0.3 m)
- H8-281: 1.4 opt Au over 2.3 ft, or 48.0 g/t over 0.7 m (est. true width of 1.3 ft, or 0.4 m)
- H8-285: 0.47 opt Au over 12.5 ft, or 16.0 g/t over 3.8 m (est. true width of 8.8 ft, or 2.7 m)

The historic drilling program was conducted in 2008. Three holes did not render any significant results. This surface exploration drill program intersected the Hatter Graben vein system, an east-west trending structural zone containing several sub-parallel high grade veins. Results of this program indicate the Hatter Graben vein system is approximately 1,800 ft (~550 m) in strike and approximately 1,200 ft (365 m) vertical extent and open in all directions. Klondex plans to continue drilling widely spaced drill holes from surface to develop a Mineral Resource estimate.

Mr. Paul Huet, President and CEO commented, "We are extremely excited to be reunited with this important asset. Several members of our team have significant experience with and knowledge of Hollister. We believe the Gloria and the Hatter Graben zones have significant exploration potential." Mr. Huet continued, "We have successfully completed the consolidation of Fire Creek, Midas and Hollister, three high grade underground mines into a single entity. This provides a unique opportunity to capture significant synergies among these operations. This has been a long-term goal of the Company and we are extremely proud of our team to be the company to finally accomplish this goal."

To the knowledge of Klondex, vein samples were analyzed by either metallic screen or standard fire assay procedures and QA/QC results were within acceptable limits. Assays were performed by ALS Chemex of Reno, Nevada, an ISO 17025 accredited independent laboratory. The results were verified by Klondex's technical team led by Brian Morris, Vice President of Exploration of Klondex and a "qualified person" within the meaning of Instrument 43-101 ("NI 43-101").

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

Klondex is a well-capitalized, junior-tier gold and silver mining company focused on exploration, development, and production in a safe, responsible, and cost-effective manner. The Company has 100% interests in three producing mineral properties: the Fire Creek Mine, a gold and silver mine and ore milling facility, both of which are located in the state of Nevada, USA, and the True North Gold Mine (formerly the Rice Lake Mine) located in Manitoba, Canada. The Company also has 100% interests in two recently acquired projects, the Hollister mine and the Aurora (formerly Esmeralda) mine and ore milling facility, also located in Nevada, USA.

Qualified Person

Scientific and technical information in this press release has been reviewed and approved by Brian Morris (AIPG CPG-11786), a "qualified person" within the meaning of NI 43-101.

Cautionary Note Regarding Forward-looking Information

This news release contains certain information that may constitute forward-looking information or forward-looking statements under Canadian and United States securities legislation (collectively, "forward-looking information"), including but not limited to the exploration potential of the Gloria and Hatter Graben zones.

future exploration plans of Klondex and any synergies that may be captured by Klondex as a result of the consolidation of Fire Creek. This forward-looking information entails various risks and uncertainties that are based on current expectations, and actual results may differ from those contained in such information. These uncertainties and risks include, but are not limited to, the strength of the global economy; operational, funding and liquidity risks; the degree to which mineral resource estimates are reflective of actual mineral resources; the factors which would make a mineral deposit commercially viable are present; the risks and hazards associated with underground operations; the ability of Klondex to fund its substantial capital requirements and operations. Risks and uncertainties about the Company's business are more fully described in the Company's disclosure materials filed with the securities regulatory authorities in Canada and United States available at www.sec.gov, respectively. Readers are urged to read these materials. Klondex assumes no obligation to update any forward-looking information unless required by law.

TABLE 1: Gloria West Drill Program - Complete Results

Hole ID	Azi	Incl	TD	From	To	Length	Au Grade	Ag Grade	AuEq Grade	From	To	Length	Au Grade	Ag Grade
			(ft)	(ft)	(ft)	(ft)	(oz/st)	(oz/st)	(oz/st)	(m)	(m)	(m)	(g/Tonne)	(g/Tonne)
GLOR14-001	357	-45	1244	897.5	900.0	2.5	1.187	3.44	1.235	273.6	274.3	0.8	40.69	118.09
and				1006.0	1007.4	1.4	0.338	6.92	0.434	306.6	307.1	0.4	11.60	237.19
and				1046.0	1048.5	2.5	1.694	2.55	1.730	318.8	319.6	0.8	58.09	87.27
and				1056.0	1061.0	5.0	0.246	0.72	0.256	321.9	323.4	1.5	8.42	24.77
and				1102.5	1103.4	0.9	0.428	4.23	0.487	336.0	336.3	0.3	14.68	145.11
and				1148.8	1151.0	2.2	2.168	18.36	2.422	350.2	350.8	0.7	74.32	629.50
and				1158.5	1161.0	2.5	0.965	5.55	1.042	353.1	353.9	0.8	33.08	190.15
and				1186.7	1187.2	0.5	3.363	19.00	3.626	361.7	361.9	0.2	115.29	651.52
GLOR14-002	347	-45	1334	968.0	969.8	1.8	0.638	1.30	0.656	295.0	295.6	0.5	21.86	44.40
and				1031.3	1032.4	1.1	2.456	8.99	2.580	314.3	314.7	0.3	84.12	308.00
and				1110.9	1112.5	1.6	0.864	1.00	0.878	338.6	339.1	0.5	29.60	34.30
and				1183.6	1186.2	2.6	0.525	1.39	0.544	360.8	361.6	0.8	17.98	47.72
incl				1183.6	1184.3	0.7	1.471	3.33	1.517	360.8	361.0	0.2	50.39	114.00
GLOR15-003	22	39	413	293.2	294.5	1.3	0.820	10.20	0.961	89.4	89.8	0.4	28.13	319.00
GLOR15-004	18	0	380	192.5	194.8	2.3	1.825	1.67	1.848	58.7	59.4	0.7	62.57	57.20
and				261.5	263.1	1.6	0.157	1.30	0.175	79.7	80.2	0.5	5.39	44.40
and				320.5	321.0	0.5	3.439	13.20	3.622	97.7	97.8	0.2	117.92	413.00
and				357.2	358.3	1.1	0.132	27.70	0.516	108.9	109.2	0.3	4.53	866.00
GLOR15-005	20	-24	380	212.0	212.7	0.7	1.534	1.55	1.556	64.6	64.8	0.2	52.59	53.20
and				289.7	290.2	0.5	0.113	0.22	0.116	88.3	88.5	0.2	3.86	7.60
and				303.0	306.0	3.0	0.332	3.00	0.374	92.4	93.3	0.9	11.40	100.00
GLOR15-006	17	46	425	238.2	238.7	0.5	1.332	6.00	1.415	72.6	72.8	0.2	45.66	218.00
and				270.0	271.1	1.1	3.542	3.30	3.588	82.3	82.6	0.3	121.45	109.00
and				331.8	332.4	0.6	0.531	1.53	0.552	101.1	101.3	0.2	18.20	52.50
GLOR15-007	18	34	401	182.5	184.9	2.4	0.645	0.62	0.654	55.6	56.4	0.7	22.13	21.30
and				270.2	271.4	1.2	0.153	20.30	0.434	82.4	82.7	0.4	5.25	695.00
GLOR15-008	21	15	379	247.2	247.7	0.5	0.123	9.20	0.251	75.3	75.5	0.2	4.20	316.00
and				260.0	260.5	0.5	0.137	2.16	0.167	79.2	79.4	0.2	4.69	74.10
and				324.6	325.1	0.5	0.200	8.90	0.323	98.9	99.1	0.2	6.87	304.00
GLOR15-009	18	-11	430	146.7	147.4	0.7	0.671	0.57	0.679	44.7	44.9	0.2	23.00	19.40
and				162.4	163.6	1.2	0.224	0.21	0.227	49.5	49.9	0.4	7.67	7.30
and				272.0	275.3	3.3	0.240	0.95	0.254	82.9	83.9	1.0	8.24	32.64
and				279.4	280.2	0.8	0.170	12.80	0.347	85.2	85.4	0.2	5.84	440.00
GLOR15-010	19	40	426	147.3	154.5	7.2	1.319	5.41	1.394	44.9	47.1	2.2	45.22	184.98
incl				147.3	150.6	3.3	2.340	10.38	2.484	44.9	45.9	1.0	80.23	355.00
and				272.8	276.6	3.8	0.500	16.96	0.735	83.1	84.3	1.2	17.12	582.42
GLOR15-011	18	26	377	134.9	136.0	1.1	2.110	4.60	2.174	41.1	41.5	0.3	72.33	157.00
and				236.3	237.7	1.4	2.164	2.88	2.204	72.0	72.5	0.4	74.19	98.80
and				243.7	244.4	0.7	0.113	0.33	0.118	74.3	74.5	0.2	3.88	11.40
and				337.0	338.0	1.0	0.424	4.20	0.482	102.7	103.0	0.3	14.53	144.00
GLOR15-012	19	-21	350				No Significant Intercepts						No Significant Intercepts	

GLOR15-013 and and	355	4	328	93.9 178.0 241.7	95.0 179.8 243.0	1.1 1.8 1.3	0.495 0.266 1.083	0.58 0.28 2.06	0.503 0.270 1.112	28.6 54.3 73.7	29.0 54.8 74.1	0.3 0.5 0.4	16.97 9.12 37.13	19.90 9.70 70.50
GLOR15-014 and incl and	14	46	425	70.0 242.1 244.5 305.0	71.3 245.6 245.6 305.6	1.3 3.5 1.1 0.6	0.572 0.695 1.384 1.126	0.93 2.62 3.70 4.55	0.585 0.731 1.435 1.189	21.3 73.8 74.5 93.0	21.7 74.9 74.9 93.1	0.4 1.1 0.3 0.2	19.60 23.82 47.46 38.60	31.90 89.74 127.00 156.00
GLOR15-015 and and and	12	27	381	54.5 190.9 257.9 269.7	55.5 192.5 262.7 273.7	1.0 1.6 4.8 4.0	0.620 0.178 0.349 0.526	0.72 1.36 3.83 3.78	0.630 0.197 0.403 0.579	16.6 58.2 78.6 82.2	16.9 58.7 80.1 83.4	0.3 0.5 1.5 1.2	21.26 6.10 11.99 18.06	24.60 46.60 131.27 129.62
GLOR15-016 and and and	11	-17	325	83.9 171.4 225.3 247.5	85.1 172.1 226.8 253.0	1.2 0.7 1.5 5.5	0.238 0.371 1.095 0.226	0.66 0.37 0.98 0.80	0.247 0.376 1.109 0.237	25.6 52.2 68.7 75.4	25.9 52.5 69.1 77.1	0.4 0.2 0.5 1.7	8.17 12.73 37.53 7.75	22.70 12.60 33.70 27.43
GLOR15-017	191	3.6	452	No Significant Intercepts					No Significant Intercepts					
GLOR15-018 and	12	40	415	174.7 276.6	175.6 280.3	0.9 3.7	0.467 1.208	1.13 28.47	0.483 1.602	53.2 84.3	53.5 85.4	0.3 1.1	16.00 41.41	38.80 976.00
GLOR15-019 and	12	21	350	157.8 265.5	158.3 266.0	0.5 0.5	0.393 0.126	1.12 3.10	0.408 0.169	48.1 80.9	48.2 81.1	0.2 0.2	13.47 4.33	38.30 107.00
GLOR15-020 incl and and incl	11	-1	325	214.0 217.4 226.7 229.0 232.4	218.5 218.5 227.3 233.1 233.1	4.5 1.1 0.6 4.1 0.7	0.844 3.191 0.175 1.407 7.987	0.86 3.10 1.11 1.28 5.90	0.856 3.234 0.190 1.425 8.069	65.2 66.3 69.1 69.8 70.8	66.6 66.6 69.3 71.0 71.0	1.4 0.3 0.2 1.2 0.2	28.93 109.39 6.01 48.24 273.84	29.73 107.00 38.10 44.09 203.00
GLOR15-021	11	-26	350	No Significant Intercepts					No Significant Intercepts					
GLOR15-022 and	11	44	417	171.7 271.7	172.7 272.8	1.0 1.1	1.384 0.190	1.93 37.20	1.411 0.706	52.3 82.8	52.6 83.1	0.3 0.3	47.46 6.50	66.00 1277.00
GLOR15-023 and	9	27	375	203.1 244.3	205.6 245.0	2.5 0.7	0.385 0.193	9.10 2.34	0.511 0.225	61.9 74.5	62.7 74.7	0.8 0.2	13.20 6.63	313.00 80.10
GLOR15-024 incl	10	2.5	1300	187.0 187.0	190.1 188.0	3.1 1.0	0.704 1.573	2.00 2.81	0.732 1.612	57.0 57.0	57.9 57.3	0.9 0.3	24.12 53.93	68.63 96.40
GLOR15-025 and and	10	-14	327	178.8 189.3 196.0	179.4 190.0 196.5	0.6 0.7 0.5	3.830 0.159 0.106	1.43 1.91 0.92	3.850 0.186 0.119	54.5 57.7 59.7	54.7 57.9 59.9	0.2 0.2 0.2	131.32 5.45 3.65	48.90 65.60 31.60
GLOR15-026 and and	350	19	450	182.4 249.0 397.0	184.9 249.5 397.6	2.5 0.5 0.6	2.119 1.396 0.364	5.60 7.00 7.30	2.197 1.493 0.465	55.6 75.9 121.0	56.4 76.0 121.2	0.8 0.2 0.2	72.66 47.86 12.47	192.00 241.00 250.00
GLOR15-027	190	5	452	No Significant Intercepts					No Significant Intercepts					
GLOR15-028 and and incl	12	43	375	159.7 204.3 218.0 220.9	162.5 207.0 222.9 222.9	2.8 2.7 4.9 2.0	0.182 0.529 1.296 2.773	0.20 27.54 60.15 147.10	0.185 0.911 2.130 4.813	48.7 62.3 66.4 67.3	49.5 63.1 67.9 67.9	0.9 0.8 1.5 0.6	6.24 18.13 44.42 95.06	7.00 944.89 2061.6 5042.0
GLOR15-029 and	11	-4	350	125.5 163.5	126.5 166.3	1.0 2.8	0.303 0.134	0.54 1.18	0.310 0.150	38.3 49.8	38.6 50.7	0.3 0.9	10.40 4.58	18.40 40.40
GLOR15-030 and	11	-30	350	200.0 211.5	200.6 213.2	0.6 1.7	0.225 0.122	0.22 2.02	0.228 0.150	61.0 64.5	61.1 65.0	0.2 0.5	7.71 4.17	7.40 69.10

GLOR15-031	11	33	400	130.0	130.6	0.6	0.165	3.30	0.211	39.6	39.8	0.2	5.66	112.00
and				134.0	136.4	2.4	0.127	5.20	0.199	40.8	41.6	0.7	4.35	177.00
and				146.4	146.9	0.5	0.148	0.83	0.159	44.6	44.8	0.2	5.07	28.40
GLOR15-032	12	11	850	109.1	113.5	4.4	0.376	0.33	0.380	33.3	34.6	1.3	12.89	11.44
incl				109.1	110.5	1.4	1.054	0.76	1.065	33.3	33.7	0.4	36.13	26.10
and				122.0	123.7	1.7	3.653	6.20	3.739	37.2	37.7	0.5	125.25	213.00
GLOR15-033	13	-18	375	136.1	147.0	10.9	0.358	0.59	0.366	41.5	44.8	3.3	12.28	20.20
incl				146.5	147.0	0.5	1.009	0.68	1.018	44.7	44.8	0.2	34.60	23.20
GLOR15-034	13	-35	375	200.2	208.6	8.4	4.093	6.24	4.180	61.0	63.6	2.6	140.35	214.14
incl				203.0	204.7	1.7	17.990	26.90	18.363	61.9	62.4	0.5	616.80	923.00
GLOR15-035	349	13	1301	99.4	100.4	1.0	0.999	0.80	1.010	30.3	30.6	0.3	34.26	27.30
and				108.0	117.0	9.0	0.696	3.05	0.739	32.9	35.7	2.7	23.88	104.76
incl				108.0	112.0	4.0	1.445	6.61	1.536	32.9	34.1	1.2	49.53	226.70

GLOR15-036 190 7 405

No Significant Intercepts

No Significant Intercepts

*Calculated gold equivalent ratio 72.12:1

*intercepts are not true widths

Attachment Available:

http://www.marketwire.com/library/MwGo/2016/10/11/11G117642/Gloria_Sig_Intercepts_FINAL-ef5ea3892eb0a02b964c1d9e47cb0

Attachment Available:

http://www.marketwire.com/library/MwGo/2016/10/11/11G117642/Figure_1_Hollister_Exploration_PR-4726d77f4319adcd9ecf607cc

Attachment Available:

http://www.marketwire.com/library/MwGo/2016/10/11/11G117642/Figure_2_for_Hollister_Exploration_PR-00e441b8e5c48d68b592

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