

RENO, NV--(Marketwired - February 08, 2017) - Klondex Mines Ltd. (TSX: KDX) (NYSE MKT: KLDX) ("Klondex" or the "Company") is pleased to provide an update on underground drilling at its Fire Creek Mine ("Fire Creek") located in northern Nevada, USA. The following drill results are not included within the mineral reserve and mineral resource estimates released on September 14, 2016. These results will be included in the next mineral reserve and mineral resource update.

Fire Creek Mine Underground Drilling Highlights: (see TABLE 1 for complete results)

ø FCU-0714: 96.92 opt Au over 1.7 ft., or 3,322.8 g/t over 0.5 m -- Joyce Vein

ø FCU-0692: 1.47 opt Au over 8.0 ft., or 50.3 g/t over 2.4 m -- Joyce Vein

ø FCU-0689: 1.08 opt Au over 18.3 ft., or 37.0 g/t over 5.6 m -- Joyce/Vonnie Vein Intersection

ø FCU-0709: 0.84 opt Au over 33.0 ft., or 28.9 g/t over 10.1 m -- Karen/Honeyrunner Vein Intersection

ø FCU-0716: 0.45 opt Au over 53.8 ft., or 15.3 g/t over 16.4 m -- Vein 31

KEY POINTS: (FIGURE 1)

Forty one underground core holes totaling 35,494.5 ft. (10,818.7 m) were drilled during this reporting period.

Drilling targeted the northern and down dip extensions of Vein 31, Honeyrunner and Karen veins around the northern-most area of the mine workings. These drill holes intersected both exceptional widths and grades and support the continuity of mineralization along these structures. Notable results from drill holes FCU-0709 and FCU-0716 suggest that the structures may converge into a wider, high grade zone of mineralization just north of our existing workings.

Drilling results from FCU-0692, FCU-0689 and FCU-0704 extended the Joyce and Vonnie veins down dip, and FCU-0714 indicates the potential for two high-grade structures at depth suggesting the eastern most structure is on the edge of another high-grade ore shoot on the Vonnie vein.

Drilling to the northeast of the North Main Haulage continued to develop and upgrade the mineral resource on veins 9 and 16.

Mr. Brian Morris, Vice President, Exploration said, "These outstanding results from our underground drilling at Fire Creek continue to demonstrate the significant potential of this mineral resource to expand as we step out along strike and vertically." Mr. Morris continued, "These wide mineralized zones to the north may offer significant positive impacts on future production by offering opportunities to employ bulk mining techniques."

Assays were performed by ALS Chemex of Reno, Nevada, as directed under the supervision of Klondex staff. This organization is an ISO 17025 accredited independent laboratory.

A description of the data verification methods, quality assurance program and quality control measures applied can be found in the technical report titled, "Technical Report for the Fire Creek Project, Lander County, Nevada," dated March 28, 2016 and with an effective date of June 30, 2015 which is available under the Company's issuer profile on SEDAR at www.sedar.com.

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, environmentally responsible, and cost-effective manner. The Company has 100% interests in three producing mineral properties: the Fire Creek Mine and the Midas Mine and ore milling facility, both of which are located in the state of Nevada, USA, and the True North Gold Mine (formerly known as the Rice Lake Mine) and mill in Manitoba, Canada. The Company also has 100% interests in two recently acquired projects, the Hollister mine and the Aurora mine and ore milling facility (formerly known as Esmeralda), 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 applicable Canadian and United States securities legislation (collectively, "forward-looking information"), including but not limited to the exploration potential at the Fire Creek Mine, the timing of expanded production, potential upgrade and expansion

of mineral resources at the Fire Creek Mine and future exploration and production plans of Klondex. 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 uncertainties and risks include, but are not limited to, 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; the degree to which mineral reserve estimates are reflective of actual mineral reserves; the degree to which factors which would make a mineral deposit commercially viable are present; the risks and hazards associated with underground operations; and the ability of Klondex to fund its substantial capital requirements and operations. 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 United States available at www.sedar.com and www.sec.gov, respectively. Readers are urged to read these materials. Klondex 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.

Cautionary Note to U.S. Investors Regarding the Use of Mining Terms

This news release has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. All resource and reserve estimates included or referred to in this news release have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the mineral reserve disclosure requirements of the U.S. Securities and Exchange Commission (the SEC) set out in Industry Guide 7. Consequently, reserve and resource information contained in this news release is not comparable to similar information that would generally be disclosed by U.S. companies in accordance with the rules of the SEC.

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