

VANCOUVER, BC--(Marketwired - July 26, 2017) - [Klondex Mines Ltd.](#) (TSX: KDX) (NYSE MKT: KLDX) ("Klondex" or the "Company") is pleased to provide an update on underground drilling at its True North Gold Mine ("True North") in Manitoba, Canada. A portion of these drill results are included in the mineral reserve and mineral resource estimates released on May 12, 2017 and March 29, 2017, respectively.

True North Drilling Highlights: (see TABLE 1 for complete results)

- 32-17-022: 5.78 opt Au over 3.7 ft, or 198.1 g/t over 1.1 m (710 FW - 32 Level)
- 32-17-024: 1.23 opt Au over 6.0 ft, or 42.1 g/t over 1.8 m (710 - 32 Level)
- 32-17-014: 0.86 opt Au over 6.0 ft, or 29.5 g/t over 1.8 m (710 FW - 32 Level)
- 32-17-016: 0.95 opt Au over 15.6 ft, or 32.6 g/t over 4.8 m (710 FW - 32 Level)
- Including 1.98 opt Au over 5.8 ft, or 67.8 g/t over 1.8 m
- 635-17-007: 0.67 opt Au over 7.5 ft, or 22.8 g/t over 2.3 m (751 - 6350 Level)
- 635-17-017: 0.40 opt Au over 23.4 ft, or 13.7 g/t over 7.1m (710 - 6350 Level)
- 635-17-020: 1.62 opt Au over 5.9 ft, or 55.6 g/t over 1.8 m (710 - 6350 Level)
- 635-17-024: 0.42 opt Au over 41.1 ft, or 14.3 g/t over 12.5 m (710 - 6350 Level)
- Including 1.60 opt Au over 6.0 ft, or 54.7 g/t over 1.8 m

True North Gold Mine Drilling Summary: (FIGURE 1)

Assay results have been received for 104 underground drill holes totaling 64,227 ft (19,576 m). These holes targeted the up dip extension of the 710 zone from the 6350 level and the down dip extension of the 710 and 710 footwall lens at the 32 Level.

Up Dip Extension of 710:

Drilling targeted 710 and 710 footwall structures up dip above the 6350 Level. Results from this program suggest the mineralization extends approximately 360 ft (110 m) vertically and continues to be open up dip.

Down Dip Extension of 710:

The objective of this drilling was to test the down dip extension of the 710 vein from the 32 Level. Drill results show that the 710 vein, as well as a new high grade structure in the footwall of the 710 vein, continues from the current workings down approximately 830 ft (250 m) to the 32 Level. Both zones remain open at depth and along strike to the east.

Future Drilling:

Moving forward we are drilling on 16 Level to test the up dip projection of 710 approximately 1,000' (305 m) above our recent 6350 drilling success. Concurrently we have an aggressive plan to add resource within close proximity to current mining fronts. We have a drill set up and coring on 28 Level following up on positive results from the 711 down dip extension from earlier this year. We will move a drill to 24 Level to further define the 711 vein system up above 24 Level and we plan to mobilize an additional drill rig to drill the down dip and eastern extent of the Cohiba.

Mr. Brian Morris, Senior Vice President, Exploration said, "The results from the drilling on the 710 structural zone are extremely encouraging. These results further extend the known mineralization up and down dip from the highly prospective 710 zones." Mr. Morris continued, "This latest phase of drilling has expanded the overall plunge on the 710 zone to approximately 1,500 ft vertically. Moreover, we continue to see higher grade mineralization at depth and the structure is still open down dip and along strike to the east."

Assays were performed by TSL Laboratories, an ISO 17025 accredited independent laboratory located in Saskatoon, Saskatchewan, and samples were collected and shipped under the supervision of Klondex staff.

A description of the data verification methods, quality assurance program and quality control measures applied can be found in the technical reports titled "Technical Report and Pre-Feasibility Study on the True North Mine, Bissett, Manitoba, Canada", dated May 12, 2017 and with an effective date of March 31, 2017 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 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, 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 True North Gold 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.

Image Available:

http://www.marketwire.com/library/MwGo/2017/7/26/11G143237/Images/Figure_1_for_True_North_PR_July_2017-34141cdd2fdda3

Attachment Available:

http://www.marketwire.com/library/MwGo/2017/7/26/11G143237/TABLE_1_True_North_Exploration_Update_July_2017-bae977892

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