

NEVADA'S NEW HIGH GRADE GOLD PRODUCER



TSX:KDX
OTCQX:KLNDF

CORPORATE PRESENTATION
September 2014



FORWARD-LOOKING INFORMATION



Qualified Person

Mark Odell, P.E., Principal Engineer, Practical Mining LLC, a "qualified person" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), reviewed and is responsible for the technical information contained in this presentation.

Cautionary Note Regarding Technical Information and Forward-looking Information

A production decision at the Fire Creek Project has not been made by Klondex, as it is still in the bulk sampling phase. Although a production decision at the Fire Creek Project has not been made, the mineralized material extracted from the Fire Creek Project under the bulk sample permit is processed through the Midas mill.

A production decision at the Midas Mine was made by previous operators of the mine, prior to the completion of the acquisition of the Midas mine by Klondex and Klondex made a decision to continue production subsequent to the acquisition. This decision by Klondex to continue production and, to the knowledge of Klondex, the prior production decision were not based on a feasibility study of mineral reserves demonstrating economic and technical viability prepared in accordance with NI 43-101. Readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

This presentation contains certain information that may constitute forward-looking information under applicable Canadian securities legislation, including but not limited to information about current expectations on the timing, extent and success of exploration, development and metallurgical sampling activities, the timing and success of mining operations, the timing and completion of updated mineral resource estimates in respect of the Midas Project and Fire Creek Project, the timing and completion of an economic analysis in respect of the Fire Creek Project, the Company's intention and ability to monetize mineralized material, the successful execution of the bulk sampling program at the Fire Creek Project, project development and related permitting. 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 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 available at www.sedar.com. 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.

Notes to the Midas Resources (slide 13), prepared by Practical Mining LLC:

1. Mineral Resources are calculated at a grade thickness cutoff grade of 0.70 Au equivalent opt-ft. and a diluted Au equivalent cutoff grade of 0.2 opt;
2. Mining width is defined as 4 feet or the vein width plus 1 feet;
3. Additional dilution of 10%;
4. Includes mining losses of 5%;
5. Metallurgical recovery for Au at 90% and Ag at 85%;
6. Gold price \$1,250/oz. and silver price of \$20.00 / ounce;
7. 66 silver ounces equals 1 gold equivalent ounce;
8. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues; and,
9. The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there is insufficient exploration to define these inferred mineral resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.



BUILDING VALUE FOR SHAREHOLDERS...



.... BUILDING A LEADING INTEGRATED MINING COMPANY

Midas Acquisition Price

~\$55mm to Newmont

+5mm warrants

\$28mm reclamation bond

Klondex Bought

\$25-32mm value of equipment

\$85-100mm mill value (a new mill takes 5 yrs to permit)

Fully-permitted and operating mine and >380k oz AuEq (M&I mineral resources)





KLONDEX OVERVIEW



- **75-85k oz AuEq production in 2014, from two gold and silver operations in Nevada***
 - Fire Creek Project
Bulk sample mining permit on high-grade project
 - Midas Mine and Milling Facilities
Fully-operational and integrated into Klondex operations
- **\$30 million cash balance**
 - Cash as of June 30/14 + July \$16mm financing
- **High-quality underground gold and silver projects**
 - Midas – initiating largest drilling program in 10 yrs
 - Fire Creek – drilling on 7% of land package (93% untested)
- **Safe and mining-friendly Nevada**
- **Experienced leadership team with a proven track record**
 - Management are significantly invested and aligned with shareholders

* targeted recovered ounces based on 1H2014 actual results.



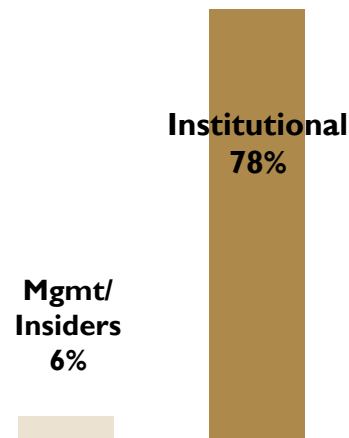


EQUITY SNAPSHOT



Share Price (KDX:TSX; KLNDF:OTCQX)	\$2.04
52 Week High/Low	C\$2.25 - C\$1.37
Average Daily Volume (3 mos)	255 k
Shares Outstanding	121 mm
Fully Diluted Shares Outstanding	148 mm
Market Capitalization	C\$247 mm
Enterprise Value	C\$275 mm
Cash (as at Q2 2014 + \$16 mm financing)	C\$30 mm
Debt	C\$22 mm
Gold Purchase Agmt (FNV @ 6/30)	C\$36 mm

KDX Ownership



Management & Insiders (mm's)	
Paul Huet	0.4
Bill Matlack	1.4
Blair Schultz	1.3
Major Holders	
Sentry Investments	13.4
Sun Valley Gold	12.7
K2 Principal Fund	12.2
US Global Investors	9.6
Glenn Pountney	6.5
NGIC	5.0
Investors Group	4.0
Van Eck	3.3

Equity Research

GMP Securities, Oliver Turner
RBC Capital Markets, Sam Crittenden
Mackie Research Capital, Barry Allan
Industrial Alliance, Marc Pais
MPartners, Derek Macpherson
PI Financial, Phil Ker

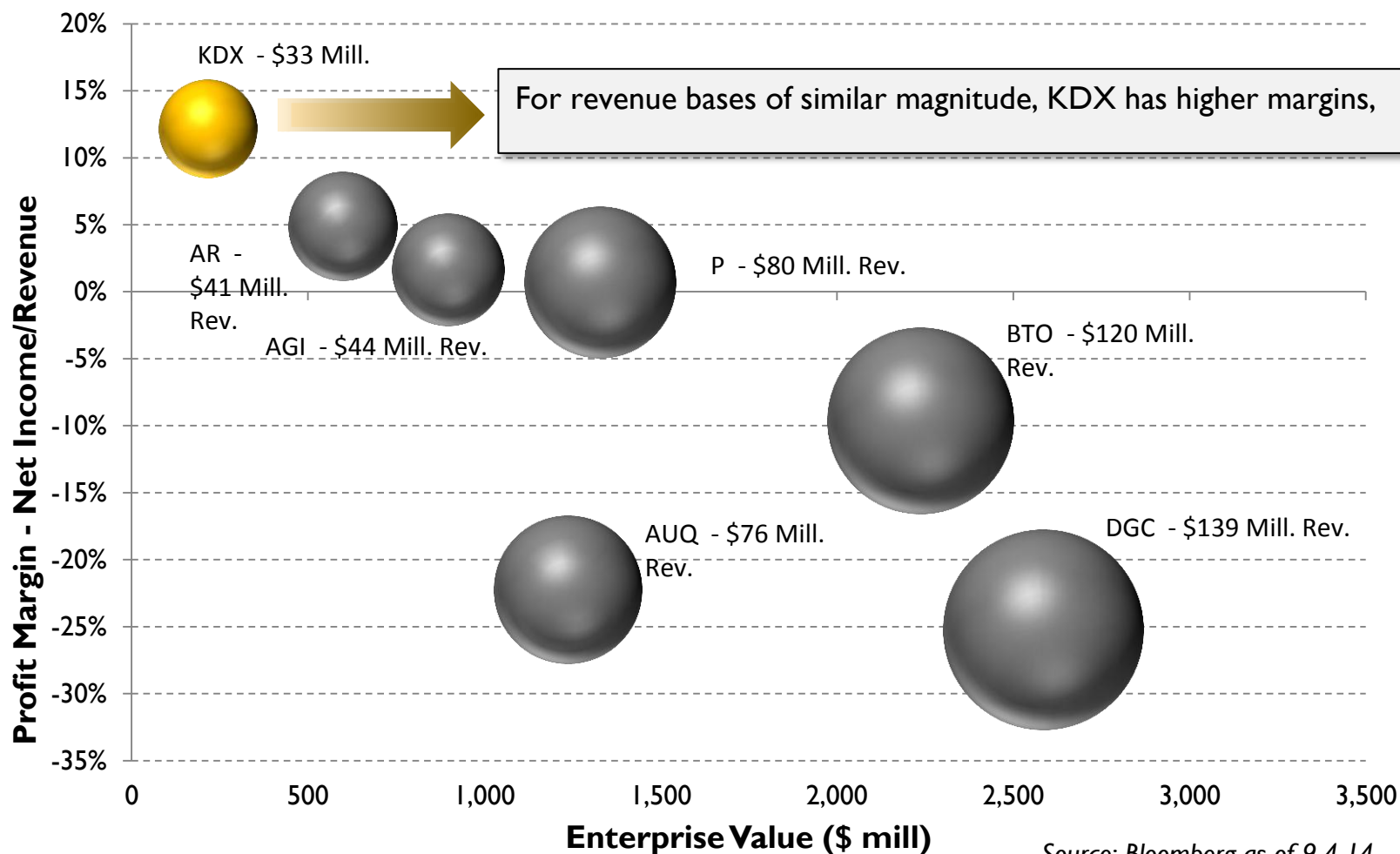




KDX 2nd QUARTER PROFIT MARGIN VS PEERS



Profit Margin Plotted Against Enterprise Value vs. Revenue Generated in 2Q14 for Klondex Mines compared to peers





2014 OBJECTIVES



- **Cash flow from operations intended to:**
 1. Service debt
 2. Repay Franco-Nevada ounces (6,750 oz in 2014)
 3. Inject \$30.2 mm sustaining capital into both operations
 4. Generate positive cash flow and earnings
- **\$30.2 mm capital spending** (outlined in 2Q2014 MDA)

Purpose	Fire Creek	Midas	Corporate	Projected Spend
Exploration Drilling	\$3.9 mm	\$5.2 mm	-	\$9.1 mm
Waste Development	\$5.0 mm	\$6.3 mm	-	\$11.3 mm
Accelerated Expl/Dev	\$0.4 mm	\$4.1		\$4.5 mm
Water Treatment/RIB	\$1.9 mm	-	-	\$1.9 mm
Lab/Refinery	-	\$0.7 mm	-	\$0.7 mm
Economic Assessment	\$0.7 mm	-	-	\$0.8 mm
Software	-	-	\$1.0 mm	\$1.0 mm
Equipment	\$0.9 mm	-	-	\$0.9 mm
Total	\$12.9 mm	\$16.4 mm	\$ 1.0mm	\$30.2 mm

- **\$16.1 mm bought deal (July '14):** use of net proceeds for accelerated exploration and development at Midas and exploration and development Fire Creek, spent in 2014 and 2015
- Budget \$1200/oz Au; \$19/oz Ag, and stress tested to \$1000/oz Au



MIDAS PROJECT: MILLING, OPERATING AND EXPLORING



- **Midas acquisition included:**
 - Mill with 1200 tpd nameplate capacity (originally built with 700 tpd capacity)
 - 98 pieces of equipment and buildings (reduced capex at Fire Creek by \$6.6 million)
 - High-quality operating gold and silver mine
- **Ongoing operations running smoothly on 905 vein (spiral 7) under KDX ownership**
- **Traditionally high gold and silver recoveries**
- **Ability to leverage several of KDX management team's experience operating the Midas Project (1998- current)**
- **Exploration opportunity:**
 - Advance, Develop, Discover on known structures, from current mine workings

MIDAS MINE AND MILL COMPLEX OVERVIEW

Location	Elko County, NV
Deposit	High-grade, epithermal vein system
Ownership	100% Klondex
Mining Method	Cut and Fill, Long Hole, Shrinkage
Milling Cap	1,200 tpd
Processing	Merrill Crowe (gravity and cyanide)
Royalty	2.5% (on the mine) to FNV.T starting in 2019, among others

RESOURCES

Meas & Indic	252k oz @ 9.2 g/t Au 8.7mm oz @ 319.9 g/t Ag
Inferred	50k oz @ 6.7 g/t Au 1.6mm oz @ 221.0 g/t Ag

GOLD EQUIVALENT RESOURCES

Meas & Indic	384k oz @ 14.1 g/t (0.41 opt) AuEq
Inferred	75k oz @ 10.0 g/t (0.29 opt) AuEq

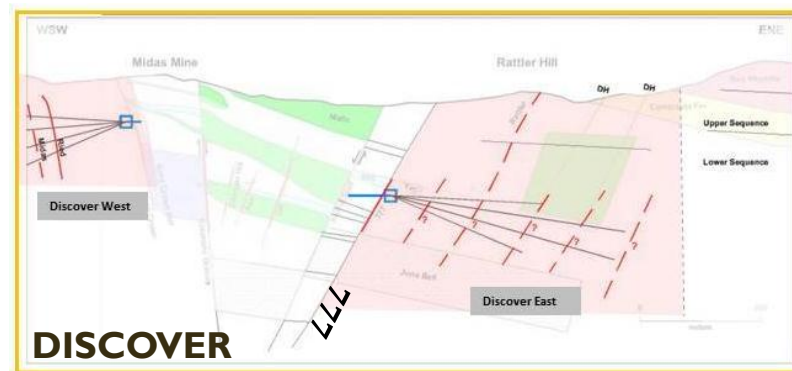
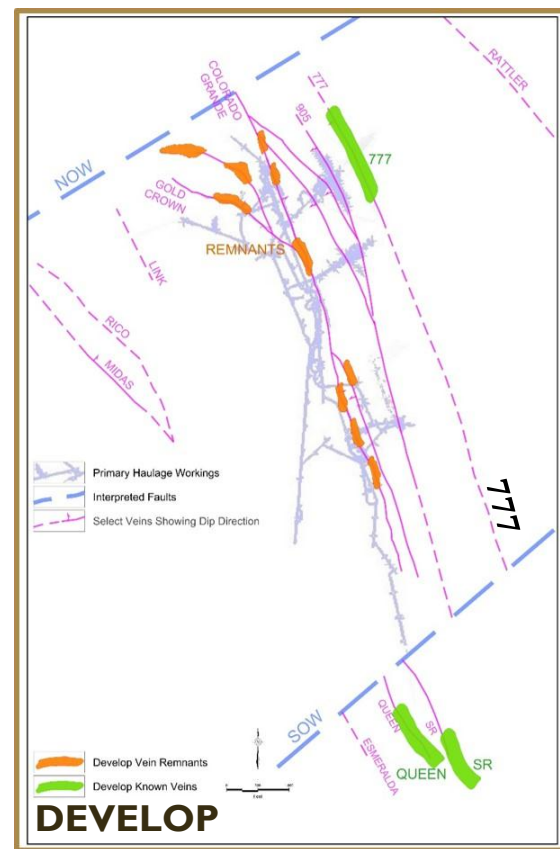
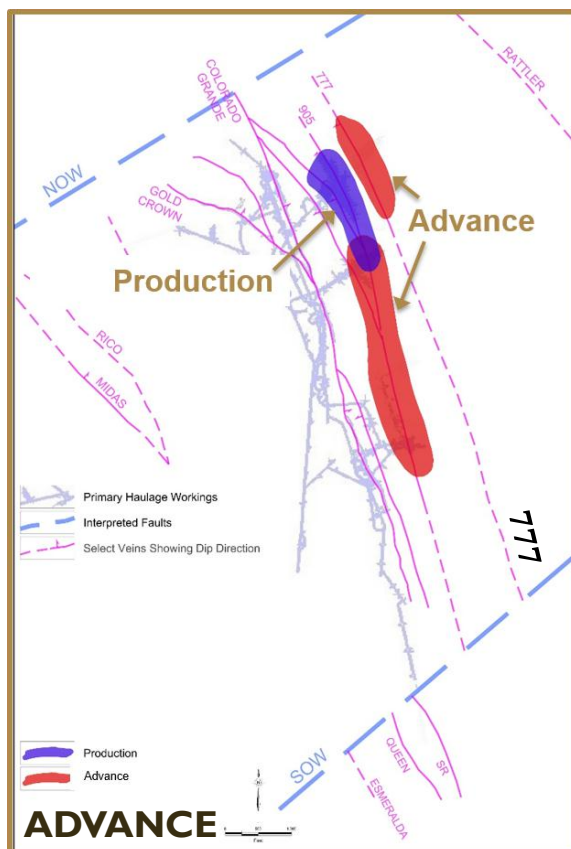
Source: Technical Report for the Midas Mine and Mill, Elko County, Nevada, Amended dated July 24, 2014 with an effective date of January 31, 2014. Available on SEDAR. See cautionary language regarding technical and forward looking information on slide 2.



MIDAS OPPORTUNITIES TO INCREASE MINERAL RESOURCES



- **Advance**
NI 43-101 Resources to Production-Ready Status
 - Conversion drilling
 - Sprial 8, 905 Vein
- **Develop**
New NI 43-101 Resource
 - 205 Vein Remnants
- **Discover**
New Veins and Vein Extensions
 - Underexplored Areas





FIRE CREEK: OPERATING A HIGH GRADE BULK SAMPLE IN A SAFE MINING DISTRICT



- **High-grade ongoing bulk sampling program**
- **Milling at Klondex's Midas Mill ~100 miles north**
- **Construction nearly complete**
 - RIB permitted, completion expected in Q3 2014
- **NEPA determination for full production permit, expected in H2 2015**
- **Objective to extend the mine life through exploration**
 - New Karen Vein discovered in West Zone

Notes: Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues. The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there is insufficient exploration to define these inferred mineral resources as an indicated or measured mineral resource. Mineral resources have been estimated at a cut-off grade of 0.225 opt (7.7 g/t) calculated with a \$1,250 per ounce gold price, \$18 per ounce silver price. 94% gold recovery and 92% silver recovery mineral resources include allowances of 5% mining losses and 10% dilution.

FIRE CREEK OVERVIEW (based on PEA)

Location	Lander County, NV
Deposit	High-grade, epithermal vein system
Ownership	100% Klondex
Mining Method	Cut and Fill, Long Hole, Shrinkage
LOM	5 yrs
Mill	Midas Mill (~100 mi N), 1200 tpd
Recoveries	95% (gold and silver - actual)
Royalty	2.5% to FNV starting in 2019, among others
All-in Sustaining Cost (incl Ag by-product)	\$636/ oz
Avg LOM Au grade	0.68 opt Au; 23.3 g/t Au
Avg LOM Ag grade	0.34 opt Ag; 11.7 g/t Ag

RESOURCES

M&I	284k oz @ 41.5 g/t (1.21 opt)Au 195k oz @ 28.5 g/t (0.83 opt) Ag
Inferred	424k oz @ 23.3 g/t (0.68 opt) Au 281k oz @ 15.4 g/t (0.45 opt) Ag



FIRE CREEK PRELIMINARY ECONOMIC ASSESSMENT: MAIN ZONE AND PORTION OF THE NORTH



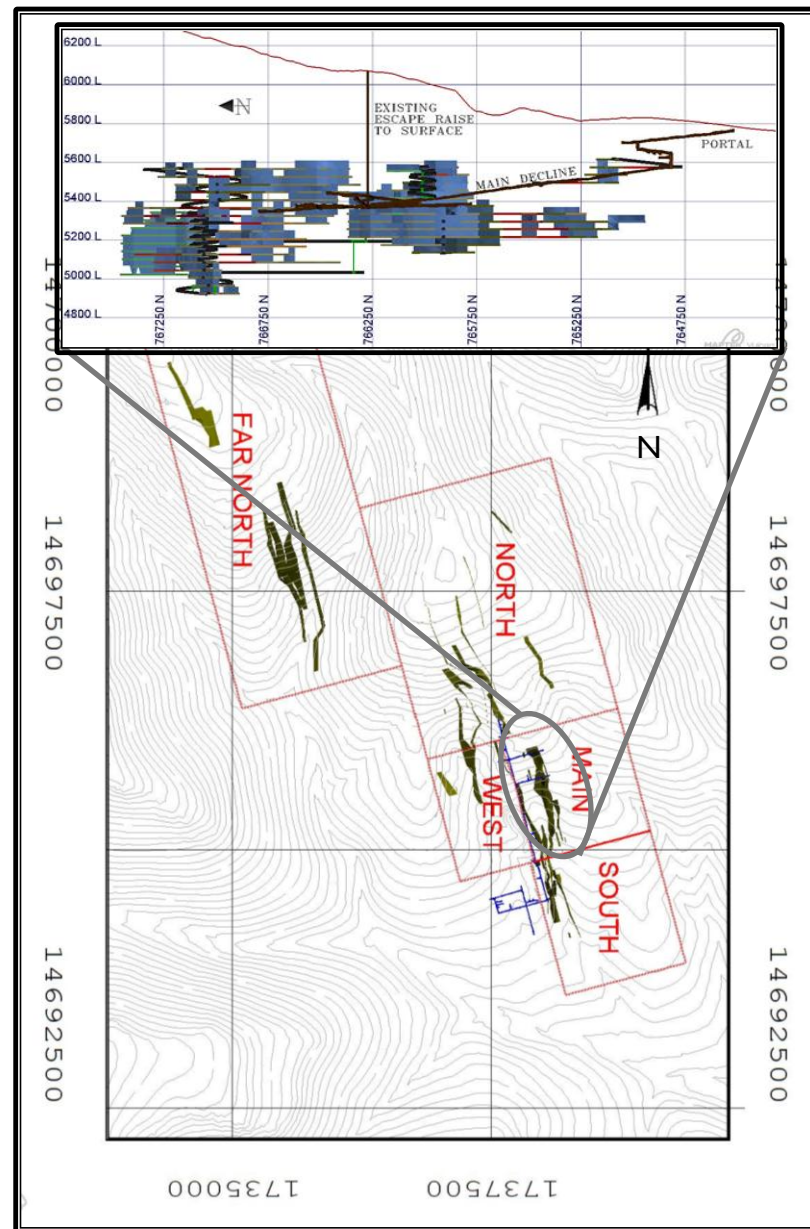
PEA: PROJECT ESTIMATES HIGHLIGHTS AT \$1250/OZ AU and \$18/OZ AG:

All-in sustaining (incl. Ag by-product)	\$636/oz
Cash costs (incl. Ag by-product)	\$459/oz
LOM estimate	5 yrs
Total production	280k oz Au; 139k oz Ag
LOM capital costs	\$49.6 mm
Pay-back period	0.5 yrs
After-tax cash flow	\$157.3 mm
After-tax 5% NPV	\$141.5 mm
Profitability Index	4.1

After-tax NPV @ 5% Discount (\$ mm's)

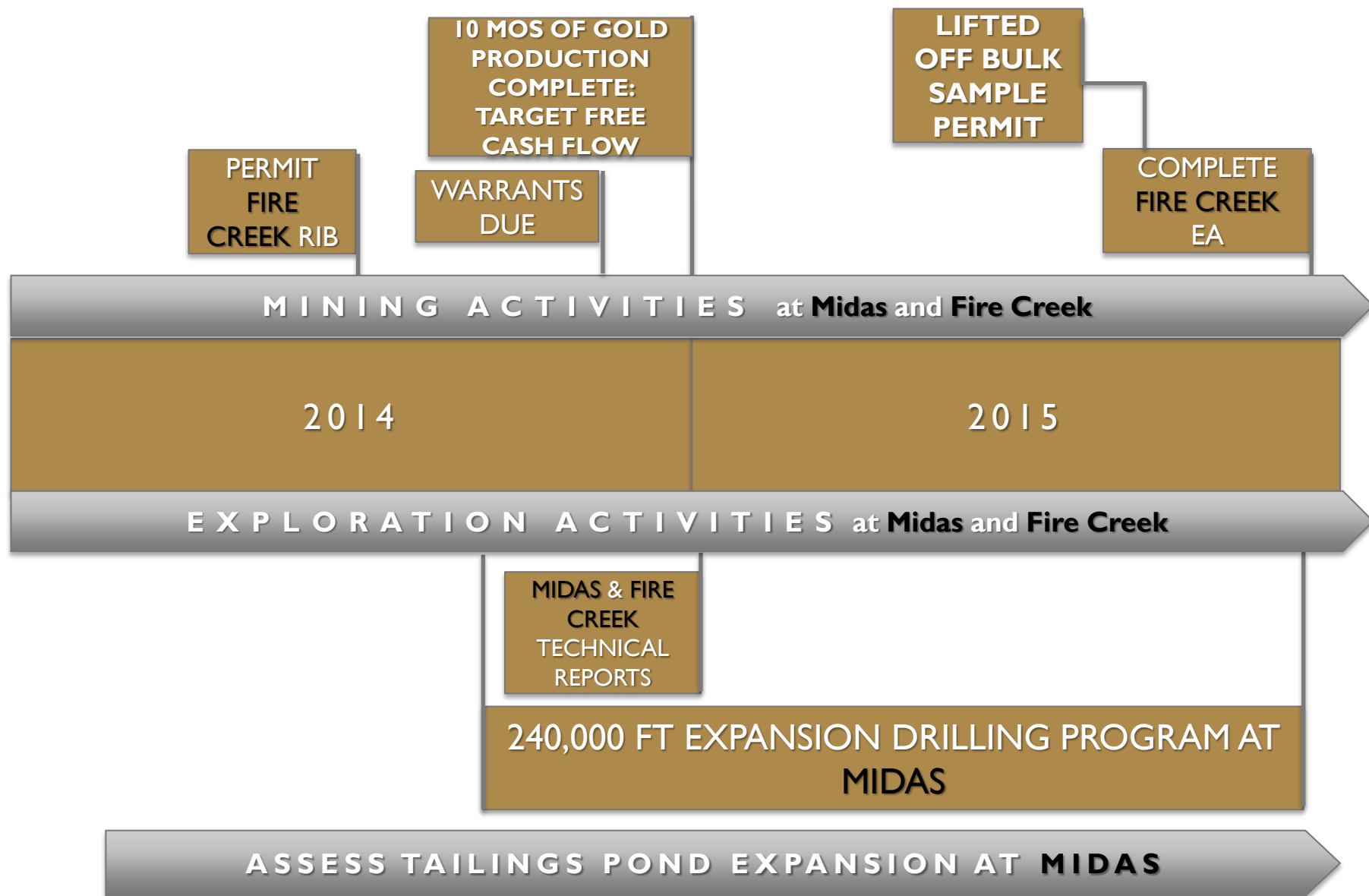
Gold Price	\$1,000	\$1,250	\$1,500
NPV	\$92	\$141	\$200

Source: Preliminary Economic Assessment Fire Creek Exploration Project Lander County, Nevada," effective January 31, 2014, and filed on Sedar June 13, 2014. Prepared for Klondex, by Practical Mining LLC





OPERATIONAL OBJECTIVES





LED BY A STRONG LEADERSHIP TEAM THAT IS TRANSFORMING KLONDEX



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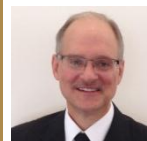
Paul Huet, A.Sc.T. – President, CEO and Director

- 27 yrs of mining experience within North America, focused on underground narrow vein gold and silver mining. Operated both the Midas and Hollister Mines in the 2000's



Barry Dahl – Chief Financial Officer

- 26 yrs of accounting experience in mining, construction and manufacturing. Previously CFO of Argonaut Gold during its growth to a 100,000+ ounce/ yr producer.



Brent Kristof – Chief Operating Officer

- 33 yrs operations u/g and open pit experience with major mining companies in North America, PNG and Australia



Mike Doolin – VP Business Development

- 27 yrs with extensive experience in metallurgy, design and permitting of narrow vein mining projects



Lucy Hill – Environmental Manager

- 19 yrs of environmental engineering experience; instrumental in the success of several major mining and environmental projects across North America, primarily within Nevada



Alison Dwoskin – Manager, Investor Relations

- 10 yrs experience designing and managing IR programs for public mining companies

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Richard J. Hall, Chairman

- Seasoned mining executive, involved in building and acquiring precious metals companies in the America's and Australia; Served as CEO of Northgate Minerals, Grayd Resource and Metallica Resources, as well as Chairman of a number of other precious metals companies.

Blair Schultz, B.Math, Executive Director

- Former Klondex Chairman (2012-2014). Over 13 yrs of experience evaluating M&A transactions in the mining space; was most recently Vice President and Head of Special Situation Analytics, Portfolio Management & Trading at K2 & Associates Investment Management Inc. in Toronto

Renaud Adams, P.Eng., Primero Mining Corp.

- Chief Operating Officer of Primero Mining, responsible for the operations and organic growth of the company in addition to its operations in Mexico
- He previously held mining positions with major operating mines for IAMGOLD Corporation and Breakwater Resources, among others

Rodney Cooper, P.Eng., Labrador Iron Mines

- Currently the Chief Operating Officer at Labrador Iron Mines with 30 years in mining; broad experience in technical services, operations, project management, investment evaluation and finance

Jamie Haggarty, CA, JELL Advisors

- Financial and operational executive with over 20 years of experience ranging from strategic planning to M&A transactions to managing diverse businesses day-to-day

William Matlack, B.Geo., Scarsdale Equities

- Specializes in metals and mining investment banking with Scarsdale Equities LLC; has 15 years prior experience in metals and mining equities



THE PATH IS SET...



...TWO MINES, ONE GREAT COMPANY



- **75-85k oz AuEq production expected for 2014**
- **\$30 million cash balance**
- Targeting to generate net free cash flow from operations in 2014
- Exploration opportunity at both Fire Creek and Midas
- Continue to assess synergies w/in North America
- Experienced leadership team with a proven track record, and materially aligned with shareholders



CONTACT INFORMATION



Klondex Mines Ltd.
Suite 1, 360 Western Road
Reno, Nevada
89506
www.klondexmines.com
KDX:TSX KLNDF:OTCQX

Paul Huet
President & CEO
775-284-5757
investors@klondexmines.com

Alison Dwoskin
Manager, Investor Relations
647-233-4348
adwoskin@klondexmines.com