

**KLONDEX MINES LTD.
FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1. – Name and Address of Company:

Klondex Mines Ltd. ("**Klondex**")
Suite 600, 595 Howe Street
Vancouver, BC V6C 2T5

Item 2. – Date of Material Change:

July 10, 2014

Item 3. – News Release:

A news release with respect to the material change referred to in this report was issued by Klondex through Marketwired on July 10, 2014 and filed on the System for Electronic Document Analysis and Retrieval (SEDAR) on July 10, 2014.

Item 4. – Summary of Material Change:

On July 10, 2014, Klondex entered into an agreement with GMP Securities L.P. ("**GMP**") pursuant to which agreement GMP, on behalf of a syndicate of underwriters (collectively, the "**Underwriters**") agreed to purchase, on a "bought deal" basis, 7,000,000 common shares (the "**Common Shares**") of Klondex at a price of \$2.00 per Common Share for aggregate gross proceeds of Cdn\$14 million (the "**Offering**"). In addition, Klondex has granted the Underwriters an over-allotment option to purchase up to an additional 15% of the Common Shares pursuant to the Offering, exercisable in whole or in part, at any time prior to the 30th day following the closing of the Offering.

Item 5. – Full Description of Material Change:

On July 10, 2014, Klondex entered into an agreement with GMP pursuant to which agreement GMP, on behalf of the Underwriters, agreed to purchase, on a "bought deal" basis, 7,000,000 Common Shares at a price of Cdn\$2.00 per Common Share for aggregate gross proceeds of Cdn\$14 million. In addition, Klondex has granted the Underwriters an over-allotment option to purchase up to an additional 15% of the Common Shares pursuant to the Offering, exercisable in whole or in part, at any time prior to the 30th day following the closing of the Offering.

The net proceeds of the Offering are expected to be used for the accelerated exploration and development at the Midas gold project and Fire Creek gold project and for working capital and general corporate purposes.

The Common Shares to be issued under the Offering will be offered by way of a short form prospectus to be filed in all of the provinces of Canada (other than the Province of Quebec) pursuant to National Instrument 44-101 Short Form Prospectus Distributions and in the United

States on a private placement basis pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended.

The Common Shares have not been registered under the United States Securities Act of 1933, as amended, or applicable state securities laws, and the Common Shares may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

The Offering is subject to receipt of all necessary regulatory and stock exchange approvals, including the approval of the Toronto Stock Exchange. The closing of the Offering is expected to occur on or about July 30, 2014.

Item 6. – Reliance on Subsection 7.1(2) of National Instrument 51-102:

Not applicable.

Item 7. – Omitted Information:

Not applicable.

Item 8. – Executive Officer:

For further information, contact:

Barry Dahl
Chief Financial Officer
Telephone: (775) 284-5757 ext. 12

Item 9. – Date of Report:

July 16, 2014