



KLONDEX MINES LTD. *NEWS*

For Immediate Release

Klondex Reports Progress on Permitting for Its Underground Program

Vancouver, British Columbia – March 10, 2010 - Klondex Mines Ltd. (TSX: KDX) announced today an update on permitting for its underground development program focused on bulk sampling and exploration drilling.

KDX has posted a U.S. \$1.4 reclamation bond required pursuant to the Company’s U.S. Bureau of Land Management permits (BLM) issued in late December 2009. To fund the bond without issuing common stock at current levels, Klondex has secured a U.S. \$1.4 million loan facility bearing interest at 6% per year. KDX has also executed a contract with Western Cultural Resource Management (WCRM) to perform archeological site work also required pursuant to KDX’s BLM permits. The WCRM work will commence in the next few weeks, assuming suitable weather, and should be completed within six weeks thereafter. Klondex continues to anticipate the receipt of remaining state permits for its underground program between April and June 2010.

William Solloway, Klondex’s President, commented, “We believe investors have yet to realize the significant accomplishment and value being created through our permitting process. Permitting is amongst the most difficult hurdles faced by mining companies. Once completed, it will enable KDX to graduate from a focus solely on exploration to a dual focus on exploration and production/cash generation, via bulk sampling. Our progress in permitting clearly demonstrates to investors that we are delivering on our commitments and entering an exciting new stage in our corporate development. With our recent management appointments, we are very well positioned to execute on our underground program during 2010 and to secure greater investor awareness and appreciation for the value and potential of our high-grade gold resource at Fire Creek.”

About Klondex Mines (www.klondexmines.com):

Klondex Mines Ltd. is focused on bringing into production, via bulk sampling, its 100% owned high-grade Fire Creek gold deposit in North central Nevada. Fire Creek is centrally located near power and transportation and represents a compelling mining prospect. Klondex has identified the following NI 43-101 compliant resource:

Fire Creek Project – Indicated and Inferred Resource *
As of March 30, 2009

Classification	Metric Tonnes	Grams Gold Equivalent Per Metric Tonne	Total Ounces Gold Equivalent
Indicated	5,043,033	10.11	1,639,822
Inferred	1,833,423	8.63	508,799

* Fire Creek has a gold-to-silver ratio of approximately 1:1, indicating **the resource is approximately 98.3% gold and 1.7% silver**. Reflects a cutoff grade of 5 grams per tonne and 60 units of silver equivalent to one unit of gold.

ON BEHALF OF KLONDEX MINES LTD.

“William Solloway” President

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