

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 15, 2016) - [Callinex Mines Inc.](#) (the "Company" or "Callinex") (TSX VENTURE:CNX)(OTCQX:CLLXF) is pleased to announce that it has completed the previously announced transactions to acquire a 100% ownership stake in the Point Leamington, Nash Creek and Superjack Volcanogenic Massive Sulphide ("VMS") deposits located in Eastern Canada (See News Releases dated May 14 and 16, 2016). These projects host a large inventory of zinc and precious metal-rich mineral resources within established Canadian mining jurisdictions. Advanced stage assets such as these position Callinex to benefit from rising zinc prices, which has been one of the top performing metals in 2016 based on a supply-demand deficit that is expected to widen even further.

The newly acquired VMS projects host a total Indicated mineral resources containing 468 million pounds of zinc, 4.6 million ounces of silver and 95 million pounds of lead, and total Inferred mineral resources containing 861 million pounds of zinc, 484,000 ounces of gold and 11.5 million ounces of silver, 146 million pounds of copper and 75 million pounds of lead. See "Table 1 - Total Mineral Resources" below for further details of the Indicated mineral resources and Inferred mineral resources.

Additionally, Callinex has engaged Tetra Tech Inc. to prepare updated technical reports for the Point Leamington, Nash Creek and Superjack VMS deposits in accordance with section 4.2(7)(c) of National Instrument 43-101. It is anticipated that these technical reports will be filed on SEDAR before September 30, 2016.

Point Leamington VMS Project, Newfoundland, Canada

As part of Callinex's due diligence process, its technical team identified an opportunity to materially increase metallurgical recovery of gold at the project, which represents a significant portion of the deposit that has an inferred mineral resource of approximately 484,000 ounces of gold in addition to zinc, copper, silver and lead (see Table 1 below). Relatively recent metallurgical advancements that will be investigated include the creation of an arsenopyrite concentrate that could contain significant gold mineralization.

Callinex plans to conduct metallurgical testing in calendar Q4 2016 to further define the relationship between gold and arsenopyrite, as indicated by previous test work completed during the 1980s. If this relationship is confirmed in significant quantities, then Callinex will proceed with additional metallurgical testing which could provide the basis for future economic studies.

Previous tests completed by Noranda, based on representative samples of the deposit, indicate a strong correlation between elevated gold and arsenic levels. A recently completed study of drill hole samples that were assayed for gold and arsenic showed that 90% of all gold intercepts containing over 0.80 g/t gold levels also had arsenic levels over 0.22%, which was the basic maximum limit obtained during the historic assaying program.

Callinex anticipates this metallurgical test work will further refine the anticipated recovery rate for zinc, which had previously been estimated to be up to 85% resulting in a concentrate grading approximately 50% zinc. Several advancements have been made to reduce the cost and increase the efficiency of fine grinding techniques, which may increase the average recovery rate for the contained metals.

Additionally, Callinex has been reviewing its proprietary exploration database including over 2,400 line-kilometers of modern airborne electromagnetic survey data in order to increase the land position along strike from the deposit and in nearby areas with similar geological setting as the Point Leamington deposit. It is anticipated that newly staked and/or acquired claims will also cover untested geophysical anomalies within prospective geological units.

Nash Creek VMS Project, New Brunswick, Canada

Callinex has engaged Tetra Tech Inc. to provide an updated resource estimate on the Nash Creek Project that incorporates new data, including over 4,500 density measurements to further understand the specific gravity and overall size of the deposit. It is anticipated that the total tonnes and contained metal within Indicated mineral resources should increase based on this new data.

Additional metallurgical work is planned to evaluate the potential for Dense Media Separation ("DMS"). Initial metallurgical testing indicated high recoveries for zinc, lead and silver relative to a typical VMS deposit and that the coarse grained nature of mineralization is potentially favorable for a low-cost processing operation. DMS is a well-known technology that is designed to significantly increase the grade by reducing waste rock.

The technical team has also been evaluating and ranking drilling targets that have the potential to materially increase the size of the Hickey and Hayes Zones that form the bulk of the known Nash Creek deposit. In particular, the higher grade and southernmost Hayes Zone deposit, appears to remain open to the south. Of prime exploration interest is a 1,200m wide, mostly untested gap in the drill coverage between the higher grade Hayes Zone and the prospective Central Zn/Pb-mineralized Zone located due east of the Hayes Zone. Only four drill holes have been completed to date on the Central Zone.

Superjack VMS Project, New Brunswick, Canada

The Superjack Project is known to host three VMS deposits (the A, B and C Zones) all of which remain open at depth. The largest deposit is the A Zone which has been drilled over an approximate 250m strike length down to a vertical depth of 450m. The deepest holes drilled to define the A Zone contain high-grade mineralization, including drill hole NP11-54 which intersected 5.88m of 5.48% Zn, 2.34% Pb, 0.41% Cu, 0.52g/t Au and 73.74 g/t Ag and hole NP11-39 which intersected 2.55m of 14.97% Zn, 1.38% Pb, 0.27% Cu, 0.03 g/t Au and 32.53 g/t Ag. Eastern Geophysics was contracted to complete two borehole geophysical surveys and the results are currently being interpreted to evaluate the potential for mineralization continuing at depth. Based on favorable results, Callinex plans to complete at least two holes to test the down-dip continuation for high-grade mineralization.

Additionally, both B and C Zones appear to be relatively open along strike and at depth and have never been evaluated with the use of borehole geophysical technology. A 3D gravity inversion model completed by Callinex's technical team exhibits a strong correlation to the known massive sulphide mineralization and indicates these zones have depth potential. There are a few interesting near-surface gravity targets along strike from the A, B and C Zones and are associated with coincident lead-zinc soil anomalies that have not been drill tested to date.

The Superjack Project is considered a highly prospective exploration project based on the significant VMS mineralization already identified from previous drilling. The Superjack deposit is hosted in the same favourable stratigraphic package as the recently closed and nearby, world-class Brunswick #12 VMS orebody, which is located approximately 15km to the northeast. The Brunswick #12 VMS mine was one of the largest underground zinc mines in the world.

The technical content of this news release has been reviewed and approved by James Pickell, P.Geo, a Consultant to the Callinex, and a Qualified Person as defined by National Instrument 43-101. Mr. Pickell has reviewed the Technical Report and Resource Estimate for Point Leamington prepared by Tetra Tech and has also reviewed the Superjack and Nash Creek Technical Reports and Resource Estimates prepared by Tetra Tech and Wardrop.

Zinc Market Overview

Since 2013 approximately 10% of global mine supply has been reduced leading to a supply-demand deficit. As a result, the price of zinc has risen over 40% this year as above ground inventories continue to decline and smelter treatment costs have also dropped significantly.

Goldman Sachs estimates that the global zinc shortage is expected to more than triple by 2017. In addition, above ground stockpiles of zinc on the London Metal Exchange have decreased by more than 50% since 2013. Goldman Sachs recently stated that zinc has the most favorable supply-side fundamentals of any metal. Zinc demand is projected to modestly increase over the years ahead based largely on planned infrastructure spending globally. In particular, Chinese consumption related to infrastructure spending has significantly increased in 2016 and is expected to continue.

The combination of declining supply and increasing demand has led to the vast majority of analysts forecasting higher zinc prices in the next 12 to 24 months. Leading research firm Wood Mackenzie estimates that a price of \$1.60 is necessary to incentivize sufficient new production to keep pace with demand.

Table 1: Total Mineral Resources⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾

Indicated Mineral Resources

Project	Cut-off (Zn Eq).	Tonnes	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Cu (%)
Nash Creek 2.0		7,807,900	2.72	0.55	18.26	n/a	n/a
Total		7,807,900	2.72	0.55	18.26	n/a	n/a

Inferred Mineral Resources

Project	Cut-off (Zn Eq).	Tonnes	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Cu (%)
Point Leamington 4.0		14,093,000	1.86	0.02	17.12	1.07	0.42
Superjack 1.5		3,211,015	3.01	0.78	29.45	n/a	0.27
Nash Creek 2.0		1,211,700	2.66	0.52	18.00	n/a	n/a
Total		18,515,715	2.11	0.18	19.32	0.81	0.37

Notes:

1. CIM definition standards were followed for the resource estimates.
2. Mineral Resources that are not mineral reserves do not have economic viability.

3. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred 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.
4. The Point Leamington resource models used Inverse Distance grade estimation within a three-dimensional block model with mineralized zones defined by wireframed solids. A base cutoff grade of 4.0 % ZnEq was used for reporting resources. Zinc Equivalent (ZnEq) calculated using \$0.94/lb for Zinc, \$1.00/lb for Lead, \$3.69/lb for Copper, \$1380 /oz Au for gold and \$22.73/oz Ag for silver and metallurgical recoveries and net smelter returns are assumed to be 100%.
5. Estimation of the Nash Creek resources included the interpolation methods of nearest neighbour (NN), inverse distance squared (ID2) and ordinary kriging (OK). The resource estimate was prepared by Tetra Tech using Datamine® Studio 3 (v.3.20.6420.0) software. The methods were validated by a comparison of global statistics and a visual review of coded block grades.
6. The Nash Creek resource estimate was completed using a 2.0% zinc equivalent (ZNEQ) cut-off grade for both the Northern Hickey Zone and the Southern Hayes Zone. The metal prices were based on four-year moving averages (September 2004 to September 2008) taken from a database maintained by Wardrop.
7. See news releases dated May 14, 2016 and May 16, 2016.

About Callinex Mines Inc.

[Callinex Mines Inc.](#) is focused on discovering and developing copper and zinc rich mines within prolific Canadian VMS mining jurisdictions. The Company is actively exploring its Pine Bay Project, located in the Flin Flon mining district of Manitoba, which hosts significant historic VMS deposits that are within close proximity to a processing facility. The larger project portfolio hosts three significant zinc rich mineral resources including the Point Leamington, Nash Creek and Superjack Projects located in Eastern Canada.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Some statements in this news release contain forward-looking information. These statements include, but are not limited to, statements with respect to future expenditures. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the ability to complete contemplated work programs and the timing and amount of expenditures. Callinex does not assume the obligation to update any forward-looking statement.

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