

Highlights:

- Follow-up drilling has commenced on its new discovery that intersected 10.3m grading 13.1% Zn Eq. containing 6.0% Zn, 1.8 g/t Au, 60.4 g/t Ag, 0.7% Cu and 0.4% Pb;
- Plans to complete up to 10,000m of drilling before the end of winter to test an area 300m along strike and 300m at depth; and
- The campaign will be expedited with the addition of second drill rig.

VANCOUVER, BRITISH COLUMBIA--(Marketwire - Nov 1, 2016) - [Callinex Mines Inc.](#) (the "Company" or "Callinex") (TSX VENTURE:CNX) (OTCQX:CLLXF) is pleased to announce that it has commenced a step-out drilling campaign for up to 10,000m to focus on expanding its new zinc and gold rich Volcanogenic Massive Sulphide ("VMS") discovery at the 100% owned Pine Bay Project near Flin Flon, Manitoba (See Figures 1, 2 and 3). The discovery hole intersected 10.3m grading 13.1% Zn Eq. containing 6.0% Zn, 1.8 g/t Au, 60.4 g/t Ag, 0.7% Cu and 0.4% Pb including a higher grade interval over 4.2m grading 20.8% Zn Eq. containing 11.8% Zn, 2.1 g/t Au, 73.8 g/t Ag, 0.7% Cu and 0.7% Pb (See News Release dated October 18, 2016). Callinex will expedite the step-out drilling campaign with the addition of a second drill rig in order to ensure it is completed before the end of the winter drilling season.

Max Porterfield, President and CEO, stated, "We are eager to advance our new discovery with this sizeable drilling campaign that will provide us with indications as to the extent and grade of nearby mineralization. We are undertaking several measures in order to fast-track the campaign and look forward to providing further exploration updates as they become available."

The initial step-out campaign is planned to consist of several deep "parent" drill holes and accompanying wedges in order to intersect mineralization at 125m spacing over a strike length of 300m and vertical depth of 300m (See Figure 3). The 10,000m campaign is fully funded and may be upsized based on results given the Company's strong treasury. Additionally, the target area can be drilled year-round providing additional flexibility in conducting exploration.

The new zinc and gold discovery was made after extending a historic Placer Dome drill hole by 38m. Placer Dome explored the property in the early 1990s when they had a mandate to discover a 30 million ton VMS deposit at the project. For additional details about the new discovery, please refer to the Company's recent news release dated October 18, 2016.

James Pickell, P. Geo, a Qualified Person under National Instrument 43-101 and a consultant to Callinex, has reviewed and approved the technical information in this news release.

Figures

To view Figure 1: Overview of Flin Flon Area Properties, please visit the following link:
http://media3.marketwire.com/docs/1074552_fig1.pdf

To view Figure 2: Plan Map of the Northern Pine Bay Area, please visit the following link:
http://media3.marketwire.com/docs/1074552_fig2.pdf

To view Figure 3: Longitudinal Section of the Cabin VMS Horizon, please visit the following link:
http://media3.marketwire.com/docs/1074552_fig3.pdf

About The Pine Bay Project

The Pine Bay Project is located 16km east of HudBay's 777 Mine and processing facilities near Flin Flon, MB. The project area spans 6,000 sq. ha. and covers a significant portion of the Baker Patton Felsic Complex, one of the largest and most highly altered packages of felsic volcanic rocks within the Flin Flon Greenstone Belt. Historic exploration activities have outlined four mineral deposits, three of which are located within a mineral lease that has advanced permitting status and includes the right to conduct mining activities. The Pine Bay deposit, the largest of the four historic deposits, has a 212m vertical shaft with significant underground workings from previous exploration activities.

The project has two distinct areas with VMS mineralization, the northern Pine Bay area and the southern Sourdough area. These areas are each related to historic deposits and occur along an approximate 10km NE-SW VMS trend near the top of the Baker Patton Felsic Complex. The Sourdough area is immediately adjacent to HudBay's past-producing Centennial Mine. Callinex has recently intersected new VMS zones in both the Pine Bay and Sourdough areas.

During the 1990s, majors including [Placer Dome Inc.](#) and [Inmet Mining Corp.](#) conducted limited exploration programs in the Pine Bay area to define a large VMS deposit at depth. A review of historic work has confirmed that several proposed drill holes and targets outlined by Placer Dome that were never completed. The property position was recently consolidated for the first time combining several large claim blocks previously operated by companies including Placer Dome, Inmet, Newmont, HudBay and Cameco.

Previous to Callinex' modern geophysical and geological exploration programs, very limited work was conducted between 1996 and 2014. Callinex has digitally compiled more than 1,000 mostly shallow drill holes and has completed large airborne and ground geophysical surveys to identify and evaluate the most prospective drill targets.

Pine Bay Historic Resources⁽¹⁾⁽²⁾⁽³⁾

| Deposit | Tons | Cu Eq% ⁽²⁾ | Cu % | Zn % | Au g/t | Ag g/t |
|--------------|-----------|-----------------------|------|------|--------|--------|
| Pine Bay | 1,113,200 | 2.76 | 2.76 | N/A | N/A | N/A |
| Sourdough | 291,150 | 2.98 | 1.46 | 1.71 | 1.03 | 29.8 |
| Cabin | 125,000 | 2.18 | 0.84 | 4.02 | N/A | N/A |
| Baker Patton | 95,000 | 3.66 | 0.80 | 5.28 | 0.83 | 56.0 |
| Total | 1,624,350 | 2.81 | 2.26 | 0.92 | 0.24 | 8.9 |

Notes:

- (1) Values have been converted from the imperial to metric system
- (2) Historical resource estimates include (a) a Cerro-Mining-Guggenheim Joint Venture report titled "Feasibility Study for 550 ton per day mine & mill", prepared by Wright Engineers Limited in 1971, reported a "geological ore reserve" 1,113,200 tons at 2.76% Cu at the Pine Bay deposit, (b) a Keys report in 1963 reported a historical resource estimate of 291,150 tons at 1.46% Cu at the Sourdough deposit, (c) a Pine Bay Mines report in 1976 reported a historical resource estimate of 125,000 tons at 0.84% Cu at the Cabin deposit and (d) a Macmillan report in 1968 reported a historical resource estimate of 95,000 tons at 0.80% Cu at the Baker Patton deposit. The historical "geological ore reserve" and resource estimates cited above is mentioned for historical purposes only and uses terminology not compliant with current reporting standards. The reliability of these historical estimates is unknown but considered relevant by the Company as it represents a significant target for future exploration work by the Company. The assumptions, parameters and methods used to calculate this historical resource estimate are not known to the Company. The qualified person has not made any attempt to re-classify the estimates accordingly to current NI 43-101 standards of disclosure or the CIM definitions. In order for these resources to be current, the Company will be required to conduct additional drilling on the Pine Bay Property. The Company is not treating this estimate as current mineral resources or mineral reserves as defined in NI 43-101. Although the Historical resource estimate was also designated as "ore" it cannot be compared to mineral reserves as it is not supported by at least a current pre-feasibility study.
- (3) Copper equivalent grades are based on metal prices of: copper US\$3.00/lb, zinc \$1.00/lb, gold US\$1200 per oz, silver US\$20 per oz. Metal recoveries of 100% are applied in the copper equivalent calculation. $CuEq = 100 ((Au \text{ Price in (g)} \times Au \text{ Grade}) + (Ag \text{ Price in (g)} \times Ag \text{ Grade}) + (Pb \text{ Price} \times 2204.6 \times (Pb \text{ Grade}(\%) / 100) + (Cu \text{ Price} \times 2204.6 \times Cu \text{ Grade}(\%) / 100) + (Zn \text{ Price} \times 2204.6 \times (Zn \text{ Grade}(\%) / 100)) / Cu \text{ Price} \times 2204.6$

About Callinex Mines Inc.

[Callinex Mines Inc.](#) is focused on discovering and developing zinc and copper 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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