

Highlights:

- One drill rig is now drilling the first follow-up hole to test the down-plunge extent of the new zinc and gold rich VMS discovery; and
- A second drill rig is currently drilling to test a BPEM target located ahead of the end of drill hole 284-3-93-DPN

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 23, 2016) - [Callinex Mines Inc.](#) (the "Company" or "Callinex") (TSX VENTURE:CNX)(OTCQX:CLLXF) is pleased to announce that a second drill rig has arrived at its Pine Bay Project and is now drilling the first follow-up hole to test the down-plunge extent of its new Volcanogenic Massive Sulphide ("VMS") discovery. Drill hole PBM-017 is expected to intersect the Cabin VMS Horizon approximately 300m below the initial intersection which consisted of 10.3m grading 13.1% Zn Eq. (6.0% Zn, 1.8 g/t Au, 60.4 g/t Ag, 0.7% Cu and 0.4% Pb) in drill hole 284-3-93-DPN (See news release dated October 18, 2016). Once this initial drill hole is completed, one wedge will be set to intersect the Cabin VMS Horizon approximately 120m below the intersection in 284-3-93-DPN.

The first rig is currently drilling to test a Borehole Pulse ElectroMagnetic ("BPEM") target located ahead of the end of hole 284-3-93-DPN. This BPEM target may occur along the down-dip plane of the Pine Bay VMS Horizon. If the hole intersects both the Pine Bay and Cabin VMS Horizons at this depth, the Company will gain a further understanding of whether the Pine Bay and Cabin Horizons are one VMS horizon as once initially contemplated by Placer Dome or whether they represent two separate 'stacked' VMS horizons. If the Cabin VMS Horizon is a fold repeated of the Pine Bay VMS Horizon, it may be possible to predict where the massive sulphide mineralization on one limb may be expected to occur on the opposite limb.

A second step-out drill hole, PBM-018, will commence when one of the drill rigs becomes available. PBM-018 will be located approximately 115m along strike to the northeast of hole PBM-017 and is designed to intersect the Cabin VMS Horizon at a similar depth. The hole will then be used as a platform for two additional wedges spaced approximately 25m and 130m below the 10.3m intersection in drill hole 284-3-93-DPN.

In addition to the planned step-out drilling campaign, Callinex will also extend PBM-010, a drill hole recently completed by Callinex and located approximately 300m along strike to the northeast and 400m above the new discovery. This is one of the only holes drilled deeper than 315m near and/or along the Cabin VMS Horizon to the northeast of the new VMS discovery. PBM-010 encountered four separate copper intersections down to an approximate hole depth of 370m (See news release dated April 25, 2016). The intervals, which are interpreted as stringer-type mineralization, were spatially associated with semi-massive sulphides (primarily pyrite) and frequently with narrow black chlorite veins that collectively represent immediate footwall rocks to the Cabin VMS Horizon. This hole further indicates that a favorable VMS environment occurs to the northeast of the new discovery where very few deep holes have been completed.

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.

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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