VANCOUVER, BRITISH COLUMBIA--(Marketwired - Mar 20, 2017) -

Highlights:

- Agreement to acquire the Big Island Project located near Flin Flon, Manitoba that includes a high-grade Volcanogenic Massive Sulphide ("VMS") deposit;
- Previous drilling at the Tara Lake Deposit is highlighted by results including 7.4m of 35% Zn Eq, 12.4m of 34% Zn Eq. and 19.6m of 24% Zn Eq., with no subsequent exploration conducted since 1991; and
- Callinex now controls over 100 sq. km land package within the Flin Flon Mining District.

Callinex Mines Inc. (the "Company" or "Callinex") (TSX VENTURE:CNX) (OTCQX:CLLXF) is pleased to announce that it has signed an option agreement to acquire a 100% interest in the Big Island Project (the "Project") located 10 km east from HudBay's processing facilities in Flin Flon, Manitoba. The Project includes the Tara Lake Deposit, which is one of the highest grade VMS discoveries within the Flin Flon Mining District. The western portion of the Project may contain a similar sequence of primitive arc tholeiite volcanic rocks that host the Flin Flon, Callinan and 777 Mines and that have collectively produced over 100 million tonnes of ore. Callinex now controls one of the largest and most prospective land positions totaling over 100 sq. km within the Flin Flon Mining District (See Figure 1).

Max Porterfield, President and CEO, stated, "The Big Island Project contains one of the highest-grade zinc and gold-rich VMS deposits ever discovered within the Flin Flon Mining District. We are looking forward to conducting systematic exploration to discover additional mineralization. Callinex has assembled one of the most prospective and strategic land packages within the Flin Flon area and is uniquely positioned with its technical team to maximize the potential of these projects."

Between 1987 and 1988 Westfield Minerals discovered exceptionally high-grade zinc and gold-rich VMS mineralization over considerable widths with highlights including (See Table 1):

- DDH 87-03 intersected 12.4m of 33.9% Zn Eq. including 22.4% Zn, 5.8 g/t Au, 93.6 g/t Ag and 0.6% Cu at a starting depth of 22.0m;
- DDH 87-11 intersected 7.4m of 35.3% Zn Eq. including 20.3% Zn, 7.2 g/t Au, 110.1 g/t Ag and 1.2% Cu at a starting depth of 24.9m; and
- DDH 88-41 intersected 19.6m of 23.8% Zn Eq. including 14.6% Zn, 3.1 g/t Au, 58.6 g/t Ag and 1.7% Cu at a starting at a depth of 72.1m.

In 1989, after the first 10 of 12 holes intersected mineralization, Westfield Minerals estimated the deposit contained a historical, "geologically inferred mineralized body" of 200,000 tons grading 10-15% zinc, 1-2% copper, 1.7-3.1 g/t gold and 34.3 to 102.9 g/t silver. Additionally, historic trenching in a nearby separate zone outlined 9.4 g/t gold over 3.5m and 8.3 g/t gold over 2.9m at surface.

The historical "geologically inferred mineralized body" 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 Callinex as it represents a significant target for future exploration work by Callinex. The assumptions, parameters and methods used to calculate this historical resource estimate are not known to Callinex. 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, Callinex will be required to conduct additional drilling on the Big Island Project. Callinex is not treating this estimate as current mineral resources or mineral reserves as defined in NI 43-101.

The initial exploration focus will be on identifying extensions to this high-grade mineralization, which was initially discovered by gold-focused geological and geochemical methods in 1987. Interestingly, no follow-up exploration has occurred at the Tara Lake Deposit since the initial discovery and subsequent exploration that was conducted between 1987 and 1991. Callinex believes this represents a compelling exploration opportunity given the tenor of mineralization combined with modern geological and geophysical advancements over the last 25 years.

Callinex anticipates commencing a field program at the Project once the ongoing drilling program at the Pine Bay Project has concluded. Additionally, an initial drill program may occur as part of the planned drilling campaign at the Pine Bay Project during the summer.

Table 1: Summary of Diamond Drill Mineralized Intersections Between 1987-1991[(1)(2)(3)(4)]

Hole No.	From (m)	To (m)	Width	Zn Eq.	Zn (%)	Cu (%)	Au (g/t)	Ag (g/t)
87-1	20.7	21.7	1.0	47.38	4.30	0.80	27.8	91.5
	58.0	59.3	1.3	17.43	6.83	2.08	3.1	88.5
87-2	8.4	9.2	0.8	25.20	25.20	NR	NR	NR
	28.3	29.7	1.4	16.10	16.10	NR	NR	NR

	80.7	84.2	3.5	6.72	3.76	0.99	0.3	18.2
87-3	22.0	34.4	12.4	33.87	22.44	0.58	5.8	93.6
	35.9	39.8	3.9	14.88	12.56	0.25	0.7	40.1
87-4	35.0	39.9	4.9	4.50	4.50	NR	NR	NR
87-5	22.4	23.6	1.2	22.66	15.72	0.29	3.4	71.0
87-6	41.7	45.1	3.4	15.75	8.73	1.06	2.4	66.9
87-8	92.0	94.4	2.4	11.57	6.00	1.05	1.7	44.6
87-11	24.9	32.3	7.4	35.31	20.31	1.19	7.2	110.1
87-12	41.9	49.7	7.8	35.92	23.76	1.30	5.1	102.5
88-14	56.2	59.2	3.0	8.26	5.82	NR	1.7	NR
	94.2	98.1	3.9	15.63	7.11	1.24	3.4	49.7
88-15	46.7	49.1	2.4	42.17	30.60	0.88	5.5	93.3
88-16	54.1	56.0	1.9	46.21	28.23	2.07	7.9	116.6
	58.9	62.8	3.9	11.18	8.64	0.26	1.4	2.1
88-17	74.7	76.6	1.9	39.07	33.19	0.52	2.4	66.9
88-25	91.0	99.8	8.8	24.01	12.28	1.62	4.8	72.0
88-40	192.6	195.6	3.0	8.17	5.60	0.35	1.0	18.2
88-41	72.1	91.7	19.6	23.78	14.55	1.72	3.1	58.6

Notes:

1) NR indicates that assay results were *not reported* in historic assessment files and true widths of mineralization are not known.
2) Gold and silver values have been converted from troy ounces per short ton to grams per metric tonne. One troy ounce per short ton is equal to 34.2857 grams per tonne.
3) Zinc equivalent grades are based on the following metal prices: zinc US$1.25/lb, copper US$2.65/lb, gold US$1,220 per oz and silver US$17.4 per oz. Metal recoveries of 100% are applied in the zinc equivalent calculation. The zinc equivalent calculation is as follows: ZnEq = 100 ((Au Price in (g) x Au Grade) + (Ag Price in (g) x Ag Grade) + (Cu Price*2204.6 x Cu Grade(%)/100) + (Zn Price*2204.6 x (Zn Grade(%)/100))/Zn Price*2204.6
4) Numbers may not add due to rounding.

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.

Transaction Terms

In exchange for acquiring a 100% interest in the Project from Copper Reef Mining Corp., along with approximately $1 million in work credits sufficient to keep the claims in good standing for 10 years, Callinex has agreed to make payments over a period of four years including:

- $50,000 in cash and 100,000 common shares within five days following the effective date of the agreement;
- $50,000 in cash and 100,000 common shares on or before the first anniversary of the effective date;
- $50,000 in cash and 100,000 common shares on or before the second anniversary of the effective date;
- $50,000 in cash and 150,000 common shares on or before the third anniversary of the effective date;
- $65,000 in cash and 300,000 common shares on or before the fourth anniversary of the effective date; and
- A 1% Net Smelter Royalty which can be repurchased for $1,000,000.

The Company may elect at any point in time to terminate the option agreement at its discretion.

Figure 1: Overview of Flin Flon Area Properties

To view Figure 1, please visit the following link: http://media3.marketwire.com/docs/1089258_map.jpg

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.

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 the proposed drill program and the timing and amount of expenditures. Except as required under applicable securities laws, Callinex does not assume the obligation to update any forward-looking statement.

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