

## Highlights

- Drill hole NC17-245 intersected 18.7m of 5.8% Zn Eq. including a higher grade interval of 5.0m grading 8.9% Zn Eq.; and
- NC17-245 was completed to test the theory that historic drilling intersected unreported mineralization due to inadequate sampling based on visual observations.

VANCOUVER, Sept. 12, 2017 /CNW/ - [Callinex Mines Inc.](#) (the "Company" or "Callinex") (TSX-V: CNX; OTCQX: CLLXF) is pleased to announce results from four drill holes completed at the Company's 100% owned Nash Creek Project located within the Bathurst Mining District of New Brunswick (See Figures 1 and 2). Hole NC17-245 was drilled approximately 20m from historic drill hole NC79-06 that had only one 1.3m sample taken which assayed 2.2% Zn and 0.4% Pb (See Figure 3). The drill hole was completed to test the theory that historic drilling may have intersected unidentified mineralization due to inadequate sampling based on visual observations (See Figure 4). Drill hole NC17-245 was collared into mineralization and the first 19 samples all intersected above 2.5% zinc equivalent mineralization ("Zn Eq.") resulting in an 18.7m intersection grading 5.8% Zn Eq. (4.6% Zn, 0.7% Pb and 23.1 g/t Ag) beginning at 10m depth including a higher grade interval of 5.0m of 8.9% Zn Eq. (7.2% Zn, 1.2% Pb and 31.4 g/t Ag) (See Table 1).

Max Porterfield, President and CEO, stated, "It is becoming evident that there is a significant opportunity to expand the size and grade of the Nash Creek Deposit by conducting additional drilling within and outside the limits of the current mineral resource. Discovering additional mineralization within a conceptual open pit should improve the economics of the project in an upcoming Preliminary Economic Assessment."

The 1.3m of 2.2% Zn and 0.4% Pb intersected in historic drill hole NC79-06 was the only sample submitted from the hole for assaying. This sample from hole NC79-06 compares favorably with a similar intersection in hole NC17-245 at approximately the same depth that is contained within the larger 18.7m interval grading 5.8% Zn Eq. Interestingly, the sample from NC79-06 was obtained further down hole than the high-grade zone of 5.0m grading 8.9% Zn Eq. in drill hole NC17-245.

The Company's technical team was aware of limitations with relying on visual estimates for selecting drill core samples. Prior to Callinex's initial exploration campaign at Nash Creek a rigorous core sampling policy was implemented. It is also noteworthy that approximately 48% of historic drill holes in the Company's database were not drilled beyond 100m depth, where potential open pit mineralization exists within certain areas of the deposit. Additionally, of all the holes drilled prior to 2017 less than 30% of the total hole length was sent to a laboratory for analytical testing. As a result, there may be an opportunity for additional testing to identify mineralization that could be included within an conceptual open pit. Further work will be required to evaluate the potential for additional unreported mineralization.

Drill hole NC17-242 also intersected significant mineralization including 13.3m of 3.3% Zn Eq. (2.6% Zn, 0.5% Pb and 14.4 g/t Ag) at a starting depth of 77.9m. This hole intersected a mineralized zone known as the "Satellite Zone" that may represent an additional opportunity for resource expansion near the southern area of the deposit. Recently, Callinex announced that it has expanded the Nash Creek Deposit approximately 500m to the north based on recent drilling (See News Release dated September 5, 2017).

The Nash Creek Project is ideally situated approximately 1 km south of Provincial Highway 11 and has access to power supplied by a nearby 450 MW power station (See Figure 1 and 2). Additionally, the Project is located 100 km by road to Trevali's Caribou Mine and 25 km by road to Glencore's Belledune lead/silver smelter, which has direct railway access to Glencore's Canadian zinc smelting and refining operations.

The southern 1.5km of the 2km long Nash Creek Deposit contains an indicated resource totaling 712 million pounds of Zn Eq. mineralization and an inferred resource totaling 88 million pounds of Zn Eq. mineralization (See Table 2). The Superjack Project located 100 km by highway to the southwest hosts an additional near-surface inferred resource totaling 328 million pounds of Zn Eq. mineralization in the Bathurst Mining Camp (See Table 2 and Figure 1).

The Company has now reported results from 23 of 24 drill holes totaling 4,613 m completed at the Nash Creek Project. Additional drilling is anticipated to occur following the completion of ongoing drilling at the nearby Superjack Project.

Jason Levers, P.Geo, a qualified person under National Instrument 43-101 and a Staff Geologist for Callinex, has reviewed and approved the technical information in this news release

Figure 1: Map of the Bathurst Mining District of New Brunswick

Figure 2: Plan Map of the Nash Creek Deposit

Figure 3: Plan Map of the Reported Nash Creek Drill Holes

Figure 4: Core Photo from Drill Hole NC17-245

Table 1: Nash Creek Drill Results

Nash Creek Deposit Drill Results<sup>(1)(2)(3)</sup>

| Drill Hole | From (m) | To (m) | Interval (m) | Zn (%) | Eq. Zn (%) | Pb (%) | Ag (g/t) |
|------------|----------|--------|--------------|--------|------------|--------|----------|
| NC17-240   | 45.8     | 50.4   | 4.6          | 1.46   | 1.29       | 0.15   | 1.86     |
| and        | 180.1    | 188.6  | 8.5          | 2.68   | 2.12       | 0.38   | 9.86     |
| including  | 185.3    | 188.6  | 3.3          | 5.18   | 4.23       | 0.62   | 17.85    |
| and        | 198.3    | 203.2  | 4.7          | 3.96   | 2.75       | 0.87   | 19.76    |
| including  | 198.3    | 200.4  | 2.1          | 6.41   | 4.47       | 1.43   | 30.73    |
| NC17-242   | 35.2     | 39.3   | 4.2          | 2.47   | 1.66       | 0.40   | 20.20    |
| and        | 77.9     | 98.7   | 13.3         | 3.32   | 2.59       | 0.46   | 14.42    |
| including  | 77.9     | 82.6   | 4.7          | 5.42   | 4.45       | 0.54   | 22.14    |
| and        | 95.2     | 95.7   | 0.5          | 18.95  | 14.10      | 3.91   | 63.70    |
| and        | 166.8    | 168.9  | 2.1          | 4.08   | 1.97       | 1.88   | 20.85    |
| and        | 182.3    | 183.3  | 1.0          | 4.64   | 2.62       | 1.37   | 36.50    |
| and        | 196.4    | 216.2  | 7.9          | 1.42   | 1.02       | 0.24   | 8.21     |
| NC17-244   | 20.8     | 22.0   | 1.3          | 3.00   | 0.43       | 2.76   | 7.36     |
| and        | 53.0     | 54.8   | 1.9          | 2.99   | 1.81       | 0.56   | 30.19    |
| and        | 59.0     | 59.70  | 0.8          | 6.04   | 5.35       | 0.33   | 17.60    |
| and        | 68.6     | 69.4   | 0.7          | 12.77  | 8.89       | 3.58   | 33.80    |
| and        | 74.4     | 82.7   | 8.4          | 2.39   | 1.59       | 0.66   | 9.85     |
| including  | 79.7     | 80.5   | 0.9          | 9.10   | 7.20       | 1.14   | 39.60    |
| NC17-245   | 10.0     | 28.7   | 18.7         | 5.79   | 4.64       | 0.72   | 23.10    |
| including  | 13.0     | 26.9   | 13.9         | 6.72   | 5.36       | 0.86   | 26.73    |
| including  | 13.0     | 18.0   | 5.0          | 8.89   | 7.16       | 1.16   | 31.64    |
| and        | 37.0     | 39.7   | 2.7          | 3.84   | 3.12       | 0.39   | 16.79    |

Notes<sup>(1)(2)(3)</sup>:

1. Zinc equivalent grades are based on the following metal prices: zinc US\$2,525/t (1.15/lb), lead US\$2,205/t (1.00/lb), and silver US\$18.0 per oz. Metal recoveries of 100% were applied in the metal equivalent calculations. The zinc equivalent calculation is as follows:  $ZnEq = 100 ((Ag \text{ Price in (g)} \times Ag \text{ Grade}) + (Pb \text{ Price} \times 2204.6 \times Pb \text{ Grade}(\%)/100) + (Zn \text{ Price} \times 2204.6 \times Zn \text{ Grade}(\%)/100))/Zn \text{ Price} \times 2204.6$ .
2. The numbers may not add due to rounding.
3. True widths are not currently known.

Table 2: 2016 Mineral Resource Estimates for the Nash Creek and Superjack Projects

## Indicated Mineral Resources

| Project    | Tonnes    | Zn Eq.<br>(%) | Zn<br>(%) | Pb<br>(%) | Ag<br>(g/t) | Cu<br>(%) | Contained Zn Eq.<br>(000 pounds) |
|------------|-----------|---------------|-----------|-----------|-------------|-----------|----------------------------------|
| Nash Creek | 9,033,000 | 3.58          | 2.79      | 0.57      | 18.16       | n/a       | 711,991                          |
| Total      | 9,033,000 | 3.58          | 2.79      | 0.57      | 18.16       | n/a       | 711,991                          |

## Inferred Mineral Resources

| Project    | Tonnes    | Zn Eq.<br>(%) | Zn<br>(%) | Pb<br>(%) | Ag<br>(g/t) | Cu<br>(%) | Contained Zn Eq.<br>(000 pounds) |
|------------|-----------|---------------|-----------|-----------|-------------|-----------|----------------------------------|
| Superjack  | 3,211,000 | 4.63          | 3.01      | 0.78      | 29.46       | 0.27      | 327,618                          |
| Nash Creek | 1,113,000 | 3.58          | 2.83      | 0.57      | 15.51       | n/a       | 87,883                           |
| Total      | 4,324,000 | 4.36          | 2.96      | 0.73      | 25.87       | 0.20      | 415,501                          |

## Notes:

- Resources are categorized according to CIM Definition Standards; it cannot be assumed that all or any part of Inferred Mineral Resources will be upgraded to Indicated or Measured as a result of continued exploration.
- The Nash Creek mineral resource estimate includes the Hickey Zone and Hayes Zone.
- The Superjack mineral resource estimates includes the Nepisiguit A (the "A Zone") and Nepisiguit C Zones (the "C Zone").
- Zinc equivalent resources for the Nash Creek Project were calculated using metal prices of \$0.90/lb for zinc, \$0.87/lb for lead, and \$17.73/oz for silver. Metallurgical recoveries have been assumed to be 90.5% for zinc, 81.5% for lead and 50% for silver. A cut-off grade of 2.0% Zn Eq. was utilized in the resource estimate.
- Zinc equivalent resources for the Superjack Project were calculated using metal prices of \$1.12/lb for zinc, \$1.06/lb for lead, \$2.97/lb for copper and \$20.38/oz for silver. Metal recoveries have been assumed to be 100% for zinc, 72% for lead, 86% for copper and 70% for silver. A cut-off grade of 1.5% Zn Eq. was utilized in the resource estimate.

Table 3: NQ Diamond Drill Hole Data

| Hole ID  | UTM Zone 19T<br>NAD 83 East | UTM Zone 19T<br>NAD 83 North | Elevation<br>(m) | Azimuth<br>(° N UTM) | Dip<br>(°) | Length<br>(m) |
|----------|-----------------------------|------------------------------|------------------|----------------------|------------|---------------|
| NC17-240 | 716940                      | 5307497                      | 87               | 0                    | -90        | 204           |
| NC17-242 | 716791                      | 5307370                      | 97               | 0                    | -90        | 228           |
| NC17-244 | 716714                      | 5307767                      | 83               | 0                    | -90        | 162           |
| NC17-245 | 716864                      | 5307740                      | 78               | 0                    | -90        | 80            |

## QA/QC

Individual samples were labeled, placed in plastic sample bags, and sealed. Groups of samples were then placed in security sealed bags and shipped directly to SGS Canada Inc in Vancouver, B.C. for analysis. Samples were crushed to 75% passing 2mm and pulverized to 85% passing 75 microns in order produce a 250g split. All copper, zinc and silver assays were determined by Aqua Regia digestion with a combination of ICP-MS and ICP-AES finish, with overlimits (>100 ppm Ag, >10,000 ppm Zn, and >10,000 ppm Cu) completed by fire assay with gravimetric finish (Ag) or Aqua Regia digestion with ICP-AES finish (copper and zinc). All samples were analyzed for gold by Fire Assay of a 30 gram charge by AAS, or if over 10.0 g/t were re-assayed and completed with a gravimetric finish. QA/QC included the insertion and continual monitoring of numerous standards and blanks into the sample stream at a frequency of 1 per 10 samples, and the collection of duplicate samples at random intervals within each batch at a frequency of 1 per 10 samples.

SGS Canada Inc carried out some or all of following methods to obtain the assay results for Callinex: G\_LOG02 Pre-preparation processing, G\_WGH79 Weighing and reporting, G\_PRP89 Weigh, dry, crush, split, pulverize, G\_SCRQC QC for crush and pulverize stages, G\_CRU22 Crush >3kg, G\_DRY11 Dry samples, GE\_FAA313 @Au, FAS, AAS, 30g-5ml (Final mode), GE-IC14A Aqua Regia digestion/ICP-AES finish, GE\_IMS14B Aqua Regia digestion/ICP-MS package, GE\_IMS14 Aqua Regia digestion, GO\_FAG303 30g, Fire assay, gravimetric finish (Au)(Final Mode), GO\_FAG313 30g, Fire assay, gravimetric finish (Ag)(Final Mode), G0\_ICP13B Ore Grade, Aqua Regia digest/ICP-AES. Ag >10ppm was analyzed by ICP and GO\_XRF77B-pyrosulfate fusion.

About Callinex Mines Inc.

[Callinex Mines Inc.](#) (TSX-V: CNX ; OTCQX: CLLXF) is advancing its portfolio of zinc rich deposits located in established Canadian mining jurisdictions. The portfolio is highlighted by its Nash Creek and Superjack deposits in the Bathurst Mining District of New Brunswick. Callinex is actively drilling these projects in support of an updated resource estimate and maiden PEA planned for Q1 2018.

Additionally, Callinex is actively exploring its projects in the Flin Flon Mining District of Manitoba which notably include the Pine Bay and Big Island Projects. These projects are located within 25 km to an operating processing facility that requires additional ore within four years.

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