Callinex Intersects 9 Meters of 10% Zinc and Continues to Expand the Near-Surface Nash Creek Deposit

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Highlights

- Drill hole NC17-257 returned exceptional near-surface results with a 15.0m intersection grading 7.2% Zn Eq. inclu of 11.1% Zn Eq. from a starting depth of 113.0m;
- Hole NC17-255 intersected 21.0m of 2.8% Zn Eq. including 9.0m of 5.5% Zn Eq. at a starting depth of 118.0m; ar
- The Nash Creek Deposit has been expanded 600m north of the mineral resource and the deposit remains open f expansion.

VANCOUVER, Jan. 18, 2018 /CNW/ - Callinex Mines Inc. (the "Company" or "Callinex") (TSX-V: CNX; OTCQX: CLLXF pleased to announce assay results from four drill holes as part of the recently completed 35 drill hole campaign at the C 100% owned Nash Creek Deposit located within the Bathurst Mining District of New Brunswick (See Figures 1, 2 and 3 NC17-257 returned exceptional near-surface results with a 15.0m intersection grading 7.2% zinc equivalent ("Zn Eq.") mineralization including 9.0m of 11.1% Zn Eq. from a starting depth of 113.0m (See Table 1). These four holes have ex Nash Creek Deposit an additional 180m to the north of the initial 2017 summer drilling campaign, and 600m north of the resource (See Figure 4). The deposit remains open for expansion to the north and south.

Highlights from these four drill holes include:

- Hole NC17-248 intersected 13.0m of 2.5% Zn Eq. including 4.6m of 4.5% Zn Eq. at a starting depth of 82.0m;
- Hole NC17-255 intersected 21.0m of 2.8% Zn Eq. including 9.0m of 5.5% Zn Eq. at a starting depth of 118.0m;
- Hole NC17-257 intersected 15.0m of 7.2% Zn Eq. including 9.0m of 11.1% Zn Eq. at a starting depth of 113.0m; a
- Hole NC17-269 intersected 7.0m of 3.2% Zn Eq. including 3.0m of 6.6% Zn Eq. at a starting depth of 108.5m.

Max Porterfield, President and CEO, stated, "Our success in expanding the strike length of the deposit by nearly 50% o six months of exploration speaks to the exciting potential of the project. While we continue to focus on exploration adva 2018, we are eager to publish an updated resource and maiden Preliminary Economic Assessment for the Nash Creek the coming months. We are targeting the PEA to have a base-case scenario of a standalone open pit operation with po process between 15 to 20 million tonnes of material.

Callinex plans to delineate the extent of the Nash Creek Deposit along strike in both directions along a 3 km long zinc-l anomaly, of which only the southern 2 km has been drilled and is coincident with the Nash Creek Deposit. The Compar plans to test satellite zones that are open for expansion and commence a district-scale exploration program along the 2 land package.

The Nash Creek Deposit hosts a near surface indicated resource totaling 712 million pounds Zn. Eq. and inferred resou 88 million pounds of Zn Eq. (See Table 2). The Company's Superjack hosts an additional near-surface inferred resourc 328 million pounds of Zn Eq. in the Bathurst Mining District (See Table 2).

The Project benefits from tremendous infrastructure within close proximity. The Nash Creek Deposit is located approxim from Provincial Highway 11, high-voltage transmission lines and only 25 km by road to Glencore's Brunswick Smelter, c port, railway and power plant near the town of Belledune (See Figures 1 and 2). Callinex is currently working towards p updated resource estimate and maiden Preliminary Economic Assessment ("PEA").

The PEA is expected to have a base-case scenario of a standalone open pit operation with potential to process betwee million tonnes of material using dense media separation ("DMS") as a pre-concentration process before the material wo delivered to a conventional flotation mill.

Metallurgical test work indicates the Nash Creek Deposit is amenable to conventional flotation techniques with recoveries of 91% for zinc and 82% for lead based on a coarse grind size. Additional tests also indicate that the current resource grade could be upgraded with the use of dense media separation to a head grade of 5-7% Zn Eq. (See News Release dated September 12, 2016).

Mineralization at the Nash Creek Deposit is hosted in both felsic and mafic units, with porosity and structure (specificall faults/fracture zones) being the key features that control the extent and distribution of the mineralization. Zinc mineraliz hosted in a low iron sphalerite that is difficult to visually estimate and lead mineralization is hosted in galena. The miner envelopes (lenses) are sub-horizontal and appear to cross-cut the shallow east dipping stratigraphy.

Drilling in the northeastern area has indicated that the stratigraphy appears to dip more steeply towards the northeast p deposit than other areas. Also, this area appears to have a significantly higher ratio of zinc relative to lead and silver as to other portions of the deposit.

Jason Levers, P.Geo, a qualified person under National Instrument 43-101 and Project Geologist for Callinex, has revie 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 Nash Creek Deposit Expansion Holes

Figure 4: Long Section View of the Nash Creek Deposit

Figure 5: Cross Section View of Reported Drill Holes

Table 1: Nash Creek Drill Results

Nash Creek Drill Results[1][2][3]							
Drill Hole	From (m)	To (m)	Interval (m)	Zn Eq. (%)	Zn (%)	Pb (%)	Ag (g/t)
NC17-248	82.0	95.0	13.0	2.53	2.15	0.36	2.51
Including	88.4	93.0	4.6	4.46	3.97	0.51	1.58
NC17-255	118.0	139.0	21.0	2.81	2.60	0.23	0.41
Including	129.0	138.0	9.0	5.52	5.14	0.43	0.26
Including	135.0	137.0	2.0	10.32	9.63	0.79	0.37
NC17-257	113.0	128.0	15.0	7.16	6.63	0.44	6.53
Including	118.0	127.0	9.0	11.10	10.34	0.65	8.66
Including	123.0	125.0	2.0	25.50	23.90	1.26	21.90
NC17-269	108.5	115.5	7.0	3.17	2.56	0.32	14.43
Including	108.5	111.5	3.0	6.58	5.24	0.68	32.63

Notes[1][2][3]:

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 Price in (g) x Ag Grade) + (Pb Price*2204.6 x Pb Grade(%)/100) + (Zn Price*2204.6 x (Zn Grade(%)/100))/Zn Price*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. (%)	Zn (%)	Pb (%)	Ag (g/t)	Cu (%)	Contained Zn Eq. ('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. (%)	Zn (%)	Pb (%)	Ag (g/t)	Cu (%)	Contained Zn Eq. ('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:

1. 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.

2. The Nash Creek mineral resource estimate includes the Hickey Zone and Hayes Zone.

3. The Superjack mineral resource estimates include the Nepisiguit A (the "A Zone") and Nepisiguit C Zones (the "C Zone").

4. 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.

5. 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 NAD 83 East	UTM Zone 19T NAD 83 North	Elevation (m)	Azimuth (º N UTM)	Dip (º)	Length (m)
NC17-248	716904	5308822	60	0	-90	177
NC17-255	716972	5308929	57	0	-90	196
NC17-257	716995	5308849	54	0	-90	216
NC17-269	717057	5308886	36	0	-90	183

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 Q2 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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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 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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