Callinex Intersects Extensive Near-Surface Zinc Mineralization at Nash Creek in New Brunswick

22.01.2018 | CNW

Highlights

- Drill Hole NC-249, the northernmost hole, intersected extensive mineralization including 53.8m of 2.8% Zn Eq. sta depth of 18.5m including higher grade intervals;
- These drill four holes have expanded the lateral extent of the northernmost area of the Nash Creek Deposit up to
- Plans to delineate the extent of the Nash Creek Deposit along strike in both directions along a 3 km long zinc-lead anomaly, of which only the southern 2 km has been drilled.

VANCOUVER, Jan. 22, 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 these four drill holes expanded the Nash Creek Deposit to the northwest of recently reported drill holes NC17-248, NC1 NC17-257 and NC17-269 (See News Release dated January 18, 2018). Drill Hole NC-249, the northernmost hole, inter extensive mineralization including 53.8m of 2.8% Zn Eq. starting at a depth of 18.5m including two separate higher-grad of 11.5m of 5.1% Zn Eq. and 10.7m of 4.0% Zn Eq. within 60m of surface (See Figures 4 and 5). These drill holes have the lateral extent of the northernmost area of the Nash Creek Deposit up to 260m (See Figure 2 and 3).

Highlights from these drill holes include:

- Hole NC17-246 intersected 12.0m of 3.9% Zn Eq. from a starting depth of 44.1m including 8.4m of 5.3% Zn Eq. a separate intersection of 3.3m grading 4.4% Zn Eq. at a starting depth of 84.7m;
- Hole NC17-247 intersected 7.0m of 1.9% Zn Eq. at a starting depth of 82.0m including 1.0m of 6.1% Zn Eq.; and
- Hole NC17-249 intersected 53.8m of 2.8% Zn Eq. including 11.5m of 5.1% Zn Eq. at a starting depth of 18.5m inc 11.5m of 5.1% Zn Eq. and 10.7m of 4.0% Zn Eq.

Max Porterfield, President and CEO, stated, "The impressive width of mineralization intersected indicates potential to b additional tonnage in the northern expansion of the Nash Creek Deposit. Furthermore, the depth of this mineralization c with higher grade zones could add significant value to the upcoming PEA."

Callinex plans to delineate the extent of the Nash Creek Deposit along strike in both directions that is coincident with a zinc-lead soil anomaly, of which only the southern 2 km has been drilled. The Company also plans to test satellite zone open for expansion and commence a district-scale exploration program along the 20 km long 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 approxi 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 recoveri for zinc and 82% for lead based on a coarse grind size. Additional tests also indicate that the current resource grade co

upgraded with the use of dense media separation to a head grade of 5-7% Zn Eq. (See News Release dated Septembe

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)
NC17-246	44.1	56.0	12.0	3.85	3.09	0.41	17.36
including	47.1	55.6	8.4	5.25	4.23	0.56	22.96
and	84.7	88.0	3.3	4.35	3.22	0.58	27.33
and	109.0	110.0	1.0	3.03	0.84	2.17	12.65
and	133.9	135.4	1.5	3.86	1.50	2.52	7.08
NC17-247	82.0	89.0	7.0	1.90	1.67	0.26	0.14
including	83.0	84.0	1.0	6.11	4.94	1.34	0.09
and	108.8	110.3	1.5	1.90	1.77	0.15	0.07
NC17-249	10.5	113.0	102.5	1.94	1.67	0.26	1.76
including	18.5	72.3	53.8	2.78	2.44	0.35	1.51
including	22.0	33.5	11.5	5.08	4.62	0.45	2.91
and	45.3	56.0	10.7	4.01	3.55	0.51	0.37
NC17-250	No Significant Results						

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. All intervals are reported as core width drilled thicknesses; true thicknesses are estimated to be 80-100% of drilled thicknesses.

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

Indicated Mineral Resources						
Project	Zn Eq. (%)	Zn (%)	Pb (%)	Ag (g/t)	Cu (%)	Contained Zn Eq. ('000 pounds)
Nash Creek	8.58	2.79	0.57	18.16	n/a	711,991
Total	3.58	2.79	0.57	18.16	n/a	711,991

Inferred Mineral Resources						
Project	Zn Eq. (%)	Zn (%)	Pb (%)	Ag (g/t)	Cu (%)	Contained Zn Eq. ('000 pounds)
Superjack	4.63	3.01	0.78	29.46	0.27	327,618
Nash Creek	8.58	2.83	0.57	15.51	n/a	87,883
Total	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 includes 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)	Lengt
NC17-246	716830	5308792	56	0	-90	141
NC17-247	716881	5308881	62	0	-90	138
NC17-249	716850	5308951	63	0	-90	186
NC17-250	716820	5308872	68	0	-90	126

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.

Contact

Callinex Mines Inc., Max Porterfield, President and Chief Executive Officer, Phone: (604) 605-0885, E-mail: info@callinex.ca

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 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.

SOURCE Callinex Mines Inc.