Callinex Provides Exploration Update for its Nash Creek Zinc Project

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VANCOUVER, July 5, 2018 /CNW/ - Callinex Mines Inc. (the "Company" or "Callinex") (TSXV: CNX) (OTCQX: CLLXF) is pleased to provide an update on its upcoming exploration program at the Company's 100% owned Nash Creek Zinc Project (the "Project") located in the Bathurst Mining District of New Brunswick, Canada (See Figures 1 and 2). The upcoming exploration campaign is anticipated to include approximately 20 to 40 drill holes totaling 3,500 to 7,000m along and up to 160 line km of ground induced polarization ("IP") surveys. The primary focus of the exploration campaign will be to test potential for satellite zinc-lead-silver deposits periphery to the Nash Creek Deposit (See Table 1), where limited drilling has occurred outside of the Hickey and Hayes zones (See Figure 3). The diamond drilling phase of the campaign is anticipated to commence next week and the ground IP surveys will follow soon after.

There are six main target areas that surround the Nash Creek Deposit and include: Hayes South, Hayes North, Hickey East, NW Soil Anomaly, Hickey North and the Central Zone (See Figure 3).

The Hayes South exploration area will test the southeast extension of the Hayes Zone, which represents one of the highest grade and widest mineralized zones discovered to date at the Project. Drilling will test the down-plunge portion of the the Hayes Zone which has potential for an underground operation to follow the open-pit mining scenario outlined in the 2018 Preliminary Economic Assessment ("PEA").

The Hayes North Expansion will consist of a few drill holes to test a gap along the Hayes Fault that hosts the Hayes Zone and the historic McMillan Zone. Mineralization in the Hayes and McMillan zones occur within the felsic volcanic rocks whereas the mafic volcanic rocks host the Hickey Zone. There is an approximate 900m long by 250m wide gap in drilling between the Hayes and McMillan zones along the Hayes Fault (See Figure 3).

The Hickey East expansion will be completed to expand drill coverage along a 250m long by 200m wide untested portion of an IP target (See Figure 3). The majority of this IP target has already been drilled and represents relatively higher grade zinc and lead mineralization within the Hickey Zone. The Company is working towards submission of a permit application to access this target area.

The NW Soil Anomaly target covers an approximate 800m long by 400m wide area covering an untested portion of a 3 km long soil anomaly. The southern 2 km of the soil anomaly represents the Nash Creek Deposit (See Figure 3). It is anticipated that this target area could host near-surface mineralization and is situated along the eastern boundary of the north-south trending Black Point-Arleau Brook Fault, which is the major basin bounding fault of the half-graben that hosts the Nash Creek Deposit.

The Hickey North area consists of the projected strike extension of the Hickey Zone and covers the northeastern portion of the 3 km long soil anomaly. Drilling will be completed to identify the depth of favorable host stratigraphy approximately 700m north of the northernmost extent of the Hickey Zone (See Figure 3).

The Central Zone represents an interesting target in an area with limited drilling. The Central Zone is reported to occur within the same stratigraphic package as the Nash Creek Deposit. Limited drilling consisting of four holes along a 550m long trend has intersected significant zinc and lead intersections in all drill holes. A 60 line km ground IP survey will be completed to further delineate zinc-lead-silver mineralization and potential to discover new deposits.

The IP program may be expanded up to 160 line km to cover high-priority target areas along a 20 km trend of mineral occurrences grading up to 19% Pb+Zn (See News Release dated August 21, 2017). To date,

most of the drilling along these IP targets have demonstrated a strong correlation with the 2018 mineral resource estimate.

The 2018 PEA outlined a high-margin, open-pit mine plan that generates a pre-tax internal rate of return of 34.1% and Net Present Value at an 8% discount rate of $230 million (See News Release dated May 14, 2018). The life of mine all-in sustaining costs ("AISC") were estimated at approximately $0.37 per pound of zinc produced, net of by-product credits (See News Release dated May 14, 2018). There is a clear opportunity to significantly enhance the project's economics with additional exploration that extends the mine life and/or allows for higher grade material to be scheduled earlier in the mine plan.

A two-minute overview video for the Nash Creek Project can be viewed by clicking here.

Cautionary Note on PEA. The PEA is preliminary in nature and it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the PEA will be realized.

J.J. O'Donnell, P.Geo, a qualified person under National Instrument 43-101 and a Consulting 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: Nash Creek Land Package

Figure 3: Plan Map of the Nash Creek Deposit

Table 1: 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. (M lbs)
Nash Creek	3,592,000	3.21	2.68	0.58	17.8	n/a 963.4
Total	3,592,000	3.21	2.68	0.58	17.8	n/a 963.4

Inferred Mineral Resources							
Project	Tonnes	Zn Eq. (%)	Zn (%)	Pb (%)	Ag (g/t)	Cu (%)	Contained Zn Eq. (M lbs)
Superjack	3,211,000	4.63	3.01	0.78	29.5	0.27	327.6
Nash Creek	5,929,000	3.11	2.68	0.47	13.9	n/a	407.1
Total	9,140,000	3.64	2.80	0.58	19.4	0.09	734.7

Notes:

1. Mineral 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 Mineral Resources for the Nash Creek Project based on trailing 3-year metal prices and metallurgical recovery assumptions based on limited testwork. Zinc equivalency is calculated as Zn%+ 0.747*Pb% + 0.006*Ag_ppm.
5. A cut-off grade of 1.5% Zn Eq. was utilized in the resource estimate.
6. Zinc equivalent Mineral 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 Mineral Resource Estimate.

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. A 2018 PEA outlined a mine plan that generates a strong economic return with a pre-tax IRR of a 34.1% (25.2% post-tax) and a pre-tax NPV8% of C$230 million (C$128 million post-tax). The projects have significant exploration upside over a district-scale land package that encompasses several high-grade mineral occurrences along a 20 km trend. Click here to view a video overview of the Nash Creek Project.

Callinex has a project portfolio that also includes projects within the Flin Flon Mining District of Manitoba that are located 25 km to an operating processing facility that requires additional ore. The Company's projects host Indicated resources of 13.6 Mt averaging 3.2% Zn Eq. totaling 963 million pounds and Inferred resources of 23.2 Mt averaging 5.2% Zn Eq. totaling 2.7 billion pounds (See News Release dated April 16, 2018).

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