

Callinex Announces Results from the 2018 Drilling Campaign

VANCOUVER, Dec. 13, 2018 /CNW/ - [Callinex Mines Inc.](#) (the "Company" or "Callinex") (TSX-V: CNX; OTCQX: CLLXF) is pleased to announce results from the 2018 drilling campaign (the "Campaign") at the Company's 100% owned Nash Creek Project (the "Project") located within the Bathurst Mining District of New Brunswick (See Figures 1 and 2). The majority of drill holes were completed to test sparsely drilled areas periphery to the Nash Creek Deposit and two holes were drilled to test a preliminary induced polarization ("IP") target (the "Central Zone target") to the east (See Table 1 and News Release dated July 11, 2018). Most of the holes drilled to the north targeted an untested portion of a 3 km long soil anomaly and did not encounter significant mineralization. The two widely-spaced holes drilled into the Central Zone target intersected mineralization ranging up to semi-massive sulphides with zinc and lead values (See Table 1).

Two widely-spaced drill holes, NC18-301 and NC18-302, tested part of the Central Zone target that was identified late in the 2018 field season. Results from these two drill holes has revealed lithologies, alteration, and mineralization which replicates an environment similar to the Hickey Zone, located 1.2 km to the west. This Central Zone target was identified within a small area that was covered as part of a much larger 175 line km IP survey that was previously announced (See News Release dated October 1, 2018). The district-scale IP survey is still ongoing and anticipated to be completed in the first quarter of 2019.

A 2019 drilling campaign is anticipated to follow-up on targets generated from the IP survey including additional drilling on the Central Zone target that spans 1900m x 400m and is located 1 km east of the Nash Creek Deposit. Nearly all volcanogenic massive sulphide deposits occur in clusters and the Nash Creek deposit is the only deposit along this 20 km trend. To date, very limited exploration has been completed within the Nash Creek land package that encompasses several high-grade mineral occurrences and has potential to host other deposits.

These results have confirmed that IP is the most effective method to directly target near-surface mineralization at the Project. The ability of the IP survey to accurately vector towards increased sulphide mineralization, which generally correlates with higher grade mineralization at the Nash Creek Deposit, is very encouraging to apply on the 150 km² district-scale land package.

Additionally, the drilling campaign identified mineralization west and east of the Hickey Zone with drill holes NC18-281 intersecting 3.0m of 10.9% Zn, 1.2% Pb and 23.3 g/t Ag along with NC18-293 intersecting 9.0m of 2.3% Zn, 0.4% Pb and 5.9 g/t Ag (See Table 1 and Figure 2). Mineralization was also encountered to the northwest of the Hayes Zone. These results confirm the potential to expand the deposit further with step-out drilling in the future.

Drill hole NC17-289 completed 475m to the north of the Hickey Zone intersected 8.0m of 1.8% Zn, 0.3% Pb, and 3.4 g/t Ag. The depth of mineralization intersected indicates that the stratigraphy plunges to the north and any future exploration in this area would be focused on targeting mineralization that could be amenable to underground mining. Drilling completed along a 3 km long soil anomaly to the northwest did not encounter significant mineralization, unlike it had previously along the southern 2 km where it was coincident with an IP response.

The Company's overall exploration activities since mid-2017 have yielded positive results that contributed to an increase in Indicated zinc equivalent pounds by 74%, to 963 million pounds, and Inferred zinc equivalent pounds have increased by 385%, to 407 million pounds since the Project was acquired in 2016 (See Table 2 and News Release dated April 16, 2018).

The maiden 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 based on a zinc price of US \$1.25 (See News Release dated May 14, 2018). The life of mine all-in sustaining costs ("AISC") were estimated at approximately US \$0.28 per pound of zinc produced, net of by-product credits (See News Release dated May 14, 2018).

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 Consultant for Callinex, has reviewed and approved the technical information in this news release.

2018 Annual General Meeting

Callinex recently held its Annual General Meeting on December 11, 2018. The Company is pleased to report that over 29 million shares were voted and that all resolutions put forward by the Board of Directors were overwhelmingly approved with each item receiving approximately 99% of support. These resolutions included setting the number of directors at five and approved the appointment of Max Porterfield, Mike Muzykowski, Nico Civelli, Michael Louie and Keith Minty to the Board of Directors. Shareholders appointed PricewaterhouseCoopers LLP as auditors of the Company until the next annual general meeting and to authorize the directors of the Company to fix the remuneration to be paid to the auditors.

Acquisition of Headway Property

Callinex is also pleased to announce that it has acquired a 100% interest in the Headway Property, located in the Bathurst Mining District, New Brunswick. In consideration of the Headway Property, Callinex issued a total of 250,000 common shares to the vendor. The details of the transaction are set forth in the news release dated November 14, 2018.

[Figure 1: Map of the Bathurst Mining District of New Brunswick](#)

[Figure 2: Plan Map of the Nash Creek Deposit](#)

Table 1: Nash Creek Drill Results

Nash Creek Drill Results ⁽¹⁾⁽²⁾⁽³⁾						
Drill Hole	From (m)	To (m)	Interval (m)	Zn (%)	Pb (%)	Ag (g/t)
NC18-281	99.0	102.0	3.0	10.91	1.19	23.33
including	101.0	102.0	1.0	20.70	1.20	1.00
NC18-283	42.0	47.0	5.0	2.53	0.40	2.20
including	42.0	44.0	2.0	4.08	0.60	1.00
NC18-285	20.0	26.0	6.0	1.37	0.05	1.00
NC18-289	306.0	314.0	8.0	1.84	0.28	3.38
including	306.0	310.0	4.0	2.78	0.45	4.25
NC18-293	68.0	77.0	9.0	2.25	0.40	5.89
including	68.0	72.0	4.0	3.24	0.42	8.75
NC18-301	82.0	88.0	6.0	1.18	0.25	7.00
NC18-302	36.0	40.0	4.0	0.13	1.92	5.75

Notes⁽¹⁾⁽²⁾⁽³⁾:

1. The numbers may not add due to rounding.
2. All intervals are reported as core width drilled thicknesses; true thicknesses are estimated to be 80-100% of drilled thicknesses.
3. Drill holes NC18-282, NC18-284, NC18-286, NC18-287, NC18-288, NC18-290, NC18-291, NC18-292, NC18-294 and NC18-295 did not intersect any significant mineralization while assays for drill holes NC18-296, NC18-297, NC18-298, NC18-299, NC18-300 and NC18-303 are still pending but the Company does not anticipate any material results.

Table 1: 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. (M lbs)
Nash Creek	13,592,000	3.21	2.68	0.58	17.8	n/a	963
Total	13,592,000	3.21	2.68	0.58	17.8	n/a	963

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	328
Nash Creek	5,929,000	3.11	2.68	0.47	13.9	n/a	407
Total	9,140,000	3.64	2.80	0.58	19.4	0.09	735

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 $Zn\% + 0.747 \cdot Pb\% + 0.006 \cdot Ag \text{ ppm}$.
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.
7. Numbers may not add due to rounding.

Table 2: Comparison of Mineral Resources Since Acquisition in 2016

Timeframe ¹	Classification ²	Cut-off, ZnEq ^{3,4} (%)	Tonnes	Zn (%)	Pb (%)	Ag (gpt)	ZnEq ^{3,4} (%)	ZnEq ^{3,4} Contained (lbs)
Pre-Acquisition	Indicated	2.0	7,807,900	2.72	0.55	18.3	3.22	554,268,000
Post-Acquisition	Indicated	1.5	13,592,000	2.68	0.58	17.8	3.21	963,392,000
Percent Change	N/A	N/A	+ 74%	- 1%	+ 5%	- 2%	0%	+ 74%
Pre-Acquisition	Inferred	2.0	1,211,700	2.66	0.52	18.0	3.14	71,057,000
Post-Acquisition	Inferred	1.5	5,929,000	2.68	0.47	13.9	3.11	407,130,000
Percent Change	N/A	N/A	+ 389%	+ 1%	- 10%	- 23%	- 1%	+ 385%

- (1) Callinex reported closing the acquisition of the Nash Creek Property on August 15, 2016. The effective date of the "Pre-Acquisition" mineral resource estimate is March 27, 2009, the effective date of the "Post-Acquisition" mineral resource estimate is March 21, 2018. The 2009 mineral resource is considered to be historical and has been superseded by the mineral resource estimate with effective date March 21, 2018.
- (2) Classification conforms to NI 43-101, Companion Policy 43-101CP, and the Canadian Institution of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended. Inferred Resources have been estimated from geological evidence and limited sampling and must be treated with a lower level of confidence than Measured and Indicated Resources.
- (3) Pre-acquisition zinc equivalency (ZnEq) was calculated as $Zn\% + 0.633 \cdot Pb\% + 0.008 \cdot Ag \text{ ppm}$, the Post-Acquisition zinc equivalency is calculated as $Zn\% + 0.747 \cdot Pb\% + 0.006 \cdot Ag \text{ ppm}$.
- (4) The Post-Acquisition estimate is reported using a 1.5% ZnEq cut-off value, which is reduced from a 2% ZnEq cut-off that was used to report the Pre-Acquisition estimate.
- (5) A bulk density value of 2.76 was used in the Pre-Acquisition estimate, and bulk density was calculated based on relationship to grade for the Post-Acquisition estimate using the formula $2.74 + 0.028 \cdot (Zn\% + Pb\%)$.
- (6) Tonnes and ZnEq contained pounds are rounded.

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 Garson, Ontario for preparation and then onto Burnaby, BC for analysis. Samples were crushed to 75% passing 2mm and pulverized to 85% passing 75 microns in order to produce a 250g split. All copper, zinc and silver assays were determined by Aqua Regia (2 and 4 acid) digestion with a ICP-AES finish, with overlimits (>100 ppm Ag, >10,000 ppm Zn, and >10,000 ppm Cu) Aqua Regia digestion with ICP-AES "ore-grade" 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 the following methods to obtain the assay results for Callinex: G_LOG02 Pre-preparation processing, G_PR089 Weigh, Dry, to 3kg, Crush 75% -2mm, Split to 250g, Pulverize to 85% -75µm, GE-ICP14B two acid digest for non-organic, or low sulphides, GE-ICP40B four acid digest AES 33 element package, GO-ICP13B, ore grade Aqua Regia Digest with ICP/AES finish, GO-ICP41Q ore grade Aqua Regia Digest ICP/AES finish.

About Callinex Mines Inc.

Callinex Mines Inc. (TSXV: 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 NPV8% of \$230 million (\$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).

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.

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