

Highlights:

- Drill hole SDB-004 expanded mineralization associated with the Sourdough deposit approximately 350m down-plunge from the historic deposit;
- A Borehole Pulse ElectroMagnetic survey ("BPEM") completed on SDB-004 identified a large and highly conductive off-hole geophysical target;
- The modeled size and conductivity of the new BPEM target far exceeds that from the BPEM response associated with the known Sourdough and Pine Bay deposits; and
- Plans are to test this and other high-priority targets in upcoming drilling campaigns.

[Callinex Mines Inc.](#) (the "Company" or "Callinex") (TSX VENTURE:CNX)(OTCQX:CLLXF) is pleased to announce results from drill hole SDB-004 which expanded the down-plunge extension of the Sourdough deposit located at the Company's 100% owned Pine Bay Project near Flin Flon, Manitoba (see Figure 1). Drill hole SDB-004 intersected 4.9m grading 1.76% Cu Eq., located approximately 105m below drill hole SDB-001 which was drilled during the 2015 Summer Drilling Campaign and 350m down-plunge from the Sourdough deposit. A BPEM survey completed in drill hole SDB-004 identified a large, highly conductive off-hole anomaly located approximately 200m north along strike and appears to lie within the same horizon as the Sourdough deposit (see Figure 2). This geophysical anomaly is a high-priority target that will be tested during the upcoming 2016 Summer Drilling Campaign.

Max Porterfield, President and CEO, stated, "Mineralization encountered over a significant area between drill holes SDB-001 and SDB-004 indicate that the system is more robust than previously interpreted. The highly conductive geophysical drill target, located within favorable host rocks, represents a compelling exploration opportunity."

The large BPEM anomaly detected in drill hole SDB-004 is modeled to have an approximate strike length of 750m and vertical extent of 400m. A BPEM survey completed on behalf of Callinex by Koop Geotechnical reported that this new anomaly has a Tau of >150 milliseconds as compared with 50-60 milliseconds for the Pine Bay deposit and <10 milliseconds for the Sourdough deposit. Tau is a unit of measurement for conductivity and high readings are indicative for massive concentrations of chalcopyrite, pyrrhotite and/or graphite. The anomaly also has a coincident magnetic signature, which suggests the conductive source is attributable to sulphides and not graphite. This target will be drill tested during the upcoming 2016 Summer Drilling Campaign.

A second large and highly conductive target, which was initially identified in 2015 but remains untested to date, is modeled to have an approximate strike length of 310m and a vertical extent of 260m. This target, which has a Tau of ~40 milliseconds and is about 370 meters along strike to the south of the intersection being reported in drill hole SDB-004, is considered a drill target for the winter season due to its distance from the shoreline and needs to be drilled off ice.

The Sourdough area is located approximately 2km north from HudBay's past-producing Centennial Mine and has not been subjected to significant modern exploration. Prior to Callinex completing four drill holes between mid-2015 and early-2016, there had been no drilling on the Sourdough deposit since 1980. Furthermore, all of the historic drilling had been relatively shallow and pre-dated the commercial use of borehole geophysical surveys. Modern BPEM surveys coupled with a much better understanding of the geological controls for Volcanogenic Massive Sulphide ("VMS") mineralized systems have more fully demonstrated the potential of the area and provided valuable support for the recent exploration success.

Drill Results from the Sourdough Zone

Hole ⁽¹⁾	From (m)	To (m)	Interval (m)	Cu Eq. ⁽²⁾	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)
SDB004	683.60	688.45	4.85	1.76	1.04	0.60	8.47	0.45
<i>including</i>	<i>683.60</i>	<i>684.25</i>	<i>0.65</i>	<i>3.97</i>	<i>2.11</i>	<i>1.09</i>	<i>21.60</i>	<i>2.01</i>

Notes:

1. Dip and azimuth for hole SDB-004 is -76° and 300° Az. The 945m deep diamond drill hole is located at the following Universal Transverse Mercator (UTM) coordinates using the North American Datum of 1983 (NAD83) within UTM Zone 14N: 329812m East and 6067470m North. The collar of the hole is 307m above sea level.
2. Copper equivalent grades are based on the following metal prices: zinc US\$0.95/lb, copper US\$2.55/lb, gold US\$1225 per oz, silver US\$16.65 per oz, lead US\$0.90/lb. Metal recoveries of 100% are applied in the copper equivalent calculation. The copper equivalent calculation is as follows; Cu Eq = Cu grade + ((Zn grade%/100*2205 x Zn price) + (Au grade/32.15 x Au price) + (Ag grade/32.15 x Ag price))/Cu price/20).
3. True width is not currently known.

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) and G0_ICP13B Ore Grade, Aqua Regia digest/ICP-AES. Ag >10ppm was analyzed by ICP.

The technical content of this news release has been reviewed and approved by James Pickell, P.Geo, a Consultant to the Company, and a Qualified Person as defined by National Instrument 43-101.

To view *Figure 1: Sourdough Overview Map*, visit the following link:
<http://www.callinex.ca/wp-content/uploads/2016/06/Emerging-Callinex-Discovery.jpg>

To view *Figure 2: Longitudinal Section of the Sourdough Deposit and BPEM Anomaly*, visit the following link:
<http://www.callinex.ca/wp-content/uploads/2016/06/Sourdough-Off-hole.jpg>

About The Pine Bay Project

The Pine Bay Project is located 16km east of HudBay's 777 Mine and processing facilities near Flin Flon, MB. The project area spans 6,000 sq. ha. and covers a significant portion of the Baker Patton Felsic Complex, one of the largest and most highly altered packages of felsic volcanic rocks within the Flin Flon Greenstone Belt. Historic exploration activities have outlined four mineral deposits, three of which are located within a mineral lease that has advanced permitting status and includes the right to conduct mining activities. The Pine Bay deposit, the largest of the four historic deposits, has a 212m vertical shaft with significant underground workings from previous exploration activities.

The project has two distinct areas with VMS mineralization, the northern Pine Bay area and the southern Sourdough area. These areas are each related to historic deposits and occur along an approximate 10km NE-SW VMS trend near the top of the Baker Patton Felsic Complex. The Sourdough area is immediately adjacent to HudBay's past-producing Centennial Mine. Callinex has recently intersected new VMS zones in both the Pine Bay and Sourdough areas.

During the 1990s, majors including [Placer Dome Inc.](#) and [Inmet Mining Corp.](#) conducted limited exploration programs in the Pine Bay area to define a large VMS deposit at depth. A review of historic work has confirmed that several proposed drill holes and targets outlined by Placer Dome there were never completed. The property position was recently consolidated for the first time combining several large claim blocks previously operated by companies including Placer Dome, Inmet, Newmont, HudBay and Cameco.

Previous to Callinex' modern geophysical and geological exploration programs, very limited work was conducted between 1996 and 2014. Callinex has digitally compiled more than 1,000 mostly shallow drill holes and has completed large airborne and ground geophysical surveys to identify and evaluate the most prospective drill targets.

Pine Bay Historic Resources ^{(1)(2) (3)}						
Deposit	Tons	Cu Eq Cu %(2)	Zn %	Au g/t	Ag g/t	
Pine Bay	1,113,200	2.76	2.76	N/A	N/A	N/A
Sourdough	291,150	2.98	1.46	1.71	1.03	29.8
Cabin	125,000	2.18	0.84	4.02	N/A	N/A
Baker Patton	95,000	3.66	0.80	5.28	0.83	56.0
Total	1,624,350	2.81	2.26	0.92	0.24	8.9

Notes:
 (1) Values have been converted from the imperial to metric system

- (2) Historical resource estimates include (a) a Cerro-Mining-Guggenheim Joint Venture report titled "Feasibility Study for 550 ton per day mine & mill", prepared by Wright Engineers Limited in 1971, reported a "geological ore reserve" 1,113,200 tons at 2.76% Cu at the Pine Bay deposit, (b) a Keys report in 1963 reported a historical resource estimate of 291,150 tons at 1.46% Cu at the Sourdough deposit, (c) a Pine Bay Mines report in 1976 reported a historical resource estimate of 125,000 tons at 0.84% Cu at the Cabin deposit and (d) a Macmillan report in 1968 reported a historical resource estimate of 95,000 tons at 0.80% Cu at the Baker Patton deposit. The historical "geological ore reserve" and resource estimates cited above is mentioned for historical purposes only and uses terminology not compliant with current reporting standards. The reliability of these historical estimates is unknown but considered relevant by the Company as it represents a significant target for future exploration work by the Company. The assumptions, parameters and methods used to calculate this historical resource estimate are not known to the Company. The qualified person has not made any attempt to re-classify the estimates accordingly to current NI 43-101 standards of disclosure or the CIM definitions. In order for these resources to be current, the Company will be required to conduct additional drilling on the Pine Bay Property. The Company is not treating this estimate as current mineral resources or mineral reserves as defined in NI 43-101. Although the Historical resource estimate was also designated as "ore" it cannot be compared to mineral reserves as it is not supported by at least a current pre-feasibility study.
- (3) Copper equivalent grades are based on metal prices of: copper US\$3.00/lb, zinc \$1.00/lb, gold US\$1200 per oz, silver US\$20 per oz. Metal recoveries of 100% are applied in the copper equivalent calculation. The copper equivalent calculation is as follows; $Cu\ Eq = Cu\ grade + ((Zn\ grade\%/100 \times 2000 \times Zn\ price) + (Au\ grade/32.15 \times Au\ price) + (Ag\ grade/32.15 \times Ag\ price)/Cu\ price/20)$.

About Callinex Mines Inc.

[Callinex Mines Inc.](#), a Canadian mineral exploration company, is focused on discovering the next copper-zinc rich VMS mine within Manitoba's prolific Flin Flon mining district. The Company's flagship project is the Pine Bay Project which hosts significant historic VMS deposits that are within close proximity to a processing facility. The Flin Flon district has yielded more than 145 million tonnes of production from 32 mines.

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 contemplated work programs and the timing and amount of expenditures. Callinex does not assume the obligation to update any forward-looking statement.

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