CALLINEX MINES INC.

Management's Discussion and Analysis for the three and six months ended March 31, 2015

The information contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended March 31, 2015 ("MD&A") has been prepared as of May 27, 2015. It should be read in conjunction with the interim condensed financial statements of Callinex Mines Inc. for the three and six months ended March 31, 2015 and the audited annual financial statements for the year ended September 30, 2014.

The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in the Company's presentational currency of Canadian dollars unless otherwise indicated.

CORPORATE SUMMARY

Business description

Callinex Mines Inc. (the "Company" or "Callinex") is principally engaged in the acquisition, exploration and development of mineral properties in the provinces of Manitoba and British Columbia with its head office located in Vancouver, British Columbia, Canada. The Company is a reporting issuer in British Columbia and Alberta and trades its common shares on the TSX Venture Exchange under the symbol CNX.

Business Strategy

The Company's focus is on carrying out exploration activities on conducting exploration at the Flin Flon and Pine Bay properties, located in the Flin Flon Mining area, for the purpose of identifying volcanogenic massive sulphide ("VMS") deposits. The Company believes that there is an opportunity to increase shareholder value by focusing its capital on exploring for VMS deposits with high grade polymetallic characteristics located within a well-established mining district.

Operational Highlights

- Acquired the Bay 1 mining claim located 400m along trend of Hudbay's past producing Centennial Mine and within 100m from historic drilling that intersected significant chalcopyrite and sphalerite;

- Announced fully funded 2015 exploration program including a two-phase 4,000 meter drilling campaign focused on the Pine Bay and Flin Flon VMS Projects;

- Digitized and compiled more than 700 drill holes to support the 2015 exploration program;

- Completed more than 50 line km of ground geophysics to further evaluate prospective targets for drilling; and

- Commenced the Phase One drilling campaign, which consisted of five holes totaling 1,425 meters.

QUARTERLY INFORMATION

The following is selected financial data from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended March 31, 2015.

Three months ended	**March 31 2015 ($)**	**December 31 2014 ($)**	**September 30 2014 ($)**	**June 30 2014 ($)**
Revenues	-	-	-	-
Net Loss	(316,826)	(295,786)	(16,024,458)	(456,754)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.51)	(0.01)

Three months ended	**March 31 2014 ($)**	**December 31 2013 ($)**	**September 30 2013 ($)**	**June 30 2013 ($)**
Revenues	-	-	-	-
Net Loss	(353,678)	(359,931)	(883,787)	(1,206,801)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.04)	(0.06)

(1) The basic and diluted loss per share calculation results in the same amount due to the anti-dilutive effect of outstanding stock options and warrants.

The net loss for the quarter ended September 30, 2014 was higher due to $21,525,857 of exploration and evaluation assets written down and impaired and $5,850,000 of deferred tax recovery recorded in the quarter.

RESULTS OF OPERATIONS

Three months ended March 31, 2015

During the three months ended March 31 2015, the Company reported a net loss of $316,826 or $0.01 loss per share (2014 - $353,678 or $0.01 loss per share).

	2015 ($)	**2014 ($)**
General and administrative expenses	(262,468)	(366,864)
Share-based payments	(56,187)	(2,730)
Deferred income tax recovery	-	8,000
Interest earned	1,829	7,916
Net loss for the period	(316,826)	(353,678)

With respect to general and administrative expenses, the 2015 expenditures were generally lower than those of 2014 primarily because of the Company's concerted effort to reduce overhead corporate costs. The most significant general and administrative expenses were with respect to the following:

Salaries - $61,629 (2014 - $153,275)

Salaries include fees paid to the Company's senior executives and employees. The decrease represents a decrease in the number of senior management personnel and employees from the prior year.

Share-based payments expense of $56,187 (2014 - $2,730) was recorded based on the vesting of previous options granted.

The Company recognized a deferred income tax recovery of $nil (2014 - $8,000) which arose as a result of the Company's issuance of flow through shares during the fiscal year ended September 30, 2013.

Six months ended March 31, 2015

During the three months ended March 31, 2015, the Company reported a net loss of $612,612 or $0.02 loss per share (2014 - $713,609 or $0.02 loss per share).

	2015 ($)	**2014 ($)**
General and administrative expenses	(447,063)	(721,913)
Share-based payments	(170,277)	(42,547)
Deferred income tax recovery	-	36,000
Interest earned	4,728	14,851
Net loss for the year	(612,612)	(713,609)

With respect to general and administrative expenses, the 2015 expenditures were generally lower than those of 2014 primarily because of the Company's concerted effort to reduce overhead corporate costs. The most significant general and administrative expenses were with respect to the following:

<u>Salaries - $115,813 (2014 - $331,119)</u>
Salaries include fees paid to the Company's senior executives and employees. The decrease represents a decrease in the number of senior management personnel and employees from the prior year.

Share-based payments expense of $170,277 (2014 - $42,547) was recorded based on 75,000 (2014 – 150,000) stock options granted during the period and the vesting of those and previous options granted. The weighted average fair value of the options granted during the period ended March 31, 2105 was $0.22 (2013 - $0.27).

The Company recognized a deferred income tax recovery of $nil (2013 - $36,000) which arose as a result of the Company's issuance of flow through shares during the fiscal year ended September 30, 2013.

Capital Expenditures

During the six months ended March 31, 2015, the Company incurred deferred exploration expenditures of $455,488 offset with $171,868 of recoveries for a net expenditure of $283,620 (2014 - $). The costs were related to the Companies Flin Flon and Pine Bay properties.

Financing Activities

During the six months ended March 31, 2015 the Company raised $288,000 through the exercise of 1,440,000 number of warrants. Subsequent to March 31, 2105 the Company raised an additional $80,000 through the exercise of 400,000 warrants.

On October 23, 2013 the Company issued 1,561,499 units at a price of $0.35 per unit for gross proceeds of $546,525 through a non-brokered private placement. Each unit comprises one common share of the Company and one-half share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share for a period of two years at the price of $0.35 per share in the first year and $0.40 per share in the second year. Share issuance costs of $29,556 and 44,444 agents' warrants were paid and issued in relation to this placement. Each whole agent warrant is exercisable to purchase one common share for a period of two years at the price of $0.35 per share for the first year and $0.40 per share for the second year.

On November 22, 2013 the Company issued 526,500 units at a price of $0.38 per unit for gross proceeds of $200,070 through a non-brokered private placement. Each unit is comprised of one common share and one-half share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share for a period of two years at the price of $0.38 per share in the first year and $0.45 per share in the second year. Share issuance costs of $16,538 were paid and issued in relation to this placement.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2015, the Company had cash of $693,537 compared to $961,483 as at September 30, 2014. The net decrease of cash for the period, is due primarily to cash used in operating activities of $246,523 and net capital expenditures of $41,112.

As at March 31, 2015 the Company had working capital of $446,575 (September 30, 2014 - $873,454) and no long term debt. The company's major sources of funding are from the issuance of it shares and interest income. These funds are used to acquire and fund exploration projects and administrative costs.

EXPLORATION PROGRAMS AND EXPENDITURES

During the period ended March 31, 2015, the Company incurred deferred exploration expenditures of $455,488, offset with recoveries received of $171,868 for a net expenditure of $283,620 (2014 - $258,798). The majority of the expenditures relate to the Flin Flon and Pine Bay exploration programs.

The following are the significant exploration and evaluation assets held by the Company:

Flin Flon Greenstone Belt Properties

Pine Bay

Callinex owns a 100% interest, subject to a 1% NSR and a 5.12% Net Profits Interest, in the Pine Bay Project. The project is located 16km east of Flin Flon, MB and covers approximately 6,000ha. The project includes a mineral lease that allows for the right to operate a mine and covers a 212m vertical shaft with 760m of underground development accessing high-grade copper mineralization. Additionally, the project hosts four past producing VMS mines and historic resources. The Company has announced a fully-funded exploration program for 2015 including geophysics and a two-phase 4,000 meter drill program to be completed between the Pine Bay and Flin Flon Projects.

Flin Flon

Callinex has an option to acquire a 100% interest, subject to a 2% NSR of which 1% may be purchased for $1,000,000, in the Flin Flon Project. The project is located 3 km southeast of Flin Flon, MB and covers 2,455 ha with similar geological strata to the main mine horizon that hosts Hudbay's 777 mine. The Project was acquired based on the presence of these favourable geological strata, known mineral occurrences and close proximity to more than ten former producing VMS mines. Recent geophysical work completed in 2012 and 2013 identified several prospective untested targets. The Company has announced a fully-funded exploration program for 2015 including geophysics and a two-phase 4,000 meter drill program to be completed between the Pine Bay and Flin Flon Projects. Payments of $150,000 cash and 150,000 shares are required on or before August 1, 2015 in order for Callinex to complete its option agreement to acquire a 100% interest.

Gossan
Callinex owns a 100% interest, subject to a 2% NSR, in the Gossan Gold Project. The project is located 40km southeast of Flin Flon, MB and covers approximately 7,428ha. The project includes a past-producing gold mine with significant unmined gold mineralization. From 2010-2012 the Company completed 63 holes resulting in delineation of gold mineralization over a 1.8 kilometer strike length.

Herblet Lake
Callinex owns a 100% interest, subject to a 2.5% NSR, in the Herblet Lake Project. The 2,441 ha project is located in the Snow Lake mining district and hosts similar geological structures to the nearby Osborne and Anderson mines.

Sneath Lake
Callinex owns a 100% interest in the Sneath Lake Project. The 1,431 ha project is located in the Snow Lake mining district and is approximately 5km from Hudbay's Lalor Mine.

Additional Properties

Island Lake
Callinex has an option to acquire a 80% interest, subject to a 2% NSR, in the Island Lake Gold Project. The project is located east-central Manitoba approximately 220km from Norway House, MB and covers approximately 5,471ha. The project is situated adjacent to the Island Lake Mine and includes gold showings over a strike length of more than 1,600m. Previous exploration has identified significant high-grade occurrences of gold. Cumulative payments of $330,000 cash and 275,000 shares, along with work commitments of $2,000,000, are required within 36 months of July 31, 2009 in order for Callinex to complete its option agreement to acquire an 80% interest. The dates to make the payment and to incur the expenditures on the claim have been deferred as permit to drill the property has yet to be received.

Neuron
Callinex owns a 100% interest in the Neuron Project. The project is located near Thompson, Manitoba and covers 75,762ha. Callinex completed a 12-hole program in 2014 and identified high-grade graphite along a significant strike length. Additionally, preliminary metallurgical work completed by SGS Labs determined graphite formed coarse flakes which is typically more desirable for consumers.

Coles Creek
Callinex owns a 100% interest, subject to a 5% NSR, in the Coles Creek Project. The project is located 80 km southwest of Houston, British Columbia and covers 14,895ha. Previously drilling has identified copper-gold-molybdenum mineralization over a significant area. A total of $17,299,195, net of tax credits, had been expended on this property up to September 30, 2014. Management decided to take an impairment charge of $17,299,195 against the Coles Creek property as at September 30, 2014 as the Company has no immediate exploration plans for the property.

Fox River
The Company owns an approximate 45% interest, subject to a 2.5% NSR, in the Fox River Project. The project is located in northeast Manitoba and covers 3,792ha. The project covers an area that has potential to be an extension of the Thompson Nickel Belt. Management decided to take an impairment charge of $4,174,896 against the Fox River property as at September 30, 2014 as the Company has no immediate exploration plans for the property.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of the Company's directors, officers and companies associated with them including the following:

- Callinan Royalties Corp. ("Callinan") a company whereby the former Chief Financial Officer, Tamara Edwards, is the Chief Financial Officer;
- NiconsultGMBH, a company owned by Nico Civelli, VP Finance and Director
- Terra Nova Energy, a company which Nico Civelli, VP Finance and Director is an Officer and Director

During the three and six months ended March 31, 2015 and 2014, the Company incurred the following expenditures charged by directors and officers of the Company and/or companies they owned or in which they were significant shareholders:

	Three months ended March 31		Six months ended March 31	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Accounting [(1)]	-	16,000	-	32,000
Consulting [(2)]	9,000	-	18,000	-
Office and administration [(3)]	(9,000)	-	(18,000)	-

[(1)] On July 13, 2011, the Company entered into a service agreement with Callinan, whereby Callinan would provide the Company with accounting and financial services.
[(2)] On August 1, 2014 the Company entered into an agreement with Niconsult GMBH for Nico Civelli to provide VP of Finance services.
[(3)] On June 1, 2014 the Company entered into an office facilities and service agreement with Terra Nova Energy Ltd ("Terra Nova") whereby the Company will provide certain shared office services to Terra Nova.

Key management includes executive and non-executive members of the Company's Board of Directors and corporate officers. Compensation paid or payable to key management for services provided during the three and six months ended March 31, 2015 and 2014 was as follows:

	Three months ended March 31		Six months ended March 31	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Consulting	18,000	-	34,500	-
Salaries	30,000	49,271	60,000	130,522
Share-based compensation	35,795	-	105,696	39,817

As at March 31, 2015 a total of $6,000 (September 30, 2014 - $12,000) from related parties is included in accounts receivables in relation to the Terra Nova agreement and $40,500 (September 30, 2014 - $14,937) was owed to related parties (Mike Muzylowski, Chairman and NiconsultGMBH) and is included in accounts payable and accrued liabilities.

NEW AND FUTURE ACCOUNTING STANDARDS AND PRONOUNCEMENTS

a) New standards and amendments effective for the first time from October 1, 2014
The following revised standards and amendments became effective for the Company on October 1, 2014. The new and amended standards did not have a significant impact on the financial statements. The following is a brief summary of the principal new standards adopted by the Company:

IAS 32 – Financial Instruments presentation
The Standard was amended to clarify requirements for offsetting financial assets and financial liabilities.

IAS 36 – Impairment of assets
The Standard was amended to address the disclosures required regarding the recoverable amount of impaired assets or cash generating units (CGUs) for periods in which an impairment loss has been recognized or reversed.

b) Accounting standards issued but not yet effective
At the date of approval of the financial statements the following standards, which are applicable to the Company, were issued but not yet effective. The Company has not completed its assessment of the impact that the new and amended standard will have on its financial statements. The following is a brief summary of the principal new or amended standards:

IFRS 9 - Financial instruments
In July 2014, the IASB issued the final version of IFRS 9 – Financial Instruments – to replace IAS 39 – Financial Instruments: Recognition and Measurement. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 7 – Financial Instruments disclosures
The Standard was amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

SUBSEQUENT EVENTS

On April 24, 2015 the Company announced that the Phase One drilling campaign encountered 44.2 meters of 4.0% copper equivalent mineralization at Pine Bay. Additionally, the Company announced its intentions to increase the Phase Two drilling Campaign from approximately 2,000m to at least 2,500 meters. The Phase Two drilling campaign will focus on land-based targets at the Flin Flon and Pine Bay Projects.

On May 8, 2015 the Company submitted an application to receive $200,000 in incentive funding from the Government of Manitoba under the 2015/16 Mineral Exploration Assistance Program (MEAP). Additionally, Callinex anticipates receiving cash payments totaling approximately $188,000 based on exploration work completed under the 2014/15 MEAP period.

OUTSTANDING SHARE DATA AND DILUTION CALCULATION

The Company has authorized share capital consisting of common shares without par value. The number of shares authorized is unlimited. The Company has issued warrants for the purchase of common shares and also has a stock option plan. The table below summarizes the Company's common shares and stock options and warrants that are convertible into common shares as at May 27, 2015:

Issued and outstanding common shares	34,499,889
Share options with a weighted average exercise price of $0.35	3,025,000
Share purchase warrants with a weighted average exercise price of $0.22	8,152,691
Fully Diluted	**45,677,580**

RISKS AND UNCERTAINTIES

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.

Financial risks include commodity prices and interest rates all of which are beyond the Company's control. Additional financial risks are the Company's ability to raise capital and to repay indebtedness it incurs.

Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for the preparation and integrity of the financial statements and MD&A, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52–109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim financial statements for the three and six months ended March 31, 2015 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain of the statements made herein may constitute "forward-looking statements" or contain "forward-looking information" within the meaning of applicable Canadian securities laws. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the potential for additional mineralization at the Company's properties, the timelines to complete the Company's exploration programs, timing for permit applications, timing for new resource estimates, timing to complete technical reports, forecasts for exploration expenditures, estimates of future administrative costs and statements about the Company's future development of its properties. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in mine exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; the potential for unexpected costs and expenses and commodity price; uncertain political and economic environments; changes in laws or policies, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described under Risk Factors Relating to the Company's Business in the MD&A.

Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of commodities; that the Company can access financing, appropriate equipment and sufficient labour and that the political environment will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements. The Company does not intend to update forward-looking statements or information, except as may be required by applicable law.

OTHER INFORMATION

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's website at www.callinex.ca