

CALLINEX MINES INC.

Condensed Interim Financial Statements
Three and six months ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

Notice of no Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

CALLINEX MINES INC.

Condensed Interim Statements of Financial Position
As at March 31, 2018 and September 30, 2017
(Unaudited - Expressed in Canadian dollars)

	Note	March 31, 2018	September 30, 2017
		\$	\$
Assets			
Current			
Cash and cash equivalents		4,937,837	5,711,751
Receivables	6	272,155	507,692
Marketable securities	7	430,000	-
Prepaid expenses and other assets		305,079	187,077
		5,945,071	6,406,520
Non-current			
Deposits		27,992	27,992
Equipment	8	204,793	123,855
Exploration and evaluation assets	9	16,740,797	16,202,365
		22,918,653	22,760,732
Liabilities			
Current			
Accounts payable and accrued liabilities	10	340,177	509,718
Flow-through premium liability	11	190,237	-
		530,414	509,718
Shareholders' Equity			
Capital stock	12	60,860,901	58,878,194
Equity reserve	12(d)	6,408,052	5,777,658
Accumulated other comprehensive loss ("AOCL")		(470,000)	-
Deficit		(44,410,714)	(42,404,838)
		22,388,239	22,251,014
		22,918,653	22,760,732

Commitments – Note 15
Subsequent event – Note 9

APPROVED BY THE BOARD OF DIRECTORS

Michael Louie ("signed") Director

Nico Civelli ("signed") Director

The accompanying notes are an integral part of these condensed interim financial statements

CALLINEX MINES INC.

Condensed Interim Statements of Loss and Comprehensive Loss

Three and six months ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

		Three months ended		Six months ended	
	Note	March 31,		March 31,	
		2018	2017	2018	2017
		\$	\$	\$	\$
Corporate development		151,184	51,769	335,632	423,259
Depreciation	8	6,852	4,887	13,130	7,255
Listing and filing fees		25,374	19,671	51,385	38,236
Management and consulting fees	13	245,048	79,920	360,618	175,939
Office and administration		108,704	77,615	193,994	154,924
Professional fees	13	38,013	20,898	74,976	57,836
Property investigation expenses		-	3,547	-	3,547
Share-based compensation	12c, 13	346,405	91,736	612,665	269,393
		(921,580)	(350,043)	(1,642,400)	(1,130,389)
Finance income		8,004	11,012	16,188	11,056
Flow-through premium recovery	11	38,130	-	38,130	-
Write-off of exploration and evaluation assets	9	(417,794)	-	(417,794)	-
Loss for the period		(1,293,240)	(339,031)	(2,005,876)	(1,119,333)
Other comprehensive income (loss)					
Items that maybe reclassified subsequently to loss:					
Unrealized gain (loss) on available for sale financial assets	7	30,000	-	(470,000)	-
Comprehensive loss for the period		(1,263,240)	(339,031)	(2,475,876)	(1,119,333)
Loss per share					
- Basic and diluted		(0.02)	(0.00)	(0.03)	(0.02)
Weighted average number of shares outstanding					
- Basic and diluted		80,468,839	77,465,808	78,655,768	72,382,969

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CALLINEX MINES INC.

Condensed Interim Statements of Cash Flows

Six months ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

	2018	2017
	\$	\$
Cash flows (used in) provided by		
Operating activities		
Loss for the period	(2,005,876)	(1,119,333)
Items not affecting cash		
Depreciation	13,130	7,255
Share-based compensation	612,665	269,393
Write-down of exploration and evaluation assets	417,794	-
Flow-through premium recovery	(38,130)	-
Net change in non-cash working capital items		
Receivables	276,003	(52,867)
Prepaid expenses	(118,002)	7,091
Accounts payable and accrued liabilities	(36,685)	(24,326)
	(879,101)	(912,787)
Investing activities		
Exploration and evaluation assets expenditures	(2,361,424)	(1,995,066)
Receipt of mineral exploration assistance	159,534	-
Proceeds from sale of exploration and evaluation assets	200,000	-
Equipment purchases	(94,068)	(109,884)
	(2,095,958)	(2,104,950)
Financing activities		
Proceeds on shares issued	2,255,363	7,435,001
Share issuance costs	(67,418)	(372,569)
Proceeds on options exercised	13,200	-
	2,201,145	7,062,432
(Decrease) increase in cash and cash equivalents	(773,914)	4,044,695
Cash and cash equivalents, beginning of period	5,711,751	4,259,785
Cash and cash equivalents, end of period	4,937,837	8,304,480
Cash and cash equivalents consist of:		
Cash	2,154,837	5,554,480
Cash equivalents	2,783,000	2,750,000
Cash paid for interest	-	-
Cash received for interest	107	84
Cash paid for taxes	-	-

Supplemental Cash Flow Information – Note 14

The accompanying notes are an integral part of these condensed interim financial statements

CALLINEX MINES INC.

Condensed Interim Statements of Changes in Equity
Three and six months ended March 31, 2018 and 2017
(Unaudited - Expressed in Canadian dollars)

	Common shares	Capital Stock	Equity reserve	AOCL	Deficit	Total
	#	\$	\$	\$	\$	\$
Balance, September 30, 2016	62,194,472	51,453,256	5,596,776	-	(40,383,696)	16,666,336
Shares issued in consideration for:						
Cash, pursuant to:						
- Private placement	9,870,000	5,026,000	-	-	-	5,026,000
- Exercise of warrants	5,246,336	2,360,851	-	-	-	2,360,851
- Exercise of options	155,000	83,656	(35,506)	-	-	48,150
Share issuance costs	-	(372,569)	-	-	-	(372,569)
Share-based compensation	-	-	284,229	-	-	284,229
Comprehensive loss for the period	-	-	-	-	(1,119,333)	(1,119,333)
Balance, March 31, 2017	77,465,808	58,551,194	5,845,499	-	(41,503,029)	22,893,664
Shares issued in consideration for:						
Exploration and evaluation asset acquisition	832,900	327,000	(200,000)	-	-	127,000
Share-based compensation	-	-	132,159	-	-	132,159
Comprehensive loss for the period	-	-	-	-	(901,809)	(901,809)
Balance, September 30, 2017	78,298,708	58,878,194	5,777,658	-	(42,404,838)	22,251,014
Shares issued in consideration for:						
Cash, pursuant to:						
- Private placement	5,709,170	2,255,363	-	-	-	2,255,363
- Exercise of options	40,000	23,129	(9,929)	-	-	13,200
Share issuance costs	-	(67,418)	-	-	-	(67,418)
Flow-through premiums	-	(228,367)	-	-	-	(228,367)
Share-based compensation – stock options	-	-	82,720	-	-	82,720
Share-based compensation – RSUs	-	-	557,603	-	-	557,603
Comprehensive loss for the period	-	-	-	(470,000)	(2,005,876)	(2,475,876)
Balance, March 31, 2018	84,047,878	60,860,901	6,408,052	(470,000)	(44,410,714)	22,388,239

The accompanying notes are an integral part of these condensed interim financial statements

CALLINEX MINES INC.

Notes to the condensed interim financial statements

For the three and six months ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

1. Nature of operations

Callinex Mines Ltd. ("Callinex" or the "Company") was incorporated on April 21, 2011 under the British Columbia Business Corporations Act for the purpose of receiving certain cash, equipment, common shares, and exploration and evaluation assets from Callinan Royalties Corporation (formerly Callinan Mines Limited) ("Callinan") in exchange for common shares of the Company by way of a plan of arrangement as approved by the shareholders of Callinan on June 7, 2011. The effective date of the transaction with Callinan was July 13, 2011. Subsequent to the plan of arrangement, the Company is directly engaged in the exploration of mineral properties in Canada.

The Company's head office and registered and records office address is 1555 – 555 West Hastings Street, Vancouver, British Columbia, Canada V6B 4N4.

2. Basis of presentation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2017 which have been prepared in accordance with IFRS as issued by the IASB.

In the preparation of these interim condensed financial statements, the Company has used the same accounting policies and methods of computation as in the annual financial statements for the year ended September 30, 2017 except as outlined in Note 3.

The condensed interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

These condensed interim financial statements were approved by the board of directors for use on May 24, 2018.

3. Changes in accounting policies including initial adoption

The following new accounting policy has been adopted by the Company:

a) Restricted Share Units

The fair value of restricted share units ("RSUs") granted are recorded as a charge to operations or deferred exploration costs and a credit to contributed surplus. The fair value of RSUs which vest immediately are recorded at the date of grant; the fair value of RSUs which vest in the future are recognized over the vesting period.

On vesting of the RSUs, the book value of the RSUs is transferred from contributed surplus to share capital.

4. Future Accounting standards and pronouncements

The following standards, which are applicable to the Company, were issued but not yet effective. The Company is currently evaluating the impact of the standards on its financial statements.

CALLINEX MINES INC.

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IFRS 9 - Financial instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on financial liabilities and derecognition of financial instruments. IFRS 9 will be effective for the Company for the fiscal year beginning October 1, 2018. Adoption of this standard is expected to have minimal impact on the Company's financial statements.

IFRS 16 - Leases

This standard specifies how an issuer will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and will be effective for the Company for the fiscal year beginning October 1, 2019. The adoption of IFRS 16 is expected to increase the leased assets and liabilities of the Company.

5. Critical accounting estimates and judgments

There have been no material revisions to the nature of judgments and amount of changes in estimates reported in the Company's September 30, 2017 annual financial statements.

6. Receivables

	March 31, 2018	September 30, 2017
	\$	\$
Mineral exploration assistance program receivable	200,000	360,000
GST receivable	48,980	137,598
Interest receivable	23,175	7,094
Other	-	3,000
	272,155	507,692

7. Marketable securities

Marketable securities are classified as available-for-sale financial instruments and, as a result, are measured at fair market value each reporting period with any change in fair value recognized through other comprehensive loss.

During the six months ended March 31, 2018, the Company received 1,000,000 shares of Global Li-Ion Graphite Corp. ("LION") valued at \$900,000 in relation to the optioning of the Neuron property (refer to note 9). As at March 31, 2018, the LION shares were recorded at a fair value of \$430,000, and an unrealized loss of \$470,000 resulting from the revaluation was included in other comprehensive loss for the six months ended March 31, 2018.

CALLINEX MINES INC.

Notes to the condensed interim financial statements

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(Unaudited - Expressed in Canadian dollars)

8. Equipment

	Equipment	Office Furniture	Computer Equipment	Building	Total
	\$	\$	\$	\$	\$
Cost					
Balance, September 30, 2017	106,680	8,868	91,150	51,244	257,942
Additions	-	-	-	94,068	94,068
Balance, March 31, 2018	106,680	8,868	91,150	145,312	352,010
Accumulated depreciation					
Balance, September 30, 2017	88,812	4,732	39,687	856	134,087
Depreciation	2,680	414	7,720	2,316	13,130
Balance, March 31, 2018	91,492	5,146	47,407	3,172	147,217
Net book value					
September 30, 2017	17,868	4,136	51,463	50,388	123,855
March 31, 2018	15,188	3,722	43,743	142,140	204,793

9. Exploration and evaluation assets

	Flin Flon	Point Leamington	Nash Creek	Superjack	Other	Total
	\$	\$	\$	\$	\$	\$
September 30, 2017	12,609,402	598,729	910,909	725,609	1,357,716	16,202,365
Assaying	13,003	-	153,658	16,134	-	182,795
Camp costs	26,417	-	20,113	18,555	-	65,085
Consulting	8,877	-	118,719	1,785	-	129,381
Drilling	724,952	-	466,601	15,000	-	1,206,553
Geologists	57,458	-	122,625	26,309	-	206,392
Geophysical	32,564	-	10,850	83,330	-	126,744
Other	8,950	-	21,826	17,619	-	48,395
Permitting	12,536	63,031	7,790	1,400	-	84,757
Recovery	466	-	(22,000)	-	-	(21,534)
Share-based compensation	14,577	-	9,970	3,111	-	27,658
	899,800	63,031	910,152	183,243	-	2,056,226
Option payment received - cash	-	-	-	-	(200,000)	(200,000)
Option payment received - shares	-	-	-	-	(900,000)	(900,000)
Write-off of exploration and evaluation assets	(417,794)	-	-	-	-	(417,794)
March 31, 2018	13,091,408	661,760	1,821,061	908,852	257,716	16,740,797

CALLINEX MINES INC.

Notes to the condensed interim financial statements

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(Unaudited - Expressed in Canadian dollars)

Nash Creek and Superjack projects

The Company completed a purchase agreement to acquire 100% of the Superjack and Nash Creek VMS deposits and exploration data on May 18, 2016.

Consideration for the properties is to be as follows:

- (i) \$150,000 in cash or shares on or before the first anniversary (issued 300,000 common shares at the fair value of \$97,500)
- (ii) \$25,000 cash and \$125,000 in cash or common shares on or before the second anniversary
- (iii) \$25,000 in cash on or before the third anniversary
- (iv) \$125,000 due in cash or common shares within 10 days of the Company completing a preliminary economic assessment on the Nash Creek project

Consideration for the exploration data is to be as follows:

- (i) \$100,000 cash (paid)
- (ii) \$150,000 in cash or common shares (issued 300,000 common shares at fair value of \$129,000)
- (iii) \$50,000 cash on or before the first anniversary (paid)

In the event that common shares are issued to settle any of the above payments, the number of common shares to be issued is fixed, as per the contract, by dividing the amount of cash to be paid by \$0.50. In the event that the Company fails to make any of the payments noted above, ownership of the properties will revert back to the vendor provided the vendor delivers written notice of the default and the Company does not remedy the default within 30 days of the notice.

Flin Flon Area

Pine Bay project

Callinex owns a 100% interest, subject to a 1% Net Smelter Return ("NSR") royalty and a 5.12% Net Profits Interest, in the Pine Bay Project.

Flin Flon project

Callinex owns a 100% interest, subject to a 2% NSR royalty of which 1% may be purchased for \$1,000,000, in the Flin Flon Project.

Gossan Gold project

Callinex owns a 100% interest, subject to a 2% NSR royalty, in the Gossan Gold Project.

Big Island project

On March 20, 2017 the Company acquired a 100% interest in the Tara Lake VMS Deposit ("Big Island Project") near the Flin Flon Project.

Consideration for the Big Island Project is to be as follows:

- (i) \$50,000 cash and 100,000 common shares within five days following the effective date of the agreement (paid; issued 100,000 common shares at the fair value of \$29,500)
- (ii) \$50,000 cash and 100,000 common shares on the first anniversary of the agreement
- (iii) \$50,000 cash and 100,000 common shares on the second anniversary of the agreement
- (iv) \$50,000 cash and 150,000 common shares on the third anniversary
- (v) \$65,000 cash and 300,000 common shares on the fourth anniversary

The Big Island Project is subject to a 1% NSR Royalty which can be repurchased for \$1,000,000.

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Notes to the condensed interim financial statements

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(Unaudited - Expressed in Canadian dollars)

Subsequent to March 31, 2018, the Company decided that it would no longer pursue the Big Island project. Accordingly the Company recognized an impairment charge of \$417,794 during the six months ended March 31, 2018.

Government assistance

The Company participates in the Government of Manitoba Mineral Exploration Assistance Program ("MEAP"). During the year ended September 30, 2017, the Company recorded MEAP recovery of \$360,000 representing \$200,000 of MEAP for the summer of 2017 exploration program and \$160,000 of MEAP for the summer of 2016 exploration program. During the six months ended March 31, 2018, the Company received \$159,534 from the Government of Manitoba for the 2016 MEAP. As at March 31, 2018, \$200,000 of MEAP was included in accounts receivable.

Pt. Leamington project

The Company completed a purchase agreement to acquire a 100% ownership of the Pt. Leamington VMS deposit and exploration data on July 29, 2016.

Consideration for the sale of the property is to be as follows:

- (i) 50% reimbursement of first annual permitting fees (paid \$15,000)
- (ii) \$100,000 in cash or common shares on the first anniversary (issued 216,450 common shares at the fair value of \$63,853)
- (iii) \$200,000 in cash or common shares on the second anniversary

Consideration for the sale of the exploration data is to be as follows:

- (i) \$100,000 cash (paid)
- (ii) \$100,000 in cash or common shares on the first anniversary (issued 216,450 common shares at the fair value of \$63,853)

In the event that common shares are issued to settle any of the above payments, the number of common shares to be issued is fixed, as per the contract, by dividing the amount of cash to be paid by \$0.462. At March 31, 2018, the remaining \$200,000 payable in cash or the fixed number of common shares at the Company's option had been recorded to the equity reserve as the Company does not have a present obligation to settle the transaction in cash.

Other

The Company has an interest in other properties. The other properties are in good standing and do not require any further commitments. These include the Neuron property, Sneath Lake property, Coles Creek property, Fox River property, Moak Lake property, Norris Lake property, the Herblet Lake property and the Island Lake properties.

Neuron Graphite Project

On October 27, 2017, the Company signed an option agreement with Global Li-Ion Graphite Corp. ("LION") (CSE: LION) whereby LION can acquire a 100% interest in the Neuron property located in Northern Manitoba by paying \$200,000 in cash and issuing 2,000,000 LION common shares. Callinex has received the initial considerations of \$200,000 cash and 1,000,000 common shares of LION (recorded at the fair value of \$900,000).

LION has the option to acquire a 100% interest in the Neuron property by making the balance of the agreed payment of 1,000,000 common shares of LION within 24 months from the date of the option

CALLINEX MINES INC.

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(Unaudited - Expressed in Canadian dollars)

agreement. Callinex will receive an additional milestone payment of 3,000,000 shares if an economic study is completed on the Neuron property or any claims within a 20km area of interest.

10. Accounts payable and accrued liabilities

	March 31 2018	September 30, 2017
	\$	\$
Accounts payable	313,243	367,674
Accrued liabilities	17,934	133,044
Related party payables (Note 13)	9,000	9,000
	340,177	509,718

11. Flow-through premium liability

The flow-through premium liability balance as at March 31, 2018 of \$190,237 (December 31, 2017 - \$nil) arose in connection with the flow-through share offering the Company completed on February 26, 2018 (Note 12(b)). The reported amount is the unamortized balance of the premium received from issuing the flow-through shares. This balance does not represent a cash liability to the Company. The flow-through premium liability will be amortized to the statement of comprehensive loss pro-rata with the amount of qualifying flow-through expenditures that are incurred by the Company.

The Company is committed to incurring on or before December 31, 2019 qualifying Canadian exploration expenses as defined under the *Income Act, Canada* ("Qualifying CEE") in the amount of \$2,283,668 with respect to the flow-through share financing completed on February 26, 2018. None of the Qualifying CEE will be available to the Company for future deduction from taxable income.

As at March 31, 2018, the Company had incurred approximately \$381,000 of Qualifying CEE and accordingly, recognized a flow-through premium recovery of \$38,130 during the six months ended March 31, 2018.

12. Share capital

a) Authorized:

Unlimited common shares with no par value

b) Financings:

On February 26, 2018, the Company issued 5,709,170 flow-through shares at a price of \$0.40 per share for gross proceeds of \$2,283,668. The Company incurred cash issuance costs of \$67,418 in respect of this placement.

The fair value of the flow-through shares was determined to be \$2,055,301 with the remaining \$228,367 being allocated to flow-through premium liability (Note 11).

c) Stock options and restricted share units

The Company had a Stock Option Plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. On October 18, 2017, the shareholders of the Company approved an amendment of the Company's rolling stock option plan to a fixed option plan under which the number of common shares available for issuance is fixed and there is no replenishment in the future, and a restricted share unit

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(Unaudited - Expressed in Canadian dollars)

("RSU") plan. Under the fixed option plan and the RSU plan, the Company's total number of stock options and RSUs is limited to 15,659,741.

The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the Market Price (as that term is defined in the policies of the TSXV). Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and upon resignation or termination expire within 90 days, or 30 days for a person engaged in investor relations activities, or within reasonable discretion of the board. Options granted to employees, management and directors vest immediately, unless otherwise specified by the Board of Directors. Investor relation options vest over 12 months with no more than one quarter of the options vesting in any three month period.

The balance of options outstanding and related information for the six months ended March 31, 2018 are as follows:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance September 30, 2017	7,380,000	\$0.34	3.28
Granted	400,000	\$0.36	
Forfeited	(1,410,000)	\$0.33	
Exercised	(40,000)	\$0.33	
Balance March 31, 2018	6,330,000	\$0.34	2.54
Unvested	(631,250)	\$0.37	4.41
Exercisable, March 31, 2018	5,698,750	\$0.32	2.34

During the six months ended March 31, 2017, the weighted average share price on the date of option exercise was \$0.31.

During the six months ended March 31, 2018, the Company recorded share-based compensation expense of \$82,720 (2017 - \$284,229) of which \$27,658 was allocated to exploration and evaluation assets.

The weighted average fair value of the options granted during the six months ended March 31, 2018 was \$0.30 (2017 - \$0.43). The fair value of these options on the date of grant was determined using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	2018	2017
Risk free interest rate	1.60%	1.00%
Expected life	5 years	5 years
Expected volatility	100%	100%
Expected forfeiture	Nil	Nil
Expected dividends	Nil	Nil

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The balance of options outstanding as at March 31, 2018 was as follows:

Expiry date	Average Exercise price	Remaining life (years)	Options Outstanding	Unvested	Vested
August 6, 2018	\$0.30	0.35	550,000	-	550,000
October 28, 2018	\$0.37	0.58	150,000	-	150,000
May 7, 2019	\$0.42	1.10	100,000	-	100,000
September 5, 2019	\$0.29	1.43	1,050,000	-	1,050,000
September 12, 2019	\$0.29	1.45	250,000	-	250,000
October 15, 2019	\$0.29	1.54	75,000	-	75,000
January 20, 2020	\$0.29	1.81	50,000	-	50,000
May 14, 2020	\$0.29	2.12	150,000	-	150,000
December 18, 2020	\$0.33	2.72	1,355,000	-	1,355,000
August 8, 2021	\$0.38	3.36	1,725,000	-	1,725,000
December 12, 2021	\$0.60	3.70	100,000	50,000	50,000
June 28, 2022	\$0.32	4.25	125,000	93,750	31,250
August 21, 2022	\$0.32	4.39	100,000	75,000	25,000
September 6, 2022	\$0.33	4.44	100,000	75,000	25,000
September 13, 2022	\$0.38	4.46	150,000	112,500	37,500
November 10, 2022	\$0.37	4.62	300,000	225,000	75,000
			6,330,000	631,250	5,698,750

The balance of RSUs outstanding and related information for the six months ended March 31, 2018 are as follows:

	Number of RSUs
Balance September 30, 2017	-
Granted	7,285,000
Exercised	-
Forfeited	(585,000)
Balance March 31, 2018	6,700,000
Unvested	(6,420,835)
Exercisable, March 31, 2018	279,165

On October 26, 2017, the Company granted a total of 7,285,000 restricted share units ("RSUs") to the CEO, the VP of Corporate Development and the VP of Exploration. During the six months ended March 31, 2018, 585,000 RSUs granted to the VP of Exploration were forfeited. The 6,700,000 RSUs vest as to 55,833 RSUs per month for the first three years with the remaining 4,745,845 RSUs vesting at the option of the holder on October 1, 2020. If the holder does not elect to early vest the RSUs, the RSUs will continue to vest as to 55,833 RSUs per month until October 1, 2027.

The weighted average fair value of the RSUs granted during the six months ended March 31, 2018 was \$0.335 based on the closing stock price on the date of grant.

For the six months ended March 31, 2018, the Company recorded share-based compensation expense of \$557,603 (2017 - \$nil) in respect of RSUs.

CALLINEX MINES INC.

Notes to the condensed interim financial statements

For the three and six months ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

d) Share purchase warrants

As at March 31, 2018 and September 30, 2017, there were a total of 4,025,000 warrants outstanding with an exercise price of \$0.75 and expiry date of November 22, 2019. The weighted average remaining life of the share purchase warrants as at March 31, 2018 was 1.65 years (September 30, 2017 – 2.15 years).

e) Equity reserve

	Funding by Callinan	Options, RSUs and warrants	Other	Total
	\$	\$	\$	\$
Balance, September 30, 2017	2,660,523	2,917,135	200,000	5,777,658
Share-based compensation - options	-	82,720	-	82,720
Share-based compensation - RSUs	-	557,603	-	557,603
Transfer of value on the exercise of options	-	(9,929)	-	(9,929)
Balance, March 31, 2018	2,660,523	3,547,529	200,000	6,408,052

13. Related party transactions

Compensation paid or payable to the Company's Board of Directors and corporate officers for services provided during the six months ended March 31, 2018 and 2017 was as follows:

	2018	2017	2018	2017
	\$	\$	\$	\$
Professional fees	8,288	4,920	17,568	15,120
Management and consulting	236,500	54,000	350,216	123,000
Geological consulting	-	-	37,500	-
Share-based compensation	314,344	45,461	577,471	142,521
	559,132	104,381	982,755	280,641

As at March 31, 2018, a total of \$9,000 (December 31, 2017 - \$9,000) was owed to related parties and is included in accounts payable and accrued liabilities.

CALLINEX MINES INC.

Notes to the condensed interim financial statements

For the three and six months ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian dollars)

14. Supplemental cash flow information

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flow. As at, and during the six months ended March 31, 2018 and 2017, the following transactions were excluded from the statements of cash flows:

	2018	2017
	\$	\$
Non-cash investing and financing transactions		
Share-based compensation included in exploration and evaluation assets	27,658	14,836
Shares received for mineral property option agreements	900,000	-
Transfer of value on the exercise of options	9,929	-
Exploration and evaluation recovery included in accounts receivable	200,000	160,000
Exploration and evaluation assets included in accounts payable and accrued liabilities	132,856	348,494

15. Commitments

In addition to any commitments pursuant to mineral property interest obligations (Note 9), and qualifying Canadian exploration expenses (Note 11), the Company had entered into a lease agreement for its office premises. During the six months ended March 31, 2018, the Company entered into a lease renewal agreement. The lease will expire on October 31, 2023. The annual lease commitment is as follows:

Fiscal year ended September 30, 2018	\$31,800
Fiscal year ended September 30, 2019	\$64,700
Fiscal year ended September 30, 2020	\$64,800
Fiscal year ended September 30, 2021	\$64,800
Fiscal year ended September 30, 2022	\$64,800