CALLINEX

MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2020

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, 2020 ("MD&A") has been prepared as of May 28, 2020. It should be read in conjunction with the audited financial statements of Callinex Mines Inc. for the year ended September 30, 2019.

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

Callinex Mines Inc. (the "Company" or "Callinex") is principally engaged in the acquisition, exploration and development of mineral properties within established Canadian mining jurisdictions 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. On July 4, 2019, the Company consolidated its issued and outstanding common shares on the basis of 10 pre-consolidation shares for one post-consolidation shares (the "Consolidation"). All references to share and per share amounts in this MD&A have been retroactively restated to reflect the Consolidation.

Operational Highlights and Outlook

- Consolidated its issued and outstanding common shares at a ratio of ten (10) pre-consolidated shares to one (1) post-consolidation share. The purpose of the Consolidation is to facilitate the Company's ability to attract future financings and generate greater investor interest.

- Closed a non-brokered private placement financing to issue 2,020,000 flow-through share units at a price per share of $0.50 for gross proceeds of $1.01 million. Each flow through share unit represents one flow through share and one half of a non-flow through share purchase warrant.

Following the share consolidation and closing of the non-brokered private placement financing, Callinex has sufficient funds and a favourable share structure to carry out its exploration campaigns into 2020. Accordingly, the Company has commenced two ongoing drilling campaigns at its Nash Creek and Superjack projects in the Bathurst Mining District of New Brunswick and at its Pine Bay Project in the Flin Flon Mining District of Manitoba.

Exploration commenced at the Pine Bay project, with the drill campaign to drill some 3,000m at the project, drill testing four of ten newly identified target areas that have the potential to host a high-grade zinc, copper, gold and silver-rich VMS deposits. New drill target areas are supported by recently completed IP and magnetic survey results along favourable geologic trends, reinterpretation of DPEM data, physical rock property testing and compilation of recent and historic drilling.

In the Bathurst Mining District of New Brunswick, exploration efforts continue with up to 20 planned drill holes at the Nash Creek and Superjack projects. These targets were identified utilizing the IP survey and an airborne Versatile Time Domain Electromagnetic ("VTEM") geophysical survey from 2006. Making discoveries at both projects holds the potential to enhance the economics from the maiden Preliminary Economic Assessment ("PEA") that was published in 2018.

EXPLORATION PROGRAMS AND EXPENDITURES

During the six months ended March 31, 2020, the Company incurred deferred acquisition and exploration expenditures of $1,501,069 (2019 - $463,881). The expenditures relate primarily to the Pine Bay and Nash Creek projects.

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

	Flin Flon	Point Leamington	Nash Creek	Superjack	Other	Total
	$	$	$	$	$	$
September 30, 2019	**13,389,025**	**694,763**	**3,383,427**	**1,044,297**	**223,613**	**18,735,125**
Acquisition	-	-	-	-	-	-
Assaying	37,346	-	11,472	-	-	48,818
Camp costs	24,323	-	74,013	1,560	-	99,896
Consulting	16,947	-	17,425	2,178	-	36,550
Drilling	568,992	-	402,404	82,231	-	1,053,627
Geologists	67,423	-	65,229	-	-	132,652
Geophysical	59,369	11,058	16,225	-	-	86,652
Other	10,139	-	20,296	-	-	30,435
Permitting	-	-	11,750	-	-	11,750
Recovery	-	-	(6,900)	-	-	(6,900)
Share-based compensation	3,943	39	3,496	111	-	7,589
	788,482	11,097	615,410	86,080	-	1,501,069
March 31, 2020	**14,177,507**	**705,860**	**3,998,837**	**1,130,377**	**223,613**	**20,236,194**

Nash Creek and Superjack

The Nash Creek and Superjack projects are located within the Bathurst Mining Camp ("BMC") of New Brunswick, Canada, and benefit from excellent infrastructure including road access to an operating concentrate processing facility approximately 90km and 50km, respectively, away by road. The BMC has been one of the most productive and economically significant base metal mining districts in the world. In total, more than 130 million tonnes of zinc sulphide rich material have been extracted from at least ten mines, nearly all of which has been mined since the 1950s.

On May 14, 2018, the Company announced results from an independent initial Preliminary Economic Assessment ("PEA") on the Company's 100% owned Nash Creek and Superjack Projects. **The mine plan generates a strong economic return with a pre-tax internal rate of return ("IRR") of a 34.1% (25.2% post-tax) and a pre-tax Net Present Value ("NPV") at an 8% discount rate of C$230 million** (C$128 million post-tax) based on pre-production capital costs of C$168 million and a zinc price of US$1.25/lb.*

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.

Callinex has completed over 15,000m of drilling with the objective of expanding the zinc-rich mineralized zones at the Nash Creek and Superjack projects. The Company anticipates continued significant exploration programs including diamond drilling.

Pine Bay

Callinex owns a 100% interest, subject to a 1% Net Smelter Return ("NSR") royalty and a 5.12% Net Profits Interest, in the 6,000ha Pine Bay Project. The project is located 16km east of Flin Flon, MB and covers the Baker Patton Felsic Complex, one of the largest and most highly altered accumulations of felsic rocks within the Flin Flon Greenstone Belt. The project hosts four past producing VMS mines and historic resources. Additionally, high-grade copper and zinc mineralization is contained within a mineral lease that allows for the right to operate a mine and covers a 212m vertical shaft with 760m of underground development.

In October, 2016 Callinex announced that hole 284-3-93-DPN intersected 10.3m grading 13.1% zinc equivalent mineralization ("Zn Eq.") containing 6.0% Zn, 1.8 g/t Au, 60.4 g/t Ag, 0.7% Cu and 0.4% Pb including a higher grade interval over 4.2m grading 20.8% Zn Eq. containing 11.8% Zn, 2.4 g/t Au, 73.8 g/t Ag, 0.7% Cu and 0.7% Pb (See News Release dated October 18, 2016). The discovery was made by extending a historic Placer Dome drill hole by an additional 38 meters. The historic drill hole was initially drilled as part of their mandate to discover a 30 million ton VMS deposit at the Pine Bay Project.

Callinex has completed over 15,000m of drilling with the objective to discover additional high-grade VMS mineralization within the project area. The Company anticipates completing additional exploration in 2020 including geophysical surveys and diamond drilling.

Big Island

Callinex had an option to acquire a 100% interest in the Big Island Project located 10km east of Flin Flon, Manitoba.

On April 18, 2018, the Company notified the vendor of the Company's decision not to proceed with the option agreement and accordingly, wrote-down the property to $nil, recognizing an impairment charge of $417,794 during the year ended September 30, 2018.

Flin Flon

Callinex owns a 100% interest, subject to a 2% NSR royalty of which 1% of the NSR royalty 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.

Callinex anticipates completing additional geological and geophysical interpretation to evaluate potential drill targets at the property.

Pt. Leamington

Callinex owns a 100% interest, subject to a 1% NSR royalty granted to the vendor which may be purchased by the Company for $1,000,000, in the Pt. Leamington Project. The project, consisting of Mining Lease 136(2655), is located approximately 37km by road and trails from the city of Grand-Falls Windsor, Newfoundland, and approximately 20km from the provincial power grid. The deposit is a large, felsic-hosted zinc rich VMS deposit that dips 70 degrees to the west, has a strike length of 500m and a maximum thickness of 85m. Massive sulphides have been intercepted to a depth of 360m below surface from a total of approximately 21,714m of drilling in 72 drill holes. Regional government mapping and lithogeochemical sampling has indicated that the Pt. Leamington Project's host volcanic stratigraphy extends well beyond the vicinity of the deposit.

The Company has completed preliminary metallurgical work with the objective of characterizing the nature of sulphide mineralization. Callinex will assess opportunities for further metallurgical testing and preliminary engineering work.

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, Gossan Gold, Sneath

Lake property, Coles Creek property, Fox River property, Moak Lake property, 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. During the first quarter of fiscal 2018 Callinex received the initial considerations of $200,000 cash and 1,000,000 common shares of LION (initially recorded at the acquisition date fair value of $900,000 upon receipt). The Company paid a finders' fee to a third party of 100,000 LION common shares at the then fair value of $90,000.

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 agreement. On October 25, 2019 the option agreement was amended to extend the share issuance deadline to October 27, 2020, in consideration for which LION will issue the Company an additional 250,000 common shares of LION. 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 20 km area of interest.

<u>Headway Project</u>

On November 5, 2018, the Company entered into a purchase agreement to acquire a 100% interest in the Headway Project located in the Bathurst Mining District of New Brunswick in consideration for 25,000 common shares of the Company (issued on closing at the fair value of $20,000).

The vendor will retain a 1.0% net smelter return royalty, of which half can be purchased by the Company at any time for $500,000.

The Headway Project includes $44,800 in work credits, which will allow the claims to remain in good standing until late 2023.

Headway North claim

During the year ended September 30, 2019, the Company closed a purchase agreement to acquire the Headway North claim, expanding the Company's Headway Project. In consideration, the Company issued 12,000 common shares of the Company at a deemed price of $1.00 per common share or $12,000.

The vendor will retain a 1.0% net smelter return royalty, of which half can be re-purchased by the Company for $500,000.

The Headway North claim includes $36,000 in work credits, which will allow the claims to remain in good standing until late 2024.

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, 2020.

Three months ended	March 31, 2020 $	December 31, 2019 $	September 30, 2019 $	June 30, 2019 $
Revenues	-	-	-	-
Loss for the period	(348,361)	(290,562)	(415,197)	(690,439)
Total comprehensive loss for the period	(348,361)	(290,562)	(415,197)	(690,439)
Loss per share (basic and diluted)(1)(2)	(0.03)	(0.03)	(0.05)	(0.08)

Three months ended	March 31, 2019 $	December 31, 2018 $	September 30, 2018 $	June 30, 2018 $
Revenues	-	-	-	-
Loss for the period	(382,375)	(508,742)	(486,333)	(794,944)
Total comprehensive loss for the period	(304,610)	(539,582)	(550,583)	(661,614)
Loss per share (basic and diluted)(1)(2)	(0.04)	(0.06)	(0.06)	(0.09)

(1) The basic and diluted loss per share amounts are the same amount due to the anti-dilutive effect of outstanding stock options and warrants.
(2) Post 10:1 share consolidation.

The loss for the quarter ended June 30, 2019 was higher compared to other quarters due to the share-based compensation of $465,448 relating, primarily, to the accelerated vesting of Restricted Share Units cancelled during the quarter.

The loss for the quarter ended December 31, 2018 was higher compared to other quarters due to share-based compensation of $209,719 relating primarily to the vesting of Restricted Share Units during the quarter.

The loss for the quarter ended June 30, 2018 was higher compared to other quarters due a loss on sale of marketable securities of $247,171 as well as share-based compensation of $209,719 relating to the vesting of Restricted Share Units during the quarter.

RESULTS OF OPERATIONS

Six months ended March 31, 2020
During the six months ended March 31, 2020, the Company reported a loss of $638,923 and a loss per share of $0.06 (2019 – loss of $891,117 and $0.10 loss per share).

	2020 **$**	**2019** **$**
General and administrative expenses*	(524,202)	(554,184)
Lease finance charges	(14,095)	-
Share-based compensation	(124,000)	(391,714)
Finance income	11,721	15,963
Flow-through premium recovery	11,653	38,818
Loss for the period	(638,923)	(891,117)

* *General and administrative expenses are before lease finance charges and share-based compensation.*

The general and administrative expenses decreased during the six months ended March 31, 2020 compared to the comparable period. The most significant general and administrative expenses were with respect to the following:

(i) Corporate development - $113,827 (2019 - $119,419)
These costs relate to corporate development matters. The decrease is a result of decreased activity arising from streamlining of corporate overhead costs in the current period.

(ii) Management and consulting fees - $133,251 (2019 - $172,827)
These include fees paid to the Company's senior executives and employees. During 2020, there was a reduction in the number of employees compared with 2019.

(iii) Office and administration - $154,942 (2019 - $165,296)
The decrease is a result of decreased activity arising from streamlining of corporate overhead costs in the current period.

(iv) Professional fees - $74,750 (2019 - $56,386)
These include legal, audit and accounting fees. The increase during the six months ended March 31, 2020 is as a result of increased support services and audit costs.

Other items impacting loss for the period are:

(i) Share-based compensation expense of $124,000 (2019 - $391,714)
Relates to the vesting of options to key management and consultants. During 2019 the RSU plan was terminated resulting in the decrease of recognition of share-based compensation in 2020. The share-based compensation in 2020 is non-cash based.

(ii) Finance lease charges of $14,095 (2019 - $nil)
The charges arise from the adoption of IFRS 16 - Leases on October 1, 2019, see further commentary in the section Adoption of New Accounting Standard.

Three months ended March 31, 2020

During the three months ended March 31, 2020, the Company reported a loss of $348,990 and a loss per share of $0.03 (2019 – loss of $382,375 and $0.00 loss per share).

	2020 **$**	**2019** **$**
General and administrative expenses*	(286,973)	(225,175)
Lease finance charges	(8,336)	-
Share-based compensation	(57,565)	(184,854)
Finance income	4,513	7,767
Flow-through premium recovery	-	19,887
Loss for the period	(348,361)	(382,375)

* *General and administrative expenses are before lease finance charges and share-based compensation.*

The general and administrative expenses increased during the three months ended March 31, 2020 compared to the comparable period. The most significant general and administrative expenses were with the respect to the following:

(i) Corporate development - $70,140 (2019 - $29,414)
These costs relate to corporate development matters. The increase is a result of increased activity arising in the current quarter.

(ii) Management and consulting fees - $63,638 (2019 - $82,598)
These include fees paid to the Company's senior executives and employees. During 2020, there was a reduction in the number of employees compared with 2019.

(iii) Office and administration - $83,711 (2019 - $59,887)
The increase is a result of expenditures incurred to support the activity of the Company and the development of the Company's strategy arising in the current quarter.

(v) Professional fees - $47,592 (2019 - $35,660)
These include legal, audit and accounting fees. The increase during the three months ended March 31, 2020 is as a result of increased support services and audit costs.

Other items impacting loss for the period are:

(i) Share-based compensation expense of $57,565 (2019 - $184,854)
Relates to the vesting of options to key management and consultants. During 2019 the RSU plan was terminated resulting in the decrease of recognition of share-based compensation in 2020. The share-based compensation in 2020 is non-cash based

(ii) Finance lease charges of $8,336 (2019 - $nil)
The charges arise from the adoption of IFRS 16 - Leases on October 1, 2019, see further commentary in the section Adoption of New Accounting Standard.

FINANCING ACTIVITIES

During the six months ended March 31, 2020, the Company did not complete any equity or debt financings.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2020 the Company had cash on hand of $949;940 compared to $2,880,132 as at September 30, 2019. The net decrease in cash for the period is primarily due to the Company's cash used in operating activities of $573,941 and investing activities of $1,324,601.

As at March 31, 2020 the Company had working capital of $773,557 (September 30, 2019 - $2,801,790) and no long-term debt.

The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. The recoverability of amounts shown as mining claims and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop its mineral properties, and the ultimate realization of profits through future production from, or sale of, the properties.

RELATED PARTY TRANSACTIONS

Compensation paid or payable to the Company's Board of Directors and corporate officers for services provided during the three and six months ended March 31, 2020 and 2019 was as follows:

	2020	2019	2020	2019
	$	$	$	$
Professional fees	**6,050**	10,486	**13,150**	18,178
Management and consulting	**45,000**	67,500	**99,308**	142,875
Share-based compensation	**34,181**	181,746	**73,657**	380,374
	85,231	259,732	**186,115**	541,427

Professional fees includes fees earned by Malaspina Consultants Inc. for the provision of services by the Chief Financial Officer, Killian Ruby. The business purpose of the transactions was to compensate the individual for administration and management services provided. The Company has a consulting agreement with Malaspina Consultants Inc., a company controlled by Mr. Ruby. The consulting agreement can be terminated with sixty days' notice.

Management and consulting fees includes salary earned by the Chief Executive Officer, Max Porterfield, the former VP of Corporate Development, Jordan Butler (resigned May 31, 2019), and a former Director, Mike Muzylowski (retired June 3, 2019). The business purpose of the transactions was to compensate the individuals for administration and management services provided. The Company has an employment agreement with Mr. Porterfield that includes a change of control provision calling for a severance payment equal to two year's annual salary.

During the three and six months ended March 31, 2020, the Company incurred professional fees $13,538 and $30,642, respectively, (2019 - $8,429 and $15,308, respectively) for the provision of non-CFO accounting support services charged by Malaspina Consultants Inc..

Included in accounts payable and accrued liabilities at March 31, 2020 are amounts due to related parties of $10,617 (September 30, 2019 - $9,223) owing to the Chief Executive Officer and Malaspina Consultants Inc. for the provision of CFO services. These amounts are non-interest bearing and due on normal commercial terms.

ADOPTION OF NEW ACCOUNTING STANDARD

Effective October 1, 2019 the following standard was adopted by the Company.

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 was effective for the Company for the fiscal year beginning October 1, 2019. The adoption of IFRS 16 increased the leased assets and liabilities of the Company.

The primary impact of IFRS-16 was with respect to the Company's lease of its office premises. The Company adopted IFRS-16 effective October 1, 2019, and has elected not to apply this Standard to contracts that were not previously identified as containing a lease. IFRS-16 permits a choice that, upon adoption of IFRS-16, enables the Company to apply the standard retrospectively on a modified basis, which requires that the Company shall not restate comparative information, but instead shall recognize the cumulative effect of initially applying IFRS-16 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. In applying this form of retrospective application, the Company is required to:

(a) recognize a lease liability at the date of initial application for leases previously classified as an operating lease applying IAS 17. The Company shall measure that lease liability at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at the date of initial application.

(b) recognize a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying IAS 17. The Company chose, as permitted by IFRS-16, to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

As there were no accrued or prepaid lease amounts the initial carrying value of the lease obligations and right of use asset were recorded at the initial value of $179,212. Accordingly, there were no retrospective adjustments impacting opening equity. The Company's right of use asset is the office rental asset and is presented within property and equipment.

The following is the Company's accounting policy for right-of-use assets and leases under IFRS-16:

Right of Use Assets (Leases)

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

FUTURE ACCOUNTING STANDARDS AND PRONOUNCEMENTS

At the date of approval of the financial statements the following standard, 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. The following is a brief summary of the principal new or amended standards:

IAS 1 – Presentation of financial statements and IAS 8 - Accounting policies, changes in accounting estimates and errors

The amendments to these standards specify a new definition of materiality. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

These amendments to IAS 1 and IAS 8 were issued in October 2018 and will be effective for the Company, on a prospective basis, for the fiscal year beginning October 1, 2020.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

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 a stock option plan. The table below summarizes the Company's common shares, stock options and warrants that are convertible into common shares as of May 28, 2020:

Issued and outstanding common shares(1)	10,661,142
Share options(1) with a weighted average exercise price of $1.65	957,000
Share purchase warrants(1) with a weighted average exercise price of $1.00	1,010,000
Fully Diluted	**12,628,142**

(1) Post 10:1 share consolidation.

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, First Nations consultation, 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

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 financial statements for the six months ended March 31, 2020 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