

CALLINEX MINES INC.

**Condensed Interim Financial Statements
Three and six months ended March 31, 2021 and 2020**

(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 condensed 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 condensed interim 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, 2021 and September 30, 2020

(Unaudited - Expressed in Canadian dollars)

	Note	March 31, 2021	September 30, 2020
		\$	\$
Assets			
Current			
Cash and cash equivalents		7,421,545	675,840
Receivables		71,554	32,693
Prepaid expenses and other assets	5	357,262	52,722
		7,850,361	761,255
Non-current			
Deposits		28,192	28,192
Property and equipment	6	365,608	313,474
Exploration and evaluation assets	7	22,831,245	21,133,407
		31,075,406	22,236,328
Liabilities			
Current			
Accounts payable and accrued liabilities	8	1,155,094	528,851
Lease obligations	9	41,720	33,977
Flow-through premium liability	10	1,312,399	-
		2,509,213	562,828
Non-current			
Lease obligations	9	85,557	107,562
Loan payable	11	40,000	40,000
		2,634,770	710,390
Shareholders' Equity			
Capital stock	12	69,831,268	63,226,726
Equity reserve	12(f)	8,505,132	7,467,072
Accumulated other comprehensive loss		(353,995)	(353,995)
Deficit		(49,541,769)	(48,813,865)
		28,440,636	21,525,938
		31,075,406	22,236,328

Going Concern – Note 2

Commitments – Note 15

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, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended		Six months ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
			\$		\$
Corporate development		85,981	70,140	270,931	113,197
Depreciation	6	19,220	15,843	35,345	31,972
Listing and filing fees		20,568	6,046	36,854	16,087
Management and consulting fees	13	48,432	63,638	93,432	133,251
Office and administration		37,906	83,714	60,463	154,945
Professional fees	13	104,318	47,592	151,981	74,750
Share-based compensation	12(d),13	208,655	57,565	418,350	124,000
		(525,080)	(344,538)	(1,067,356)	(648,202)
Lease finance charges	9	(2,911)	(8,336)	(9,907)	(14,095)
Interest income (expense)		(1,823)	4,513	(3,429)	11,721
Foreign exchange gain/(loss)		(974)	-	(1,850)	-
Flow-through premium recovery		354,638	-	354,638	11,653
Loss and total comprehensive loss for the period		(176,150)	(348,361)	(727,904)	(638,923)
Loss per share					
- Basic and diluted		(0.01)	(0.03)	(0.06)	(0.06)
Weighted average number of shares outstanding¹					
- Basic and diluted		12,135,308	10,661,142	11,746,116	10,661,142

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

CALLINEX MINES INC.

Condensed Interim Statements of Cash Flows
Six months ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

	2021	2020
	\$	\$
Cash flows (used in) provided by		
Operating activities		
Loss for the period	(727,904)	(638,923)
<i>Items not affecting cash</i>		
Depreciation	35,345	31,972
Share-based compensation	418,350	124,000
Lease finance charges	9,907	14,095
Finance (income)/expense	3,429	(11,721)
Flow-through premium recovery	(354,638)	(11,653)
<i>Net change in non-cash working capital items</i>		
Prepaid expenses	(304,540)	25,365
Accounts payable and accrued liabilities	161,292	(107,076)
	(758,759)	(573,941)
Investing activities		
Investment in exploration and evaluation assets	(1,432,817)	(1,333,507)
Receipt of finance income	279	8,906
Acquisition of property and equipment	(87,479)	-
	(1,520,017)	(1,324,601)
Financing activities		
Proceeds from shares issued	8,888,888	-
Share issuance costs	(411,572)	-
Proceeds from exercise of options	271,335	-
Proceeds from government assistance	300,000	-
Lease payments	(24,170)	(31,650)
	9,024,481	(31,650)
Decrease in cash and cash equivalents	6,745,705	(1,930,192)
Cash and cash equivalents, beginning of year	675,840	2,880,132
Cash and cash equivalents, end of period	7,421,545	949,940
Cash and cash equivalents consist of:		
Cash	7,388,545	231,940
Cash equivalents	33,000	718,000

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, 2021 and 2020
 (Unaudited - Expressed in Canadian dollars)

	Common shares	Capital Stock	Equity Reserve	AOCI(L) ¹	Deficit	Total
	#	\$	\$	\$	\$	\$
Balance, September 30, 2019	10,661,142	62,571,726	7,236,806	(353,995)	(47,688,744)	21,765,793
Share-based compensation - stock options	-	-	131,589	-	-	131,589
Comprehensive loss for the period	-	-	-	-	(638,923)	(638,923)
Balance, March 31, 2021	10,661,142	62,571,726	7,368,395	(353,995)	(48,327,667)	21,258,459
Shares issued in consideration for:						
- Exercise of warrants	655,000	655,000	-	-	-	655,000
Share-based compensation – stock options	-	-	98,677	-	-	98,677
Comprehensive loss for the period	-	-	-	-	(486,198)	(486,198)
Balance, September 30, 2020	11,316,142	63,226,726	7,467,072	(353,995)	(48,813,865)	21,525,938
Shares issued in consideration for:						
Cash, pursuant to:						
- Private placement	1,640,452	8,888,888	-	-	-	8,888,888
Less: Issue costs - cash	-	(411,572)	-	-	-	(411,572)
Less: Issue costs - warrants	-	(72,668)	72,668	-	-	-
Exercise of options	181,212	486,356	(215,021)	-	-	271,335
Allocation to warrants	-	(619,425)	619,425	-	-	-
Allocation to flow-through premiums	-	(1,667,037)	-	-	-	(1,667,037)
Share-based compensation - stock options	-	-	560,988	-	-	560,988
Comprehensive loss for the period	-	-	-	-	(727,904)	(727,904)
Balance, March 31, 2021	13,137,806	69,831,268	8,505,132	(353,995)	(49,541,769)	28,440,636

1 AOCI(L): Accumulated other comprehensive income (loss)

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, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

1. Nature of operations

Callinex Mines Inc. ("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 and going concern

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 financial statements for the year ended September 30, 2020 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, 2020.

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

These financial statements were approved by the board of directors for use on May 28, 2021.

In March 2020, the World Health Organization declared a global pandemic related to the outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The continued uncertainty associated with the pandemic may have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital.

The Company has incurred losses since inception and expects to incur further losses in the development of its business. At March 31, 2021, the Company had a working capital (current assets less current liabilities) of \$5,341,148 and at that date, the Company also had an accumulated deficit of \$49,541,769 which has been funded primarily by the issuance of equity. The Company has incurred losses since inception and does not generate any cash inflows from operations. For the six months ended March 31, 2021, cash used in operations totalled \$758,759 (2020: \$573,941).

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial

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position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. New and future accounting standards and pronouncements

a) New and future accounting standards adopted

New standards applicable to Company's condensed interim financial statements as of October 1, 2020 did not have a material impact upon adoption.

New standards issued but not yet effective at March 31, 2021 are not currently expected to have a material impact on the Company's financial statements.

4. Critical accounting estimates and judgments

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended September 30, 2020.

5. Prepaid expenses and other assets

	March 31, 2021	September 30, 2021
	\$	\$
Deposits	2,410	2,410
Prepaid expenses	354,852	50,312
	357,262	52,722

Prepaid expenses are impacted by the quantum and timing of contracts entered into.

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6. Property and equipment

	Equipment	Office Furniture	Computer Equipment	Buildings, Furniture & Fittings	Right of Use Asset	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance, September 30, 2020	123,230	9,185	91,150	163,592	179,212	566,369
Additions	12,657	-	1,742	73,080	-	87,479
Balance, March 31, 2021	135,887	9,185	92,892	236,672	179,212	653,848
Accumulated depreciation						
Balance, September 30, 2020	107,400	6,728	71,193	20,433	47,141	252,895
Depreciation	3,598	240	3,007	5,283	23,217	35,345
Balance, March 31, 2021	110,998	6,968	74,200	25,716	70,358	288,240
Net book value						
September 30, 2020	15,830	2,457	19,957	143,159	132,071	313,474
March 31, 2021	24,889	2,217	18,692	210,956	108,854	365,608

7. Exploration and evaluation assets

	Flin Flon	Point Leamington	Nash Creek	Superjack	Other	Total
	\$	\$	\$	\$	\$	\$
September 30, 2020	14,904,278	798,203	4,075,659	1,131,654	223,613	21,133,407
Acquisition	-	-	-	-	-	-
Assaying	48,069	-	33,923	-	-	81,992
Camp costs	39,273	-	3,230	406	-	42,909
Consulting	-	6,153	-	-	-	6,153
Drilling	1,314,110	-	2,710	-	-	1,316,820
Geologists	204,015	23,020	45,725	-	-	272,760
Geophysical	23,169	213	1,275	-	-	24,657
Other	31,056	-	2,726	-	-	33,782
Permitting	19,340	63,031	4,520	80	4,647	91,618
Recovery	-	-	(15,491)	-	-	(15,491)
Share-based compensation	120,716	11,331	10,591	-	-	142,638
	1,799,748	103,748	89,209	486	4,647	1,997,838
Government assistance	(300,000)	-	-	-	-	(300,000)
	1,499,748	103,748	89,209	486	4,647	1,697,838
March 31, 2021	16,404,026	901,951	4,164,868	1,132,140	228,260	22,831,245

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 30,000 common shares as full satisfaction of the consideration)
- (ii) \$25,000 cash (paid) and \$125,000 in cash or 25,000 common shares on or before the second anniversary (issued 25,000 common shares as full satisfaction of the consideration)

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- (iii) \$125,000 due in cash or common shares within 10 days of the Company completing a preliminary economic assessment on the Nash Creek project (issued 25,000 common shares as full satisfaction of the consideration)
- (iv) \$25,000 in cash on or before the third anniversary (paid)

Consideration for the exploration data is to be as follows:

- (i) \$100,000 cash (paid)
- (ii) \$150,000 in cash or 30,000 common shares (issued 30,000 common shares as full satisfaction of the consideration)
- (iii) \$50,000 cash on or before the first anniversary (paid)

Flin Flon Area

Pine Bay project

Callinex owns a 100% interest, with certain mineral leases and claims within the Pine Bay Project being subject to a Net Smelter Return ("NSR") royalty ranging from 0%-1% (of which 0.5% NSR can be repurchased for \$500,000) and a Net Profit Interest.

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.

Government assistance

The Company participates in the Government of Manitoba Mineral Exploration Assistance Program ("MEAP"). During the year ended September 30, 2020, the Company did not receive additional assistance from the Government of Manitoba. During the six months ended March 31, 2021 the Company received a grant of \$300,000 from the Manitoba Mineral Development Fund to advance the Rainbow Discovery.

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, subject to a 1% NSR royalty granted to the vendor which may be purchased by the Company for \$1,000,000.

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 21,645 common shares on the first anniversary (issued 21,645 common shares as full satisfaction of the consideration)
- (iii) \$200,000 in cash or common shares on the second anniversary (issued 43,290 common shares as full satisfaction of the consideration)

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

- (i) \$100,000 cash (paid)
- (ii) \$100,000 in cash or 21,645 common shares on the first anniversary (issued 21,645 common shares as full satisfaction of the consideration)

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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, 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). 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. On October 25, 2020 the option agreement was further amended to extend the share issuance deadline to October 27, 2021. 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.

Headway Project

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 a 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.

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.

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(Unaudited - Expressed in Canadian dollars)

8. Accounts payable and accrued liabilities

	March 31, 2021	September 30, 2020
	\$	\$
Accounts payable	1,124,661	469,854
Accrued liabilities	30,433	58,997
	1,155,094	528,851

9. Lease obligations

The Company recognized lease obligations with respect to the lease of office space. The Company is required to make monthly payments of approximately \$5,300, with the term of the lease expiring on October 31, 2023. The outstanding balances as at March 31, 2021, calculated using an implied rate of 20% p.a., are as follows:

	March 31, 2021	September 30, 2020
	\$	\$
Office lease asset	127,277	141,539
Current portion	(41,720)	(33,977)
Non-current portion	85,557	107,562

The following is a schedule of the Company's future minimum lease payments related to the lease obligations:

	March 31, 2021
	\$
2022	63,488
2023	63,488
2024	37,034
Total minimum lease payments	164,010
Less: imputed interest	(36,733)
Total present value of minimum lease payments	127,277
Less: Current portion	(41,720)
Non-current portion	85,557

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Notes to the Condensed Interim Financial Statements

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10. Flow-through premium liability

The flow-through premium liability as at March 31, 2021 is \$ 1,312,399 (September 30, 2020 - \$nil) arose in connection with flow-through share offering the Company completed on February 25, 2021 (Note 12(c)). 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 qualifying flow-through expenditures that are incurred by the Company.

The Company is committed to incurring on or before December 31, 2022 qualifying Canadian exploration expenses as defined under the *Income Tax Act (Canada)* (the "Qualifying Expenditures") in the amount of \$6,388,880 with respect to the flow-through share financing completed on February 25, 2021. None of the qualifying CEE will be available to the Company for future deduction from taxable income.

During the six months ended March 31, 2021, the Company recognized a flow-through premium recovery of \$354,638, representing the pro-rata portion of Qualifying CEE incurred during the period.

11. Loan payable

In May 2020, the Company received \$40,000 in the form of a Canada Emergency Business Account ("CEBA") loan. CEBA is part of the economic assistance program launched by the Government of Canada to ensure that businesses have access to capital during the COVID-19 pandemic and can only be used to pay non-deferrable operating expenses. During the period from receipt of the CEBA loan to December 31, 2022 (the "Initial Term") no interest is charged on the amount outstanding and should at least CAD\$ 30,000 be repaid on or before the end of the Initial Term the remaining CAD \$10,000 of principal will be forgiven. During the period from January 1, 2023 to December 31, 2025 (the "Extended Term"), should the loan remain outstanding, interest will be payable monthly at a rate of 5% per annum on the outstanding balance. The balance of the CEBA loan is fully repayable on or before the end of the Extended Term, if not repaid on or before the end of the Initial Term.

12. Share capital

a) Authorized:

Unlimited common shares with no par value

b) Consolidation

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 share. All references to share and per share amounts in these financial statements have been retroactively restated to reflect the Consolidation.

c) Financings:

On February 25, 2021, the Company closed its oversubscribed private placement financing by raising a total of \$8,888,888 (the "Offering"). Under the Offering, the Company issued (i) 625,002 hard dollar units (the "HD Units") at a price of \$4.00 per HD Unit (the "HD Offering Price") for gross proceeds of \$2,500,008; (ii) 125,000 New Brunswick flow-through units (the "NB FT Units") at a price of \$5.52 per NB FT Unit (the "NB FT Offering Price") for gross proceeds of \$690,000; and (iii) 890,450 Manitoba flow-through units (the "MB FT Units") at a price of \$6.40 per MB FT Unit (the "MB FT Offering Price") for gross proceeds of \$5,698,880. Each HD Unit consists of one common share and one-half of one transferable common share purchase warrant (each whole such common share purchase warrant, a "Warrant"). Each NB FT Unit consists of one flow-through common share and one-half of one transferable Warrant to be issued on a non-flow-through basis. Each MB FT Unit consists of one flow-through common share and one-half of one transferrable Warrant to be issued on a non-flow-through

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basis. Each Warrant shall be exercisable into one additional common share (a "Warrant Share") at an exercise price of \$6.00 per Warrant Share until February 25, 2024. The Company paid the syndicate of agents a cash commission of \$276,268 and issued a total of 31,506 share purchase warrants ("Compensation Options"), with each Compensation Option exercisable at \$6.00 per share expiring on February 25, 2023.

d) 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 ("RSU") plan. Under the fixed option plan and the RSU plan, the Company's total number of stock options and RSUs is limited to 1,565,974.

The maximum number of common shares reserved for issue (i) at any time and (ii) issued within any one year period to any one person under the plan (except as noted below) may exceed 5% of the issued and outstanding number of common shares at the date of the grant; the maximum number of common shares issuable to any one person under the plan (except as noted below) may exceed 10% 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. Pursuant to the RSU Plan, there are no mandatory vesting provisions. At the discretion of the Board (or a committee thereof), RSUs granted under the RSU Plan may contain vesting conditions.

During the year ended September 30, 2019, as part of an annual review of its equity compensation plans, the Company cancelled its RSU plan and all outstanding RSUs that were granted under the RSU Plan.

The balance of options outstanding and related information for the six months ended March 31, 2021 are as follows:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance September 30, 2020	1,277,000	\$2.21	3.72
Granted	160,000	\$5.00	
Exercised	(181,212)	\$1.50	
Expired	(49,954)	\$3.30	
Balance March 31, 2021	1,205,834	\$2.65	3.41
Unvested	(410,000)	\$4.09	4.64
Exercisable, March 31, 2021	795,834	\$1.91	2.77

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The balance of options outstanding as at March 31, 2021 was as follows:

Expiry date	Exercise price	Remaining life (years)	Options Outstanding	Unvested	Exercisable
June 29, 2021	\$2.50	0.25	35,000	-	35,000
August 8, 2021	\$3.80	0.36	147,500	-	147,500
December 12, 2021	\$6.00	0.70	10,000	-	10,000
November 10, 2022	\$3.70	1.61	30,000	-	30,000
July 9, 2023	\$2.90	2.27	15,000	-	15,000
September 9, 2024	\$0.50	3.45	418,334	-	418,334
September 16, 2024	\$0.55	3.47	5,000	-	5,000
October 14, 2024	\$0.50	3.54	10,000	-	10,000
September 14, 2025	\$3.50	4.46	375,000	250,000	125,000
March 4, 2026	\$5.00	4.93	160,000	160,000	-
			1,205,834	410,000	795,834

During the six months ended March 31, 2021, 181,212 options were exercised for proceeds of \$271,335 and 49,954 options expired unexercised.

For the three and six months ended March 31, 2021, the Company recorded share-based compensation expense, arising from options of \$282,654 and \$560,987, respectively, (2020 – \$61,270 and \$131,589, respectively,) of which \$73,999 and \$142,638, respectively, (2020 - \$3,705 and \$7,589, respectively) was allocated to exploration and evaluation assets.

The fair value of the options on the date of grant was determined using the Black-Scholes Option pricing Model using the following weighted average assumptions:

	2021	2020
Risk free interest rate	0.94%	1.58%
Expected life	5 years	5 years
Expected volatility	110%	101%
Expected forfeiture	Nil	Nil
Expected dividends	Nil	Nil

CALLINEX MINES INC.

Notes to the Condensed Interim Financial Statements
For the three and six months ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

e) Share purchase warrants

The balance of warrants outstanding and related information for the six months ended March 31, 2021 are as follows:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance September 30, 2020	355,000	\$1.00	1.47
Issued	851,732	\$6.00	1.91
Balance March 31, 2021	1,206,732	\$4.53	2.17
Exercisable, March 31, 2021	1,206,732	\$4.53	2.17

The balance of warrants outstanding as at March 31, 2021 was as follows:

Expiry date	Exercise price	Remaining life (years)	Warrants Outstanding	Exercisable
September 26, 2021	\$1.00	0.49	355,000	355,000
February 25, 2023	\$6.00	1.91	31,506	31,506
February 25, 2024	\$6.00	2.91	820,226	820,226
			1,206,732	1,206,732

f) Equity reserve

	Funding by Callinan	Options, RSUs and warrants	Total
Balance, September 30, 2020	2,660,523	4,806,549	7,467,072
Transfer value on the exercise of options	-	(215,021)	(215,021)
Shares Issue costs - warrants	-	72,668	72,668
Flow-through premiums	-	619,425	619,425
Share-based compensation – stock options	-	560,988	560,988
Balance, March 31, 2021	2,660,523	5,844,609	8,505,132

CALLINEX MINES INC.

Notes to the Condensed Interim Financial Statements
For the three and six months ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

13. Related party transactions

Compensation paid or payable to the Company's Board of Directors, corporate officers and Exploration Manager for services provided during the three and six months ended March 31, 2021 and 2020 was as follows:

	Three months ended		Six months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	\$	\$	\$	\$
Professional fees	10,850	6,050	23,550	13,150
Management and consulting	82,599	45,000	165,099	99,308
Share-based compensation	219,062	34,181	434,151	73,657
	312,511	85,231	622,800	186,115

Professional fees represent fees charged by a company controlled by the Chief Financial Officer of the Company for the provision of CFO services.

During the three and six months ended March 31, 2021, the Company incurred professional fees of \$15,533 and \$29,503, respectively, (2020 - \$13,538 and \$30,642, respectively) for the provision of non-CFO accounting and advisory support services charged by a company controlled by the Chief Financial Officer of the Company.

Included in accounts payable and accrued liabilities at March 31, 2021 are amounts due to related parties of \$19,209 (September 30, 2020 - \$19,747) owing to the Chief Executive Officer and to a company controlled by the Chief Financial Officer for the provision of CFO, and non-CFO accounting and advisory support services. These amounts are non-interest bearing and due on normal commercial terms.

14. Supplemental cash flow information

Other cash flow information relating to operating activities is presented below:

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. As at, and during the six months ended March 31, 2021 and 2020, the following transactions were excluded from the statements of cash flows:

	2021	2020
	\$	\$
Non-cash investing and financing transactions		
Share-based compensation included in exploration and evaluation assets	142,638	7,859
Change in exploration and evaluation assets included in accounts payable and accrued liabilities	463,382	221,902

15. Commitments

Commitments are disclosed pursuant to mineral property interest obligations (Note 6) and lease payment obligations (Note 9).