MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED MARCH 31, 2022

The information contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations for the six months ended March 31, 2022 ("MD&A") has been prepared as of May 26, 2022. It should be read in conjunction with the with the unaudited condensed interim financial statements of Callinex Mines Inc. ("Callinex" or the "Company") for the six months ended March 31, 2022 and the audited financial statements for the year ended September 30, 2021.

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. 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 its common shares trade on the TSX Venture Exchange under the symbol CNX and on the OTCQX Best Market under the ticker symbol CLLXF.

Operational Highlights and Outlook

Throughout the first and second quarter of fiscal 2022 the Company continued with its drilling program at Pine Bay continuing the advancement of the high-grade Rainbow Deposit, and also carried out the work necessary to file, on December 9, 2021, its Technical Report and Mineral Resource Estimate on the Pt. Leamington Property. Other operational highlights are noted as follows:

- On December 9, 2021, filed the Technical Report and Mineral Resource Estimate, prepared by P&E Mining Consultants Inc., at its Point Leamington deposit, Newfoundland. The Pt. Leamington deposit hosts a VMS deposit with significant gold, copper and zinc mineralization that is open for expansion.

- On December 13, 2021, announced the progress from the 2021 drilling campaign at the Rainbow, noting the following (i) 37 drill holes totalling over 17,000m of drilling at the Pine Bay Project are pending results from the assay laboratory; (ii) this year 64 holes have been drilled totalling 34,250m which focused on expanding the Rainbow to the surface and testing exploration targets; and (iii) 12 holes encompassing 3,320m of drilling at the Nash Creek Project in New Brunswick are pending assay results from the laboratory.

- On January 25, 2022, announced the initiation of trading on the OTCQX Best Market under the ticker symbol CLLXF.

- On January 29, 2022, executed an agreement to sell the Neuron project for aggregate proceeds of $1,000,000, with $300,000 due and received on closing and $700,000 due six months after closing. $430,000 has been received to date.

- On January 31, 2022, announced results from additional 13 drill holes encompassing 5,490m of drilling from the 2021 exploration campaign to expand the high-grade copper, gold, silver and zinc Rainbow Deposit.

- On February 2, 2022, announced three targets, at the Pine Bay Project, arising from Induced Polarization ("IP") and Surface Pulse Electromagnetic ("SPEM") surveys.

- On March 1, 2022, announced results from an additional drilling from the 2021 exploration campaign to expand the high-grade copper, gold, silver and zinc and Rainbow Deposit.

- On March 10, 2022, announced additional 2022 exploration targets at the Company's 100% owned Pine Bay Project in Flin Flon, MB.

- On March 30, 2022, the Company announced a non-brokered private placement of up to $4.22 million, subsequently increased to $6.24 million on April 12, 2022. The proceeds from the offering will be used to fund the ongoing drill campaign at the Rainbow Deposit.

- On April 22, 2022, the Company announced that it closed its non-brokered private placement for gross proceeds of $6.24 million.

- On April 27, 2022, the Company announced that it has commenced its 2022 drilling campaign at its Pine Bay Project in Flin Flon, MB.

EXPLORATION PROGRAMS AND EXPENDITURES

During the six months ended March 31, 2022, the Company incurred deferred acquisition and exploration expenditures of $2,308,240 (2021 - $1,997,838). The expenditures relate primarily to the Pine Bay and Nash Creek projects.

The following are the exploration and evaluation assets held by the Company at March 31, 2022:

	Flin Flon	Point Leamington	Nash Creek	Superjack	Other	Total
	$	$	$	$	$	$
September 30, 2021	**20,176,593**	**953,994**	**4,551,671**	**1,109,472**	**118,242**	**26,909,972**
Assaying	120,843	-	32,464	-	-	153,307
Camp costs	40,703	-	1,012	417	-	42,132
Consulting	10,150	-	-	-	-	10,150
Drilling	1,619,669	-	6,600	-	-	1,626,269
Geologists	216,507	8,409	24,266	-	-	249,182
Geophysical	31,856	9,432	-	-	-	41,288
Other	39,722	-	2,605	-	-	42,327
Permitting	18,919	27,865	3,660	11,750	-	62,194
Surveying	-	20,995	-	-	-	20,995
Share-based compensation	57,176	1,476	1,476	268	-	60,396
	2,155,545	68,177	72,083	12,435	-	2,308,240
March 31, 2022	**22,332,138**	**1,022,171**	**4,623,754**	**1,121,907**	**118,242**	**29,218,212**

Pine Bay

Callinex owns a 100% interest in the 6,000 ha Pine Bay Project, with certain mineral leases and claims within the 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. 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 five VMS deposits one of which was previously taken into production. 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.

Callinex has completed over 65,000 meters of drilling with the objective to discover additional high-grade Volcanogenic Massive Sulphide ("VMS") mineralization within the project area, including its 2021 drilling campaign with 64 holes drilled for 34,700 m of drilling, focusing on the further definition and expansion on the Rainbow at Pine Bay.

The Rainbow discovery hole, PBM-111, intersected 2.96m of 3.09% copper, 0.75 g/t gold, 13.35 g/t silver, 1.88% zinc and a second interval of 4.31m of 4.12% copper, 0.22 g/t gold, 2.21 g/t silver, 0.06% zinc. The Rainbow discovery was made by testing a previously identified BPEM anomaly known as Anomaly A, a highly conductive 260 meter by 600m anomaly (See News Release Dated July 21, 2020). Anomaly A is located at the intersection of a known mine horizon and probable paleofault. Nearly all VMS deposits in the Flin Flon Greenstone Belt are immediately related to an alteration zone the extent of which typically has a correlation to the deposit size (See News Release dated September 9, 2020).

The Company announced the commencement of its 2021 drill program with the drill campaign starting with the completion of two drill holes for 1,600m of the 30,000m budgeted for 2021. The first drill continued stepping out from the Orange and Yellow zones, the first two zones discovered to date at the Rainbow, with an immediate focus of continuing to define mineralization closer to surface. The two drills continued stepping out from the Orange and Yellow zones of the Rainbow. (See News Release dated January 21, 2021).

In April 2021 drill hole PBM-121 intersected 7.55m of 5.01% CuEq consisting of 4.13% copper, 0.64 g/t gold, 11.08 g/t silver and 0.90% zinc at a 257 meter step-out vertically above the most recent high-grade intersection announced at the Rainbow discovery. In addition, drill hole PBM-118 intersected 7.77m of 5.55% copper equivalent (CuEq) comprising of 3.30% copper, 0.72 g/t gold, 7.48 g/t silver and 4.42% zinc.

On June 8, 2021 and June 30, 2021, the Company announced significant drill results from drill holes PBM-129-W1, PBM-129, PBM-128, PBM-129-W2 and PBM-131, in which drill hole PBM-129-W1 intersected the Orange Zone and returned 4.87 meters of 15.20% copper equivalent consisting of 14.94% copper, 0.23 g/t gold, 5.61 g/t silver, 0.15% zinc including a higher grade interval of 2.76 meters that returned 21.36% copper equivalent comprised of 21.00% copper, 0.32 g/t gold, 7.83 g/t silver and 0.20% zinc (see News Releases dated June 8, 2018 and June 30, 2021). Two rigs continue operating to expand the Rainbow closer to surface and at depth. In addition, the Company has commenced two deep penetrating geophysical surveys along the trend that hosts the Rainbow and Sourdough deposits as well as the past producing Centennial Mine. A 24 km IP survey was undertaken and spans a linear 3.2 km north-south trend with line widths up to 1.4 km at 150 m spacing. Further, a 13.4 line km deep penetrating surface pulse electromagnetic survey ("SPEM") is being completed that will cover an additional 10 km of the Rainbow trend to the south.

On September 7, 2021, the Company announced additional drill results from the ongoing 30,000m Drilling Campaign to expand the high-grade copper, gold, silver and zinc Rainbow. PBM-138 intersected the Orange Zone and returned 37.0m of 6.00% copper ("Cu"), 0.35 g/t gold ("Au"), 6.13 g/t silver ("Ag"), 0.09% zinc ("Zn"). PBM-138 is located 210m vertically above and along strike to the north of PBM-129-W2. Additionally, PBM-133 intersected the Orange Zone with 2.62% CuEq over 7.71m. One rig is currently drilling to test the up-plunge extent of the Rainbow deposit above 300m vertical depth. (See News Release dated September 7, 2021).

On December 13, 2021, the Company announced that year-to-date it has drilled 64 holes for 34,250m of drilling and on January 31, 2022, the Company announced an additional 13 drill holes encompassing 5,490m of drilling from the 2021 exploration campaign to expand the high-grade copper, gold, silver and zinc Rainbow Deposit (see News Releases December 13, 2021 and January 31, 2022). Since the Company's last exploration update, highlighted by PBM-138 (see News Release dated September 7, 2021), the Company has completed 37 holes for 17,270m. Assay results from 7,540m of drilling from 17 drill holes completed in Q4 2021 are still pending. Drilling at Rainbow since September has tested above the 300m level and within 35m of surface. (See News Release dated December 13, 2021). Drill hole PBM-158, the deepest and most

northern hole intersected to date at Rainbow, returned 5.0m of 1.56% copper equivalent ("CuEq") (consisting of 1.45% copper ("Cu"), 0.07 g/t gold ("Au"), 1.86 g/t silver ("Ag") and 0.11% zinc ("Zn")). PBM-158 is located 225m along strike to the North of discovery hole PBM-111, the most southerly hole to intersect the Rainbow at depth (see News Release January 31, 2022).

On March 1, 2022 the Company announced results from an additional drilling from the 2021 exploration campaign to expand the high-grade copper, gold, silver and zinc Rainbow Deposit. PBM-161-W1 intersected the Orange Zone and returned 9.0m of 12.53% copper ("Cu"), 0.21 g/t gold ("Au"), 2.63 g/t silver ("Ag"), 0.25% zinc ("Zn") or 13.19% copper equivalent ("CuEq") including 5.50m of 17.37% Cu. PBM-161-W2, a 54m step-out above PBM-161-W1, intersected the Orange Zone which intersected 14.00m of 5.71% Cu, 0.28 g/t Au, 5.57 g/t Ag or 5.98% CuEq which was preceded by the Yellow Zone which returned 6.50m of 4.48% Cu, 0.50 g/t Au, 9.06 g/t Ag and 1.48% Zn (5.47% CuEq). Parent hole PBM-161, located 82m below PBM-161-W1, intersected the Yellow Zone and returned 13.30m of 2.17% Cu. Near surface drilling at the Rainbow has produced the highest returned assays for gold, silver and zinc while the highest grade copper has been intersected at depth, which is typical of metal distribution in Volcanogenic Massive Sulphide deposits found in the Flin Flon Mining District (see News Release March 1, 2022).

On March 10, 2022, the Company announced that it has identified a number of high priority targets from vectoring completed during the 2021 exploration campaign along the interpreted growth fault corridor that hosts the emerging high-grade copper, gold, silver and zinc Rainbow deposit ("Rainbow") and five other deposits, three of which have seen some level of historic production. These targets sit at the base of the interpreted growth fault that hosts Rainbow and five other deposits to the east. Similarly, the Flin Flon deposit sits in proximity to Millrock Hill, a well-known outcropping at the base of the growth fault that hosts it as well as the Callinan and 777 deposits. The Company plans to test these announced targets in addition to the high priority targets recently identified by regional induced polarization ("IP") and electromagnetic ("EM") surveys in its upcoming drilling campaign The Company plans to continue to delineate Rainbow within the first 1km of surface in anticipation of publishing a maiden resource later in 2022 (see News Release March 10, 2022).

On April 27, 2022, the Company announced that it has commenced its 2022 drilling campaign (the "Campaign") at its Pine Bay Project. The fully funded 20,000 meter drilling campaign will focus on continuing to delineate the high-grade copper Rainbow Deposit and test recently identified regional exploration targets. One drill rig will continue stepping out and infill drilling the Red, Orange and Yellow zones of the Rainbow at an optimal 100m spacings between drill intersections within the first 900m of surface. The Company anticipates ~10,00m of drilling to be completed on the Rainbow prior to the publication of a maiden 43-101 resource estimate on the deposit. Additionally, a current 43-101 resource estimate will be completed on the nearby historic Pine Bay Deposit, however no additional drilling will be required. A second rig is testing several high-priority exploration targets that were recently identified. Drilling will test a number of EM geophysical targets identified at the base of the interpreted growth fault that hosts Rainbow and five other deposits, three of which have seen some level of historic production (See News Release March 10, 2022). This rig will also test targets identified from regional IP and EM surveys completed along 5.5km of the trend that hosts the Rainbow and Sourdough deposits and past-producing Centennial Mine (See News Release April 27, 2022).

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.

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 90 km and 50 km, 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 15,000 meters 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.

During the latter part of 2020, the Company collected 1,200 soil samples for analysis of base and precious metals at a 25-metre sample spacing along section lines spaced at 100 metre intervals over the 11 km trend that encompasses both silver discoveries. In January 2021 the Company announced the results of the soil sampling campaign at the Nash Creek Project, identifying seven new target areas based on elevated, silver, lead, and zinc soil anomalies that cover over 10 km Strike length of the southern portion of the Fault. The fault is spatially associated with the silver mineralization discovered in drill holes NC20-313 and NC19-306. A 4,000 meters drilling campaign was announced to step-out from both silver intercepts as well as test any anomalous areas of interest identified by the soil sampling campaign.

The fully funded drilling campaign will test 10 km of the Fault, in which Callinex's technical team has identified seven new target areas based on elevated, silver, lead, and zinc soil anomalies that cover over 10 km of the southern portion of the Fault. The 10 km area of interest has been subdivided into two target areas (i) Target Area 313 and (ii) Target Area 306. Target Area 313 is the northern 5.0 km of the sampled area where NC20-313 was drilled. Of the potential 5.0 km of strike, 3.7 km show strong linear correlations between silver/lead soil anomalies, and the target area is associated with a low resistivity Induced Polarization ("IP") anomaly. Target Areas 306 is the southern 5 km of the sampled area where NC19-306 was drilled. As seen in the northern area, soil results in the southern portion define four targets recommended for drilling which span 1.7 km of prospective strike. Of particular interest from the soil sampling results are the highlighted anomalous silver along the Fault (See News Releases dated October 13, 2020, January 11, 2021 and June 28, 2021).

In July 2021, Callinex commenced its 2021 New Brunswick exploration campaign at its Nash Creek Project to follow-up on two regional near surface silver discoveries and subsequent anomalies identified via a regional soil sampling campaign. Callinex drilled 12 holes encompassing 3,320m of drilling and completed the drilling by September. On January 31, 2022 The Company announced that it received a majority of the assays from the limited drilling to follow-up on silver discovered

near surface at the Nash Creek Project during the 2019/2020 exploration campaign. None of the assay results received contain appreciable amounts of silver, a focus of the campaign.

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 37 km by road and trails from the city of Grand-Falls Windsor, Newfoundland, and approximately 20 km 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 500 meters and a maximum thickness of 85m. Massive sulphides have been intercepted to a depth of 360 meters below surface from a total of approximately 21,714 meters 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.

On October 25, 2021, the Company announced an Updated Mineral Resource Estimate at Pt. Leamington. The Mineral Resource Estimate was prepared by P&E Mining Consultants Inc. for the Company. The Point Leamington Mineral Resource Estimate consists of a pit constrained Indicated Mineral Resource of 5.0 Mt grading 2.5 g/t gold equivalent ("AuEq") for 402 koz AuEq (145.7 koz gold ("Au"), 60.0 Mlb copper ("Cu"), 153.5 Mlb zinc ("Zn"), 2.0 Moz silver ("Ag"), 1.5 Mlb lead ("Pb")), an pit constrained Inferred Mineral Resource of 13.7 Mt grading 2.24 g/t AuEq for 986.5 koz AuEq (354.8 koz Au, 110.2 Mlb Cu, 527.3 Mlb Zn, 6.2 Moz Ag, 7.0 Mlb Pb) and an out-of-pit Inferred Mineral Resource of 1.7 Mt grading 3.06 g/t AuEq for 168.5 koz AuEq (65.4 koz Au, 13.3 Mlb Cu, 102.9 Mlb Zn, 1.4 Moz Ag, 2.6 Mlb Pb). The database for the Mineral Resource Estimate consisted of 94 drill holes totaling 28,172 m, of which a total of 57 drill holes totaling 15,660 m intersected the mineralization wireframes used for the Mineral Resource Estimate. The drill hole database contained assays for gold, zinc, copper, silver and lead as well as other metals of no economic importance. There is an opportunity to significantly expand a higher-grade portion of the Deposit with additional drilling at depth. The Project also has potential to host additional tonnage along strike. The Company is currently reprocessing historic borehole pulse Electromagnetic data surrounding the largely untested area and additional drilling may be completed in the future. (See News Release dated October 25, 2021).

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, Headway property, Headway North claim and the Island Lake properties.

Neuron Graphite Project

During the year-ended September 30, 2021, Management determined to write-down the carrying value from $110,018 to $nil and recognized a corresponding charge in the statement of loss and comprehensive loss for the year-ended September 30, 2021. On January 29, 2022 the Company entered the Company entered into an agreement with a third party to sell the Neuron Graphite Project for aggregate proceeds of $1,000,000, with $300,000 due on closing (received) and $700,000 due six months after closing, , of which$130,000 has been received and $570,000 has been recorded as a receivable.

<u>Headway Project</u>

On November 5, 2018, the Company entered into a purchase agreement and acquired a 100% interest in the Headway Project located in the Bathurst Mining District of New Brunswick.

The vendor retained 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 acquiring the Headway North claim, expanding the Company's Headway Project.

The vendor retained 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, 2022.

Three months ended	**March 31, 2022 $**	**December 31, 2021 $**	**September 30, 2021 $**	**June 30, 2021* $**
Revenues	-	-	-	-
Income (loss) for the period	495,568	(193,046)	(602,069)	46,170
Total comprehensive income (loss) for the period	495,568	(193,046)	602,069	46,170
Income (loss) per share (Basic) (1)(2)	0.04	(0.01)	0.00	(0.00)
Income (loss) per share (Diluted) (1)(2)	0.04	-	-	-

Three months ended	**March 31, 2021* $**	**December 31, 2020 $**	**September 30, 2020 $**	**June 30, 2020 $**
Revenues	-	-	-	-
Loss for the period	(176,150)	(551,754)	(303,533)	(182,665)
Total comprehensive loss for the period	(176,150)	(551,754)	(303,533)	(182,665)
Loss per share (Basic and Diluted) (1)(2)	(0.01)	(0.05)	(0.02)	(0.02)

**These figures are revised to reflect the impact of the change in methodology, applied during Q4 2021, for calculation of the flow through premium liability and related flow through premium recovery on the June 30, 2021 and March 31, 2021 quarterly financial statements.*

(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) The sum of the quarterly per share amounts may not equal, in aggregate, the annual per share amount due to rounding in the calculations.

The income for the quarter ended March 31, 2022 arose due to the gain on sale of Neuron Graphite Project for aggregate proceeds receivable of $1,000,000 ($430,000 received) and the recognition

of a non-cash flow through premium recovery of $14,422 (2021 - $nil). This was partly offset by the recognition of deferred income tax expense of $180,850.

The loss for the quarter ended December 31, 2021 was lower compared to the other quarters due to recognition of a non-cash flow through premium recovery of $461,361 (2020 - $nil). This was partly offset by the recognition of deferred income tax expense of $240,000.

The loss for the quarter ended September 30, 2021 was higher compared to the prior quarters due to (i) higher corporate development costs of $287,100 (ii) the recognition of a bonus of $200,000 to the Chief Executive Officer, (iii) share-based compensation of $156,555, (iv) the write-down of the Neuron property by $110,018 and (v) the recognition of a deferred income tax expense of $250,000, all partly offset by a non-cash flow-through premium recovery of $587,971.

The income for the quarter ended June 30, 2021 arose due to the recognition of a non-cash flow through premium recovery of $746,093 (2020 - $nil) and reclassification of legal fees of $35,772 (2020 - $nil) to share issue costs.

The loss for the quarter ended March 31, 2021 was lower compared to other quarters due to recognition of a non-cash flow through premium recovery of $486,360 (2020 - $nil).

The loss for the quarter ended December 31, 2020 was higher compared to other quarters due to higher share-based compensation of $209,695 and corporate development expenses of $133,756.

The loss for the quarter ended June 30, 2020 was lower compared to other quarters due to the lower share-based compensation of $23,826, relating to a smaller number of options vesting during the period in addition to no compensation expense arising in 2020 from RSUs.

RESULTS OF OPERATIONS

During the six months ended March 31, 2022, the Company reported income of $302,522 and earnings per share of $0.02 (2021 – loss of $727,904 and a loss per share of $0.06).

The general and administrative expenses for the six months ended March 31, 2022 are comparable to the same period in the prior year. The most significant general and administrative expenses were with respect to the following:

	2022 $	2021 $
General and administrative expenses*	(601,159)	(649,006)
Share-based compensation	(138,312)	(418,350)
Lease finance charges	(10,018)	(9,907)
Gain on sale of exploration asset	1,000,000	-
Finance income	-	(3,429)
Flow-through premium recovery	475,783	354,638
Foreign exchange loss	(2,922)	(1,850)
Deferred income tax expense	(420,850)	-
Income (Loss) for the period	**302,522**	**(727,904)**

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

(i) Corporate Development - $277,641 (2021 - $270,931)
The amounts are broadly comparable period over period.

(ii) Listing and filing fees - $43,224 (2021 - $36,854)
The increase is a result of the OTCQX application which was not applicable in the prior comparable period.

(iii) Management and consulting fees - $126,266 (2021 - $93,432)
These expenses include salaries paid to the Company's Chief Executive Officer ("CEO") and reflects a salary increase commencing June 2021 driving the increase in costs from prior comparable period.

(iv) Professional fees - $70,051 (2021 - $151,981)
These include legal, audit and accounting fees. The decrease during the six months ended March 31, 2022, is as a result of decreased legal fees for supporting general corporate matters.

Other items impacting loss for the period are:

(v) Share-based compensation expense of $138,312 (2021 - $418,350)
Relates to the vesting of options during the period for options previously granted to key management and consultants. No new options were granted by the Company during the six months ended March 31, 2022.

(vi) Flow-through premium recovery of $475,783 (2021 - $354,638)
Relates to the realization of the flow through premium received on expenditure of the related flow through funds. The increase is a result of the closing of a flow-through unit private placement on February 25, 2021. The amount recognized during the period is a non-cash recovery and represents a pro-rata portion of the Qualifying CEE incurred during the six-month period ending March 31, 2022.

(vii) Deferred income tax expense ($420,850) (2021 - $nil)
During the six months ended March 31, 2022, the Company recognized a non-cash deferred income tax expense of $420,850 arising from an excess of deferred tax liabilities over recognizable deferred tax assets, arising primarily from non-tax-deductible additions in exploration and evaluation assets.

(viii) Gain on sale of exploration asset $1,000,000 (2021 - $nil)
Relates to the sale of the Neuron Graphite Project for gross proceeds of $1,000,000. The carrying value of the Neuron Graphite Project had previously been written down to $nil.

Three months ended March 31, 2022

During the three months ended March 31, 2022, the Company reported income of $495,568 and earnings per share of $0.04 (2021 – loss of $176,150 and $0.01 loss per share).

	2022 $	2021 $
General and administrative expenses*	(269,762)	(316,425)
Share-based compensation	(61,385)	(208,655)
Lease finance charges	(4,821)	(2,911)
Sale of exploration asset	1,000,000	-
Finance income	(118)	(1,823)
Flow-through premium recovery	14,422	354,638
Foreign exchange gain/(loss)	(1,918)	(974)
Deferred income tax expense	(180,850)	-
Income (Loss) for the period	**495,568**	**(176,150)**

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

The general and administrative expenses decreased during the three months ended March 31, 2021 compared to the comparable period. The most significant general and administrative expenses were with respect to the following:

(i) Corporate Development - $102,346 (2021 - $85,981)
The increase is a result of additional costs incurred associated with marketing activities in the current quarter compared to the prior comparable period.

(ii) Listing and filing fees $15,990 (2021 - $ 20,568)
The decrease is a result of decreased fees from the transfer agent compared to the prior comparable period.

(iii) Management and consulting fees - $66,190 (2021 - $48,432)
These include fees paid to the Company's senior executive and have increased due a increase in salary that commenced June 2021.

(iv) Office and administration - $27,512 (2021 – $37,906)
The decrease is a result of continued streamlining of corporate overhead costs in the current period.

(v) Professional fees - $41,470 (2020 - $104,318)
These include legal, audit and accounting fees. The decrease during the three months ended March 31, 2022 is as a result of decreased legal fees supporting general corporate matters.

Other items impacting loss for the period are:

(vi) Share-based compensation expense of $61,385 (2021 - $208,655)
Relates to the vesting of options during the period for options previously granted to key management and consultants. No new options were granted by the Company during the six months ended March 31, 2022.

(vii) Flow-through premium recovery of $14,422 (2021 - $354,638)
Relates to the amortization of the balance of the premium received from issuing the flow-through shares. The increase is a result of the closing of a flow-through private placement

on February 25, 2021. The amount recognized during the period is a non-cash recovery and represents the pro-rata portion of Qualifying CEE incurred during the period.

(viii) Gain on Sale of exploration asset $1,000,000 (2021 - $nil)
Relates to the sale of the Neuron Graphite Project for proceeds of $1,000,000. . The carrying value of the Neuron Graphite Project had previously been written down to $nil.

(ix) Deferred income tax expense ($180,850) (2021 - $nil)
During the three months ended March 31, 2022, the Company recognized a non-cash deferred income tax expense of $180,850 arising from an excess of deferred tax liabilities over recognizable deferred tax assets, arising primarily from non-tax-deductible additions in exploration and evaluation assets.

FINANCING ACTIVITIES

During the six months ended March 31, 2022, the Company did not complete any financings.

During the six months ended March 31, 2021, the Company issued the following shares:

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 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.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As at March 31, 2022, the Company had cash on hand of $270,714 compared to $2,812,534 as at September 30, 2021. The net decrease in cash for the period is primarily due to the Company's cash used in investing activities of $2,004,727, principally on the advancement of the Company's exploration and evaluation assets, as well as cash used in operations of $505,323.

As at March 31, 2022, the Company had a working capital of $131,635 (September 30, 2021 - $1,515,790), being current assets less current liabilities, and $40,000 of long-term debt (September 30, 2021 - $40,000). Refer to the FINANICAL INSTRUMENTS – Liquidity risk section below.

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 give rise to material uncertainties that 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. On April 22, 2022 the Company raised $6,240,217 in gross proceeds through completion of a private placement.

RELATED PARTY TRANSACTIONS

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

	Three months ended		Six months ended	
	Mar 31, 2022	Mar 31, 2021	**Mar 31, 2022**	Mar 31, 2021
	$	**$**	**$**	**$**
Professional fees	**6,967**	10,850	**17,159**	23,550
Management fees	**98,995**	82,599	**196,654**	165,099
Share-based compensation	**68,604**	219,062	**154,547**	434,151
	174,566	312,511	**368,360**	622,800

(1) Professional fees for the three and six months ended March 31, 2022 and 2021 include fees earned by Malaspina Consultants Inc. ("Malaspina") for the provision of services by the Chief Financial Officer ("CFO"), 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, a company controlled by Mr. Ruby. The consulting agreement can be terminated with sixty days' notice.

Management fees for the three and six months ended March 31, 2022 and 2021 include salary earned by (i) the CEO, Max Porterfield and (ii) the Exploration Manager, JJ O'Donnell. Management fees of $37,583 and $75,166, respectively, (2021 - $37,568 and $75,068, respectively,) have been capitalised to exploration and evaluation assets during the three and six months ended March 31, 2022..

During the three and six months ended March 31, 2022, the Company incurred professional fees of $14,724 and $27,088, respectively, (2021 - $15,533 and $29,503, respectively,) for the provision of non-CFO accounting and advisory support services charged by a company controlled by the CFO of the Company.

Included in accounts payable and accrued liabilities at March 31, 2022 are amounts due to related parties of $8,289 (September 30, 2021 - $14,956) owing to the CEO, and to a company controlled by the CFO 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.

ADOPTION OF NEW ACCOUNTING STANDARD

The Company did not adopt any new accounting standards as of October 1, 2021 which had a material impact upon adoption.

FUTURE ACCOUNTING STANDARDS AND PRONOUNCEMENTS

New standards issued but not yet effective at March 31, 2022, are not currently expected to have a material impact on the Company's financial statements.

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 26, 2022:

Issued and outstanding common shares	14,912,252
Share options with a weighted average exercise price of $2.58	1,323,334
Share purchase warrants with a weighted average exercise price of $5.43	1,561,455
Fully Diluted	**17,797,041**

RISKS AND UNCERTAINTIES

The Company is engaged in the exploration, development and exploitation of mineral resources for base metals and precious metals. Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. The properties of the Company are without a known body of commercial ore. The exploration programs undertaken and proposed constitute an exploratory search and there is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. The amounts shown as property acquisition costs represent acquisition and holding costs, less amounts written off, and do not necessarily represent present or future values.

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or in respect of which it has a right to earn an interest, the Company cannot give any assurance that title to such properties will not be challenged or impugned. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions. The Company can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property. The occurrence of any such event could have a material adverse effect on the Company and its prospects.

The Company requires licenses and permits from various governmental authorities to carry out exploration and development of its projects. Obtaining permits can be a complex, time-consuming process as well as dealing with changing governmental law and regulation and also require First Nations consultation. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and

regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

Other operational risks include finding and developing reserves economically, 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.

The Company has experienced losses in operations in prior years and has an accumulated deficit position. The Company expects to incur losses for the foreseeable future. The continuation of the Company's operations is subject to its ability to continue to be able to raise funding to support its operations. While the Company has been successful to date in raising funding there is no guarantee that it will continue to do so in the future.

The profitability of the Company's operations, if ever established, will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, sales of copper, gold and silver by central banks, forward sales by producers, production, industrial and jewellery demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as copper, gold, silver or zinc. The prices of these commodities are affected by numerous factors beyond the Company's control.

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. Issuances of additional securities will result in dilution of the equity interests of the Company's shareholders. The Company may issue additional common shares in the future as further capital is required and on the exercise of outstanding options or other convertible securities issued from time to time. Sales or issuances of substantial amounts of additional securities, or the availability of such securities for sale, could adversely affect the market prices for the Company's securities. A decline in the market prices of securities of the Company could impair the Company's ability to raise additional capital through the sale of new common shares should it desire to do so. In addition, if additional common shares or securities convertible into common shares are sold or issued, such sales or issuances may substantially dilute the equity interests of the Company's holders of common shares.

The Company is also subject to 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.

Companies in all industries, including the mining industry, are subject to legal claims from time to time, some of which have merit and others of which do not. Defence and settlement costs of legal

claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's financial position, results of operations or the Company's property development.

Companies in all industries, including the mining industry, are susceptible to cyber risk. The Company's primary operational exposure to cyber risk is with respect to proprietary geological, geochemical and exploration data and related models. The Company, similar to companies in all industries, is exposed to common place cyber risks such as, but not necessarily limited to, phishing, spam, fraudulent attacks, denial of service attacks, data loss, data theft, data corruption. The Company outsources its IT management to IT professionals who implement, among other controls and mitigation strategies, system access and authentication controls, transactional authentication, system activity logging, audit trails, "exception" handling, on-prem and off-prem backup and storage of the Company's data.

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 certain sectors of the global economy and the regional economies in which the Company operates. Although there has been no material direct impact to the Company as at September 30, 2021, the ultimate impacts to the Company are not fully determinable at this date but could be material to the Company's forecasted exploration work and the Company's financial position, results of operations and cash flows. 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.

During February 2022, Russia launched a large military invasion of Ukraine leading to a disruption in the supply of energy resources, the imposition of sanctions on Russia, increased tension between the West and Russia and financial market uncertainty. These situations had an impact on many entities and the markets for the securities that they issue, and the impacts may continue.

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, 2022 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.

J.J. O'Donnell, P.Geo, a qualified person under National Instrument 43-101 and Exploration Manager for Callinex, has reviewed and approved the technical information in this MD&A.