

March 25, 2011

TSXV: CAA
Release 11-13**Callinan Sets Record and meeting Dates for Spin-Out Transaction**

VANCOUVER, Canada -- Callinan Mines Limited (TSX.V: CAA, OTCBB: CCNMF) announces that the Board of Directors has set the date for the special meeting (the "Meeting") of Callinan shareholders to consider the spin-out transaction (the "Transaction") previously announced on October 25, 2010. The Board has set June 7, 2011 as the date for the Meeting and April 28, 2011 as the record date for the Meeting. A complete description of the Transaction will be set forth in a management information circular to be sent to Callinan's shareholders in connection with the Meeting .

The Transaction is intended to provide Callinan shareholders with the opportunity to continue to participate in both aspects of Callinan's present holdings. Pursuant to the Transaction, Callinan's exploration assets, including Callinan's interest in the Coles Creek polymetallic project in British Columbia, and the Gossan Hill gold and silver Project in Manitoba, will be transferred to a new corporation ("Newco"). Following the implementation of the Transaction, which will be accomplished through a plan of arrangement, the shareholders will hold shares in two corporations, existing Callinan and Newco. Existing Callinan shareholders will receive the same percentage interest in Newco as they presently hold in Callinan. Callinan will continue to hold a 6 2/3% Net Profits Interest royalty and a \$0.25 per ton royalty in the 777 Mine at Flin Flon, Manitoba, Canada, which produces copper, gold, zinc and silver and is operated by HudBay Minerals Inc., as well as the War Baby mineral property.

The implementation of the Transaction is subject to, among other things, further Board and shareholder approval of the final structure and terms and the arrangement agreement to be entered into with Newco. The Transaction is also subject to Court approval and other regulatory approvals, including TSX Venture Exchange ("Exchange") acceptance of the Transaction and the continued listing of Callinan common shares on the Exchange and conditional listing approval of Newco shares. No application for listing has been made and there is no assurance that approval will be granted.

On Behalf of the Board of Directors,

Mike Muzylowski

Mike Muzylowski
President and CEO

For more information, please visit www.callinan.com.

Cautionary Statement on Forward-Looking Information

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Certain of the information presented in this News Release may constitute "forward-looking statements" or "forward-looking information" within the meaning of Canadian securities legislation (together referred to as "forward-looking statements"). The forward-looking statements are subject to risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking statements, including any delays in the receipt of consents or approvals. Although Callinan Royalties has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this News Release and in any document referred to in this News Release. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and Callinan Royalties undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable law.