

May 16, 2011

TSXV: CAA
Release 11-16

Callinan Receives Net Profits Interest Payment from Hudbay Minerals

VANCOUVER, Canada -- Callinan Mines has received an interim payment of \$5,071,197 from HudBay Minerals Inc. This payment represents 75% of an estimate of 6 2/3% of the net profits plus \$0.25 per ton of ore mined from the 777 Mine in Flin Flon, Manitoba for the quarter ended March 31st, 2011.

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.