

# CALLINAN

ROYALTIES

June 2, 2011

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## Callinan Mines Releases Q3 Financial Statements

VANCOUVER, Canada -- Callinan Mines is pleased to report strong financial performance in the nine months ended March 31, 2011.

	Nine Months	Nine Months
	March 2011	March 2010
<b>Operating summary</b>		
Revenue	\$23,665,470	\$12,055,162
Operating Income	\$20,618,457	\$10,318,982
Net earnings	\$16,226,453	\$10,457,482
<b>Financial position</b>		
<b>Working capital (i)</b>	\$38,126,041	\$20,065,749
<b>Available cash</b>	\$29,072,414	\$13,248,446
<b>Per share</b>		
<b>Basic</b>		
<b>Average number of voting shares outstanding</b>	45,952,972	44,831,088
<b>Net income per share</b>	\$0.35	\$0.23
<b>Diluted</b>		
<b>Average number of shares outstanding</b>	46,847,212	45,219,801
<b>Net income per share</b>	\$0.35	\$0.23

i) Working capital consists of current assets less current liabilities

During the quarter ending March 31, 2011, Callinan received a total of \$13 million from HudBay, including an adjustment payment of \$6.2 million received in the month of March. The payment was made to account for an error in calculation discovered by HudBay. The company considers this payment to be an extraordinary occurrence. Net income for the quarter after tax accruals was \$9.7 million, or \$0.21 per share. Callinan's total year to date revenue is \$23.6 million with net income of \$16.2 million or \$0.35 per share. The company currently has \$38 million in working capital and \$29 million in available cash.

### Spin-Out Meeting

Callinan wishes to remind its shareholders and any interested parties that a special meeting of shareholders will be convened on Thursday the 7th of June at the Four Seasons Hotel in Vancouver at 11:00 a.m. At this meeting, the shareholders will vote on a proposal that will see Callinan's exploration assets re-organized into a new company (Callinex Mines Ltd.) to be given to Callinan's shareholders on the basis of 1 share for every 4.5 shares of Callinan. Following the spin-out, Callinan Mines will continue to conduct business as a royalty-focused mineral company under the name Callinan Royalties, and Callinex will be an exploration company.

On Behalf of the Board of Directors,

*Mike Muzylowski*

Mike Muzylowski  
President and CEO

For more information, please visit [www.callinan.com](http://www.callinan.com).

## Cautionary Statement on Forward-Looking Information

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