

June 9, 2011

TSXV: CAA
Release 11-18**Callinan Receives Shareholder Approval and Final Court Order for Arrangement with Callinex**

VANCOUVER, Canada -- Callinan Mines Limited ("Callinan" or the Company)(CAA:TSX.V), is pleased to announce that the Supreme Court of British Columbia has issued a final order approving the plan of arrangement (the "Arrangement") involving Callinan and Callinex Mines Inc. ("Callinex"). Receipt of the final order follows Callinan's special meeting of its shareholders (held on June 7, 2011) whereby the special resolution authorizing the Arrangement was approved by 99.99% of the votes cast by Callinan shareholders present in person or represented by proxy at the Callinan special meeting. Further, the TSX.V has conditionally accepted for filing the listing application for Callinex.

The Arrangement provides for the spin-out of Callinan's exploration assets to Callinex. Following the closing of the Arrangement, Callinex will hold all of Callinan's exploration assets, including Callinan's interest in the Coles Creek project located in British Columbia and the Gossan Hill gold and silver project located in Manitoba, and will have approximately \$8 million in cash. Callinan will continue to hold a 6 2/3% net profits interest royalty and a \$0.25 per ton royalty in the 777 Mine located in Flin Flon, Manitoba. Callinan will also retain its interest in the War Baby mineral claim.

Callinan's President and CEO, Mike Muzykowski, commented "We are looking forward to moving on as a royalty company under the direction of Roland Butler. Meanwhile, the spirit of discovery that founded Callinan will live on in Callinex as we explore a vast, high potential property portfolio. We hope that this action will provide investors and shareholders with additional investment flexibility, and ultimately a better expression of the value of the two companies." Pursuant to the Arrangement, the Company's name will be changed to "Callinan Royalties Corporation". The Arrangement will involve, among other things, the distribution of common shares of Callinex (the "Callinex Shares") to shareholders of Callinan as at the effective date of the Arrangement such that each Callinan shareholder will hold (i) one common share of Callinex for each common share of Callinan held on the effective date of the Arrangement; and (ii) one Callinex Share for every 4.5 common shares of Callinan held on the effective date of the Arrangement.

Completion of the Arrangement and the listing and posting to trade of the Callinex Shares is subject to customary regulatory approvals and is expected to occur within the next few weeks. Callinan will advise in a further news release as to the effective date of the Arrangement and the expected date of the listing and posting to trade of the Callinex Shares. Further details regarding the Arrangement are set out in Callinan's Notice of Special Meeting and Management Proxy Circular dated May 7, 2011, which is available at www.sedar.com.

On Behalf of the Board of Directors,

Mike Muzykowski

Mike Muzykowski
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.