

December 21, 2011

TSXV: CAA
Release 11-32**CALLINAN ANNOUNCES CONTINUATION OF NORMAL COURSE ISSUER BID**

VANCOUVER, Canada -- Callinan Royalties Corporation ("Callinan") (CAA-TSX.V) announces that it proposes to extend into 2012 its normal course issuer bid (the "Bid") and has filed a further *Notice of Intention to Make a Normal Course Issuer Bid* with the TSX Venture Exchange ("TSXV").

Under the Bid in 2012, a total of up to 2,455,516 of its common shares may be purchased through the facilities of the TSXV and any such purchases will be at market prices. The Bid will commence on or after January 1, 2012 and will end on December 31, 2012 or on such earlier date as Callinan may complete its purchases pursuant to the Bid or as it may otherwise determine.

Callinan is continuing to engage in the Bid because it believes that the market price of its common shares does not properly reflect its underlying value. Purchases pursuant to the Bid will be conducted through Haywood Securities Inc. Under the 2011 Normal Course Issuer Bid, as of December 21, 2011, Callinan has purchased 1,582,100 shares at an average price of \$2.67 for cancellation.

On Behalf of the Board of Directors,

Roland Butler

Roland Butler, CEO

About Callinan

Callinan Royalties Corporation is a mineral royalty company based in Canada. Its principal business activities center on acquiring and creating a portfolio of mineral royalties while diligently managing its royalty interests and investments.

The Corporation currently has two producing royalties. Callinan holds a 6% net profits interest royalty and another \$0.25 per ton royalty on lands that include the 777 Mine owned by Hudbay Minerals Inc. located at Flin Flon, Manitoba, Canada as well as the adjacent 777 North Mine scheduled for production in 2012. Callinan also holds the 777 Deeps (War Baby) property and an associated royalty option located on that property, which is located adjacent to the 777 Mine.

Callinan is a Tier 1 company listed on the TSXV under the symbol CAA. The Corporation has a strong financial position with no debt, approximately \$29 million in cash and approximately 49,000,000 shares outstanding.

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.