

Callinan Royalties and Excelsior Mining Enter Into an Investment and Royalty Agreement

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TSXV: CAA

VANCOUVER, July 23, 2013 /CNW/ - [Callinan Royalties Corp.](#) ("Callinan", the "Company") (TSXV: CAA) announces that it has signed an investment agreement with Excelsior Mining Corp. ("Excelsior") (TSXV:MIN) and the privately-held James Sullivan Trust ("Sullivan Trust") whereby Callinan will invest C\$1 million by way of a non-brokered private placement in Excelsior and C\$2 million to purchase a 0.5% Gross Revenue Royalty ("Initial GRR") on the Gunnison Copper Project in Arizona, USA. The funding agreement is based on a series of royalty acquisitions following the completion of a key feasibility study and permitting milestones whereby Callinan will have the right to acquire up to a 3% Gross Revenue Royalty ("GRR") by providing additional funding. The transaction is subject to approval of the TSXV exchange.

Callinan is pleased to create this funding mechanism with Excelsior to help fund a portion of the costs linked to the completion of a feasibility study on the Gunnison Copper Project. The transaction is beneficial to both groups, with Excelsior securing flexible financing for a project of merit in a challenging financial environment and Callinan gaining exposure to a large copper project in a stable and mining friendly jurisdiction. Copper currently represents approximately half of the value of Callinan's current royalty revenue and this transaction illustrates Callinan's goal to retain significant exposure to base metals as it builds a diversified portfolio of royalties.

Project Summary

The Gunnison Copper Project is located in a remote section of Cochise County in southeastern Arizona, USA. The focus of the project is the oxide portion of the North Star deposit, which has the potential to be mined using in-situ recovery methods according to Excelsior's public disclosure. Additional information about the Gunnison Copper Project can be found in the technical report filed by Excelsior under its profile on SEDAR at www.sedar.com entitled: "Gunnison Copper Project Preliminary Economic Assessment, NI 43-101 Technical Report" dated November 18, 2011.

Agreement Summary

Under the agreement, Callinan will purchase 6.25 million shares of Excelsior at a price of C\$0.16 per share for proceeds of C\$1 million and purchase from Excelsior a 0.5% GRR on the Gunnison Copper Project. In addition, Callinan will be granted three funding options to be exercised following the completion of key milestones. With each option, Callinan has the right to purchase an additional 0.5% GRR for C\$3 million each for a total of C\$9 million for a 1.5% GRR. If Excelsior has not completed its earn-in option on the Gunnison Copper Project, the Sullivan Trust will grant the royalties to Callinan.

The milestones to be met by Excelsior include:

1. Completion of a prefeasibility study and successful raise of additional financing from other sources
2. Completion of hydrology and metallurgy models to feasibility study level
3. Successful administrative review of the key permits (Aquifer Protection Permit and the Underground Injection Control and Aquifer Exemption Permit)

Callinan will also be granted a construction option, which gives it the right to buy a 1% GRR for C\$10 million following completion of the feasibility study, receipt of all required permits and Excelsior securing a firm commitment for 50% of the required capital required for mine construction. One quarter (0.25%) of the construction option will vest with each \$3 million paid by Callinan to Excelsior pursuant to the initial

investment or upon the exercise of any of the funding options.

The exercise price of the construction option may be adjusted if the feasibility study recommends the construction of a plant with capacity lower than 80 million pounds of copper per year based on an agreed upon schedule.

In addition, Callinan has the right to require Excelsior to purchase all or part of the Initial GRR for C\$2,000,000 pro-rated for the portion of the GRR sold back to Excelsior and payable in common shares of Excelsior priced at C\$0.25 per share. This right will expire at the earliest of 24 months from the Closing Date or the exercise of the first funding option.

On Behalf of the Board of Directors,

Roland Butler

Roland Butler, CEO

About Excelsior

Excelsior is an exploration company with a copper project located within the Copper Porphyry Belt of Arizona . The Gunnison Copper Project is located close to the required infrastructure and its oxide copper resource has the potential to be mined using in-situ recovery methods. The Excelsior team consists of experienced professionals with proven track records of advancing projects towards production.

Further details about Excelsior can be found at: <http://www.excelsiormining.com>.

About Callinan Royalties

Callinan Royalties is a Canadian company that creates and acquires mineral royalties. The company uses its royalty income to provide alternative financing options to mineral exploration and development companies with attractive projects. Callinan's strategy is to create shareholder value over the long term by generating a portfolio of profitable mineral royalties.

The Corporation currently has two producing royalties. Callinan holds a 68.532% net profits interest royalty and a \$0.25 per ton production royalty on lands that include the 777 Mine and 777 North Mine owned by Hudbay Minerals Inc. located in Flin Flon, Manitoba, Canada. Callinan also holds the 777 Deeps (War Baby) property and an associated royalty option on the property, which is located adjacent to the 777 Mine.

Callinan is a dividend paying Tier 1 company listed on the TSX Venture Exchange under the symbol CAA. The Corporation has a strong financial position with no debt, approximately \$28 million in cash and approximately 49.1 million shares outstanding.

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.

SOURCE [Callinan Royalties Corp.](#)

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