

Callinan Royalties Accepts Early Prepayment from Wallbridge Mining of \$2,000,000 Line of Credit

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VANCOUVER, Nov. 20, 2014 /CNW/ - [Callinan Royalties Corp.](#) ("Callinan," the 'Company') (TSXV: CAA) announces that [Wallbridge Mining Company Ltd.](#) ("Wallbridge") has agreed to early prepayment of the full principal and interest owing on the \$2,000,000 Line of Credit ("LOC") extended by Callinan to Wallbridge as announced November 20, 2012.

The LOC was granted to Wallbridge pursuant to a more comprehensive royalty and equity placement transaction that gave Callinan an equity ownership stake in Wallbridge, provided an LOC to fund development of Wallbridge's Broken Hammer mine, and established terms for Callinan's future rights to acquire Net Smelter Return ("NSR") royalties in multiple exploration projects within Wallbridge, including an NSR in Broken Hammer.

Callinan management sees the early prepayment as a positive outcome that achieves the company's objectives of risk management while maintaining exposure to future development. The receipt of \$2,000,000 plus interest ahead of maturity strengthens Callinan's balance sheet without relinquishing opportunities to participate in future projects that Wallbridge may develop in the prolific Sudbury camp. All other terms of the agreements including the right to acquire future NSR royalties, remain intact. Callinan remains supportive of Wallbridge management and its recently announced actions, including paying down other existing debt. We intend to continue as a strong shareholder.

Under an amendment signed by both parties, Wallbridge has agreed to prepay the full \$2,000,000 principal plus 10% annual interest owing in two proposed prepayments as follows:

1. The first prepayment of \$1,000,000 due immediately;
2. The second prepayment of \$1,000,000 plus accrued interest upon completion of the sale of [Duluth Metals Ltd.](#) ("Duluth") shares held by Wallbridge to either Antofagasta Investment Company Limited ("Antofagasta") in connection with its recently announced proposed acquisition of Duluth, or to a competing bidder. If no superior proposal is accepted and the Antofagasta offer closes without extension, the closing date is expected to be no later than February 15, 2015. The second payment would be due upon receipt of proceeds by Wallbridge from the sale of the Duluth shares to Antofagasta or such competing bidder.

If the second prepayment is not made due to the acquisition proposal or a competing offer not closing prior to the original term of the LOC, then the interest payable by Wallbridge to Callinan will be adjusted back to the greater of the prorated NSR calculation or the 10% annual calculation as originally set in the LOC.

In return for the early prepayment, Callinan has agreed to receive interest payments owed at the rate of 10% per annum on the outstanding balances until full repayment, rather than the option of payments based on a 1.5% prorated NSR. It is estimated that payments based on the 1.5% NSR calculation would have exceeded the 10% interest rate by approximately \$100,000 overall assuming that the LOC had been maintained to its term. This forgone amount and the interest that would have been payable under the original term are offset by the reduced collection risk.

On Behalf of the Board of Directors,

Glenn Brown
Glenn Brown, Interim President and CEO

About Callinan Royalties

[Callinan Royalties Corp.](#) is one of the oldest public listings in Canada and one of the first contributors to the

development of the Flin Flon, Manitoba copper-zinc district. Callinan holds a 6% net profits interest royalty and a production royalty of \$0.25 per short ton of ore milled on lands that include the producing 777 mine and 777 North mine operated by [HudBay Minerals Inc.](#)

The Company uses its royalty income to provide alternative financing options to mineral exploration and development companies with attractive projects and excellent management.

Callinan is a dividend paying Tier 1 company listed on the TSX Venture Exchange under the symbol CAA. The Company has a strong financial position with no debt, recurring annual cash flow from the 777 royalties and approximately 49.2 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 Corp.](#) 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 Corp.](#) 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.

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