

Callinan Royalties Receives Cash and Shares for Early Repayment of Convertible Debenture with Gold Royalties

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VANCOUVER, Dec. 23, 2014 /CNW/ - [Callinan Royalties Corp.](#) ("Callinan," the "Company") (TSXV: CAA) is pleased to announce that [Gold Royalties Corp.](#) ("Gold Royalties") and the Company have agreed to the early repayment of the C\$5.4 million principal of the convertible debenture plus its accrued interest since July 2012. The convertible debenture was originally scheduled to mature in July 2016. The consideration for redemption will be approximately C\$6.9 million in cash and a 9.9% equity interest in Gold Royalties. The closing of the transaction is subject to TSX Venture approval for the issuance of Gold Royalties shares and to closing of the recent Eagle Gold royalties transaction, which Gold Royalties announced by press release earlier today.

Callinan actively manages its portfolio of production and generative royalty interests, as demonstrated by this repayment. Prior to this transaction, our option to convert to share units was at a conversion price significantly above the market, and converting to a 60% royalty interest was declined given the development stage of the projects. Based on this background, the early repayment in cash offers a positive outcome, as it significantly strengthens the balance sheet and removes any uncertainty associated with the debenture over the remaining year and a half until maturity. The retention of a 9.9% equity interest makes Callinan a significant shareholder of Gold Royalties, standing to benefit from this equity stake.

Since November 2014, Callinan has monetized some non-core indirect royalty assets including early prepayment of the Wallbridge Line of Credit and this debenture. These two items will significantly increase the treasury, which will be redeployed to seek new value-creating royalty opportunities for shareholders. With strong technical and financial expertise we will be the partner-of-choice in a competitive industry.

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 currently holds a portfolio of royalties including its cornerstone 6% net profits interest royalty on the Hudbay 777 Mines which will be converted to a 4% NSR at January 1, 2015.

The Company invests 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 currently listed on the TSX Venture Exchange under the symbol CAA, and has received conditional approval for graduation to the Toronto Stock Exchange. The Corporation 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 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.

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