
**ALTIUS AND CALLINAN COMBINATION TO CREATE
A DIVERSIFIED MINING ROYALTY COMPANY LEADER**

- Joint conference call to take place March 5 at 11 am ET -

ST. JOHN'S AND VANCOUVER, March 5, 2015 – Altius Minerals Corporation (“**Altius**”) (TSX:ALS) and Callinan Royalties Corporation (“**Callinan**”) (TSX:CAA) today announce that they have entered into a definitive arrangement agreement (the “**Arrangement Agreement**”) whereby Altius will acquire all outstanding securities of Callinan pursuant to a plan of arrangement (the “**Arrangement**”). This transaction results in the creation of a diversified mining royalty company leader.

Pursuant to the Arrangement, Altius will acquire each outstanding Callinan common share for 0.163 of an Altius common share and C\$0.203 in cash, valuing each Callinan common share at C\$2.27 based on Altius’ closing share price on the Toronto Stock Exchange as of March 4, 2015. This represents a 28% premium to Callinan’s closing price on March 4, 2015 and a 26% premium to the respective 20-day VWAPs of both Altius and Callinan for the period ending March 4, 2015. Upon completion of the Arrangement, Callinan will become a wholly-owned subsidiary of Altius and existing Altius shareholders and Callinan shareholders will own approximately 81% and 19%, respectively, of the outstanding Altius common shares. Callinan will be entitled nominate one member to the Altius board of directors upon closing of the Arrangement.

Creating the Leading Diversified Royalty Company

The rationale for this combination, supported by Callinan shareholders holding 28.38% of Callinan’s common shares is as follows:

Royalty revenue diversity and merit that is greater than either company individually

- Production-based royalty revenue from 13 top-tier Canadian mines producing 9 commodities, namely thermal and metallurgical coal, potash, copper, zinc, nickel, gold, silver and cobalt. The royalty counterparties are all established producers or utility companies and include Vale, PotashCorp, Mosaic, Agrium, Teck, Westmoreland, Atco, Capital Power, TransAlta and Hudbay.

A simple transaction

- No financing conditions, Altius shareholder meeting or other unusual approvals are required; this allows for a streamlined transaction.

Combination Rationale

“Callinan Management recently successfully converted the 777 mine net-profit interest royalty to a lower risk net-smelter return royalty, while enhancing the exploration upside of the Hudbay 777 mine by optioning key mineral lands to the operator. This achievement was a significant motivating factor for Altius in pursuing this business combination,” stated Brian Dalton, President and Chief Executive Officer of Altius. “A combined Altius and Callinan creates a leading diversified mineral royalty company, with a stronger consolidated balance sheet and shareholder base from which to further expand and diversify its royalty portfolio.”



CALLINAN

ROYALTIES

Est. 1927

Date: 05-Mar-2015

Ticker Symbols: ALS:TSX

CAA:TSX

Glenn Brown, President and CEO of Callinan, stated, "The Altius royalties on important mines in western Canada pay for over 30 years, and provide the longevity of income sought by Callinan. This transaction also allows Callinan shareholders to receive immediate cash of approximately \$0.20 per share, the equivalent of ten quarters at the present dividend rate. "

The combined company is expected to provide Altius and Callinan shareholders with the following benefits:

Callinan Shareholders

- Callinan shareholders (excluding Altius' ownership in Callinan) to own approximately 19% pro-forma of the new entity
- Upfront premium and cash component deliver an immediate cash reward and future upside
- Altius management has a long-term track record of creating shareholder value
- Enhanced asset and commodity diversification
- Extended royalty revenue life

Altius Shareholders

- Altius shareholders receive significant copper and zinc exposure additions at a time when these metals show promising supply-demand fundamentals
- Consolidated cash and revenue greatly improves Altius' net debt and free cash flow position
- Strongly accretive to per-share free cash flow, EBITDA and royalty revenue

The resultant royalty asset portfolio, revenue scale and balance sheet enhancements create a much stronger platform from which to continue to build out a leading diversified royalty company. This occurs while the resource sector remains cyclically depressed, offering compelling future acquisition and consolidation opportunities.

Plan of Arrangement and Timeline

The proposed transaction will be completed pursuant to a court-approved plan of arrangement and will require approval by at least 66⅔% of the votes cast by the shareholders of Callinan at a special meeting. The directors and senior officers of Callinan have entered into support agreements to vote their shares in favour of the transaction. Full details of the proposed transaction will be included in the management information circular to be mailed to the shareholders of Callinan as soon as practicable, to be followed by a special meeting of Callinan shareholders expected to be held in late April 2015.

In addition to the Callinan shareholder vote and B.C. court approvals, the proposed transaction will be subject to applicable regulatory and stock exchange approvals and the satisfaction of certain other customary conditions. The Arrangement Agreement includes customary provisions, including covenants by Callinan not to solicit other acquisition proposals, the right of Altius to match any superior proposal and a \$5 million termination fee payable to Altius in certain circumstances.



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In light of the pending transaction, Callinan's Board will not declare and pay a dividend March 31, 2014, and the existing Callinan normal course issuer bid will not be active during the period of the pending circular and transaction.

The Boards of Directors of Altius and Callinan have each determined that the proposed transaction is in the best interest of their respective companies, and have unanimously approved the Arrangement Agreement. The Board of Directors of Callinan has determined that the proposed transaction is fair to its shareholders and will issue a formal recommendation that shareholders vote in favour of the proposed transaction. The Board of Directors of Callinan formed a Special Committee of independent directors to consider and evaluate the proposed transaction. Raymond James Ltd. has provided an opinion to the Special Committee of the Board of Directors of Callinan that the consideration to be received by Callinan shareholders in connection with the proposed transaction is fair, from a financial point of view, to Callinan shareholders. Stikeman Elliott LLP is acting as legal advisor to Altius. Callinan retained Raymond James Ltd. as its financial advisor and Blake, Cassels & Graydon LLP as its legal advisor.

Joint Conference Call to be Held March 5, at 11 am ET

Altius and Callinan will hold a joint conference call March 5 at 11 am ET, to address shareholders of both companies and to allow for a question and answer session with members of the investment community. The call will be recorded, with presentations to be posted to the websites of both companies in advance of the call. There will also be a webcast, which can be accessed by clicking on the link below, and which will be archived on the websites of both companies. Coordinates for the call and webcast are detailed below:

DIAL IN: Toll free North America (+1) 888-390-0605 or local in Toronto (+1) 416-764-8609

No passcode is required

WEBCAST: <http://www.newswire.ca/en/webcast/detail/1496895/1667519>

Caution Regarding Forward-Looking Statements and Information

This document includes certain statements that constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"). Forward-looking statements include statements regarding the completion of the Arrangement, approval of the Arrangement by Callinan shareholders and the court, the timing of the Arrangement and the benefits of the Arrangement. Such forward-looking statements are typically identified by words such as "believe", "anticipate", "estimate", "project", "intend", "expect", "may", "will", "plan", "should", "would", "contemplate", "possible", "attempts", "seeks" and similar expressions. Forward-looking statements may relate to future outlook and anticipated events or results.

By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond Altius' and Callinan's control, could cause actual results to differ materially



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from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the ability to obtain approval of the transaction by the Callinan shareholders and the court and obtain the other regulatory approvals, the ability of the parties to satisfy the conditions of the Arrangement and the possible occurrence of any other event, change or other circumstance that could give rise to the termination of the Arrangement Agreement, or the delay of consummation of the transaction or failure to complete the Arrangement for any other reason.

Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, Altius and Callinan do not assume any obligation to update, or to publicly announce the results of any change to, any forward-looking statement contained herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements.

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