MATERIAL CHANGE REPORT

UNDER SECTION 118(1) *SECURITIES ACT* (ALBERTA)
UNDER SECTION 85(1) *SECURITIES ACT* (BRITISH COLUMBIA)
UNDER SECTION 75(2) *SECURITIES ACT* (ONTARIO)

Item 1 – Reporting Issuer

CANADIAN ROYALTIES INC.
152 chemin de la Mine Ecole
Val d'Or, Quebec, J9P 7B6

Item 2 – Date of Material Changes

1. On April 4, 2002 the Corporation closed a public offering of units with gross proceeds of $2,000,000. The units were offered by means of a Short Offering Document in the provinces of Alberta and British Colombia.

2. On April 11, 2002 the Corporation retained the services of Renmark Financial Communications Inc. to handle its investor relations.

Item 3 – News Release

A press release pertaining to the closing of the public offering of units was issued April 8, 2002.

A press release pertaining to the retaining of services of Renmark Financial Communications Inc. was issued April 11, 2002

Item 4 – Summary of Material Change

1. The Corporation announced that on April 4, 2002 it closed a public offering of units with gross proceeds of $2,000,000. The units were offered by means of a Short Form Offering Document in the provinces of Alberta and British Columbia.

Canadian Royalties issued 3,176,923 units priced at $0.65. Each unit is comprised of one common share and two half-share purchase warrants ("Warrant A" and "Warrant B"), as follows:

- Each whole Warrant A entitles the holder to acquire one common share of Canadian Royalties at a price of $0.75 per common share for a period of 15 months from the closing date; and
- Each whole Warrant B entitles the holder to acquire one common share of Canadian Royalties at a price of $1.00 per common share for a period of 24 Months from the closing date.

2. On April 11, 2002 the Corporation announced that it has retained the services of Renmark Financial Communications Inc. to handle its investor relations.

Canadian Royalties has selected Renmark to strengthen its profile amongst the financial community, given Renmark's investor relations strategies and methodology for enhancing the Corporation's visibility.

Item 5 – Full Description of Material Change

1. The Corporation announces that on April 4, 2002 it closed a public offering of units with gross proceeds of $2,000,000. The units were offered by means of a Short Form Offering Document in the provinces of Alberta and British Columbia.

Canadian Royalties issued 3,176,923 units priced at $0.65. Each unit is comprised of one common share and two half-share purchase warrants (“Warrant A” and “Warrant B”), as follows:

- Each whole Warrant A entitles the holder to acquire one common share of Canadian Royalties at a price of $0.75 per common share for a period of 15 months from the closing date; and
- Each whole Warrant B entitles the holder to acquire one common share of Canadian Royalties at a price of $1.00 per common share for a period of 24 Months from the closing date.

Yorkton Securities Inc. acted as Agent, with Bolder Investment Partners, Ltd. participating in the selling group. Canadian Royalties paid a commission of 10% of the gross proceeds from the offering, consisting of $135,000 in cash and $65,000 in units. Additionally, the Corp. paid an “Agent Option” equal to 10% of the number of Units sold under the offering, and a “Financial Advisory Fee” of 100,000 common shares. All costs and expenses pursuant to the offering were borne by Canadian Royalties.

The Corporation anticipates that the proceeds from the offering shall be used to implement its strategy for growth, and in particular, to maximize the value of its operations and exploration activities on its Nunavik (Ungava), Quebec properties, which are located 15 km. south of the Raglan Mine operated by Falconbridge Ltd., and for general working capital.

2. On April 11, 2002 the Corporation announced that it has retained the services of Renmark Financial Communications Inc. to handle its investor relations.

Canadian Royalties has selected Renmark to strengthen its profile amongst the financial community, given Renmark's investor relations strategies and methodology for enhancing the Corporation's visibility.

In consideration of the services to be provided, the Company has agreed to pay a monthly retainer of $5,000 to Renmark Financial Communications. Canadian

Royalties has agreed to grant to Renmark 100,000 options giving to Renmark the right to subscribe to 100,000 common shares of Canadian Royalties Inc. at an exercise price of $0.70, subject to approval from applicable regulatory authorities.

Item 6 – Reliance on Section 118(2) of the *Securities Act* (Alberta), Section 75(3) of the *Securities Act* (Ontario), and Section 85(2) of the *Securities Act* (British Columbia)

Not Applicable

Item 7 – Omitted Information

Not Applicable

Item 8 – Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material changes and this report and who can be contacted by the Chief of Securities Administration is:

Jennifer L. Boyle
Director
Business Telephone Number: (819) 824-1030

Item 9 – Statement of Senior Officer

The foregoing accurately discloses the material change referred to in this report.

DATED at the City of Val d'Or, in the Province of Québec, this 17th day of April, 2002.

Signed: "Jennifer L. Boyle"

Jennifer L. Boyle
Director,
CANADIAN ROYALTIES INC.