

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) UNDER SECTION 73 *SECURITIES ACT* (QUEBEC)

Item 1 – Reporting Issuer

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

Item 2 – Date of Material Change

June 11, 2003

Item 3 – News Release

A press releases pertaining to a change of directors and officers as well as the adoption of a Shareholders Rights Plan was issued on June 12, 2003.

Item 4 – Summary of Material Change

The shareholders of Canadian Royalties elected 5 board members at its Annual Meeting of Shareholders, and approved a Shareholder Rights Plan. Additionally, a new President was appointed by the directors of the corporation.

Item 5 – Full Description of Material Change

At its meeting of shareholders, held on June 11, 2003, Glenn J. Mullan, Bruce Durham, Jennifer Boyle, Tom Obradovich and Glen Schlyter were elected to serve as directors of the Corporation. Glenn J. Mullan was appointed Chairman of the Board, with Bruce Durham appointed President.

Additionally, the shareholders approved the Shareholder Rights Plan, which was adopted by the Directors to protect the Corporation's shareholders from unfair, abusive or coercive take-over strategies, including the acquisition of control of the Corporation through a take-over bid that does not treat all shareholders equally or fairly. Canadian Royalties is not aware of any pending or threatened take-over bid for the Company.

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 13th day of June 2003.

Signed: "Jennifer L. Boyle"

Jennifer L. Boyle
Director,
CANADIAN ROYALTIES INC.