MATERIAL CHANGE REPORT

FORM 51-102F3

1 – NAME AND ADDRESS OF CORPORATION:

CANADIAN ROYALTIES INC. (“**Canadian Royalties**”)
152 chemin de la Mine École
Val d’Or, Québec, J9P 7B6

2 – DATE OF MATERIAL CHANGE:

May 19, 2006.

3 – NEWS RELEASE:

A news release dated May 22, 2006 was disseminated by Canadian Royalties through the facilities of the CCN Matthews Newswire Service and subsequently filed on SEDAR.

4 – SUMMARY OF MATERIAL CHANGE:

A private placement financing of CND$ 6.6 million closed on May 19, 2006.

5 – FULL DESCRIPTION OF MATERIAL CHANGE:

Canadian Royalties closed a private placement financing of 3,333,333 common shares at a price of $2.00 per common share for gross proceeds of $6,666,666. One investor purchased the entire offering. The common shares are subject to a four month hold period from the date of issuance. No commission or fee was paid in connection with the private placement. The proceeds of the offering will be used to fund Canadian Royalties’ activities on the Raglan South Nickel Project and for general corporate purposes.

6 – RELIANCE ON SUBSECTION 7.1 (2) OR (3) OF NI 51-102:

Not Applicable

7 – OMITTED INFORMATION:

None

8 – EXECUTIVE OFFICER

For further information, kindly contact:

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President and Chief Executive Officer
Telephone: 514.879.1688

9 – DATE OF THE REPORT

May 26, 2006