

MATERIAL CHANGE REPORT
FORM 51-102F3

1. – NAME AND ADDRESS OF COMPANY

CANADIAN ROYALTIES INC. (“**Canadian Royalties**” or the “**Company**”)
2772 chemin Sullivan
Sullivan, Québec, J0Y 2N0.

2. – DATE OF MATERIAL CHANGE

September 29th, 2007.

3. – NEWS RELEASE

A news release (the “**News Release**”) dated October 5th, 2007 has been disseminated by Canadian Royalties through the facilities of the newswire service provided by Marketwire Canada Limited, and subsequently filed on SEDAR.

4. – SUMMARY OF MATERIAL CHANGE

Canadian Royalties announced the appointment of Mr. Patrick Godin to the position of Vice-President Operations and General Mine Manager for the Nunavik Nickel Project. Mr. Godin will be responsible for planning and organizing the start-up of the operations by late 2009.

5. – FULL DESCRIPTION OF MATERIAL CHANGE

Mr. Godin brings to Canadian Royalties over 16 years of experience in open pit and underground mining operations. He graduated in 1991 from Laval University in Mining Engineering, and prior to joining Canadian Royalties, he was President and General Manager of the Camp Caiman Gold project in French Guyana for Iamgold (Cambior). Prior positions with Cambior include, from 1999 to 2004 the position of manager of the Mouska mine in Rouyn-Noranda, and from 1998 to 1999 the position of Superintendent Projects for the Doyon and Mouska mines.

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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9 – DATE OF THE REPORT

October 9th, 2007.