MATERIAL CHANGE REPORT
FORM 51-102F3

1. – NAME AND ADDRESS OF COMPANY

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

2. – DATE OF MATERIAL CHANGE

March 18, 2008.

3. – NEWS RELEASE

News release dated March 18, 2008 were disseminated through the facilities of Marketwire and subsequently filed on SEDAR.

4. – SUMMARY OF MATERIAL CHANGE

On March 18, 2008, Canadian Royalties (TSX: CZZ) announces that it closed a short form prospectus offering of $125,000,000 aggregate principal amount of convertible senior unsecured debentures due March 31, 2015 bearing an annual interest rate of 7% (the “**Debentures**”). The over-allotment option granted to the syndicate of underwriters led by BMO Nesbitt Burns Inc. and including Raymond James Ltd. and Desjardins Securities Inc. (the “**Underwriters**”) to purchase an additional $12,500,000 aggregate principal amount of Debentures was also exercised and a total of $137,500,000 principal amount of Debentures were issued at closing.

5. – FULL DESCRIPTION OF MATERIAL CHANGE

Canadian Royalties closed its previously announced offering of $125,000,000 aggregate principal amount of Debentures.

In connection with the offering, Canadian Royalties granted the Underwriters an option to purchase up to an additional $12,500,000 in principal amount of Debentures on the same terms and conditions, exercisable up to 30 days following closing of the offering to cover over-allotments and for market stabilization purposes. The Underwriters have exercised their option and a total of $137,500,000 principal amount of Debentures were issued on closing. Solidarity Fund QFL and Caisse de dépôt et placement du Québec subscribed respectively to $20,000,000 and $40,000,000 principal amount of Debentures.

The funds raised will allow Canadian Royalties to continue the development of the Nunavik Nickel Project and will be used for general corporate and administrative 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
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9 – DATE OF THE REPORT

March 28, 2008.