TECHNICAL REPORT
AND UPDATED RESOURCE ESTIMATE
ON THE
ALLAMMAQ Ni-Cu-PGE DEPOSIT
NUNAVIK NICKEL PROJECT,
NUNAVIK, QUEBEC

6827645N; 595506E, UTM NAD 83

For

CANADIAN ROYALTIES INC

By

P&E Mining Consultants Inc.

NI 43-101 & 43-101F1
TECHNICAL REPORT

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P & E Mining Consultants Inc.
Report No. 175

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IMPORTANT NOTICE

This report was prepared as a National Instrument 43-101 Technical Report, in accordance with Form 43-101F1, for Canadian Royalties Inc. ("CRI") by P&E Mining Consultants Inc ("P&E"). The quality of information, conclusions and estimates contained herein are consistent with the level of effort involved in P&E's services and based on: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended to be used by CRI, subject to the terms and conditions of its contract with P&E. This contract permits CRI to file this report as a Technical Report with Canadian Securities Regulatory Authorities pursuant to National Instrument 43-101, Standards of Disclosure for Mineral Projects. Any other use of this report by any third party is at that party's sole risk.

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EXECUTIVE SUMMARY

The following report was prepared to provide a NI 43-101 compliant Technical Report and updated Resource Estimate of the nickel, copper, cobalt and platinum group elements – PGE (combined gold, platinum and palladium) mineralization at the Allammaq Deposit, one of the deposits on Canadian Royalties' Expo-Ungava Property, Nunavik, Quebec, Canada (the "Property"). The Allammaq Deposit is part of the Nunavik Nickel Project (the "Project").

Canadian Royalties Inc. ("CRI") holds extensive mineral rights in what is referred to geologically as the South Trend, covering an area of approximately 972 square kilometres in Nunavik, in a region the province of Québec refers to as "le grand nord", (the far north).

CRI entered into an option and joint venture agreement (the "Option and JV Agreement") dated January 12, 2001, with Ungava Minerals Corp. and its wholly owned subsidiary, Ungava Mineral Exploration Inc. (together referred to as "Ungava Minerals"), and with Gogama Gold Inc. (Gogama), and 582556 Alberta Inc. Pursuant to this agreement, Ungava Minerals, Gogama and 582556 Alberta Inc. granted to CRI an option to acquire up to an 80% interest in the Expo-Ungava Property by incurring progressive exploration expenditures of $1,750,000 over four years, to earn an initial 70% interest, and by delivering a feasibility study on the Expo-Ungava Property to earn an additional 10%. The definitive feasibility study was delivered by SNC Lavalin on June 4, 2007, bringing CRI's ownership in the Property to 80%.

As of June 30, 2009, CRI announced that it had begun to take the steps necessary to acquire a 100% interest in the Expo-Ungava Property, given that Ungava had failed to bring its joint venture account into good standing.

In June 2007 a positive feasibility study was completed for construction of an underground and open pit mine at the Nunavik Nickel Project, and final permitting and construction began the same year. In August 2008, due to the global financial crisis, an asset conservation plan was implemented by CRI and the mine construction was placed on hold. Exploration on the Project's many deposits continued throughout 2008.

The Allammaq Deposit is situated on NTS map sheet 35 H, within the Expo-Ungava Property, which has an area of approximately 200 square kilometres. It is located approximately 80 kilometres west of the village of Kangiqsujuaq, (also known as Wakeham Bay) and is centred at 6,827,644 N and 565,506 E in UTM NAD83 Zone 18.

Air Inuit and First Air provide daily air service from Montreal and Val-d'Or to the coastal communities of Kuujjuaq, Salluit and nearby Kangiqsujuaq. Air service from Salluit also connects to the community of Radisson in the James Bay hydroelectric development area.

Allammaq was discovered in 2007 and is located approximately three kilometres east of the road-accessible Mesamax Deposit.

Two mineralized zones have been delineated at Allammaq: a Basal Zone and an Upper Zone. The Basal Zone (Allammaq) is the most economically important of the two with thicknesses exceeding 45 metres in the central portion of the deposit, with the highest grades being present near the base of the zone. A third zone, the West Extension, is related to the Upper Zone and occurs to the west of the main body of Allammaq mineralization. The West Extension comprises lower-grade material compared to Allammaq mineralization and was classed mainly in the

Inferred category. This mineralization can now be included because it is spatially located within the potential open pit mining shell designed to quantify the Allammaq resource.

The Cape Smith Belt in which the Allammaq Deposit occurs is an interpreted foreland thrust-fold belt that constitutes the north-eastern extension of the Trans-Hudson Orogen, an early Proterozoic collision zone, which separates the Archean Superior Province from the Proterozoic Churchill Province. The Trans-Hudson Orogen includes the Thompson Nickel Belt of Manitoba and the New Quebec Orogen (Labrador Trough) on opposite sides of the Superior Province. The Cape Smith (Ungava) Belt extends for 375 kilometres in an east-west direction across the Ungava Peninsula of Nunavik. The greenschist facies foreland portion of the belt is divided into three structurally superimposed Proterozoic units, from south to north and oldest to youngest: Lamarche, Povungnituk and Chukotat Groups. The amphibolite grade hinterland is divided into four structurally superimposed Proterozoic units from south to north; Sparton, Parent, Perreault, and Watts Groups.

The Cape Smith Belt hosts two roughly parallel belts of intrusive ultramafic rocks, the Raglan Trend in the north and the South Trend in the south, some 15 to 20 kilometres apart. Both belts host a number of individual sulphide deposits developed in the ultramafic rocks that contain nickel (Ni), copper (Cu), cobalt (Co) and platinum-group elements (PGE). While the general geology of the South Trend and Raglan Trend is similar with comparable sulphide mineral paragenesis and with similar sulphide textures, the Ni-Cu ratios are different. The Raglan horizon displays a 3:1 Ni-Cu ratio that contrasts with that of the South Trend, which is generally closer to parity.

An extensive, irregular body of ultramafic rocks, typically 500 metres wide in outcrop and termed the Expo Intrusive Suite (EIS) by Mungall (2004), characterizes the general Expo-Ungava area. The EIS "*forms a complex of overlapping gabbroic dykes, ultramafic replacement bodies, dunite pipes, and sill-like peridotite massifs*".

The Allammaq Deposit is hosted by a discordant east-west striking subvertical ultramafic intrusion belonging to the Expo Intrusive Suite. Located some three kilometres to the west, the Mesamax Deposit is thought to be hosted by the same family of intrusions. Intercalated metabasaltic sheet flows and metasediments of the middle member of the Beauparlant Formation are hosts for the intrusion and its related mineralization. In the immediate vicinity of the deposit, the host rocks strike roughly 100° and dip gently at 20° to 30° to the north.

At the deposit scale, diamond drilling reveals a much more complex structure than can be observed from the limited amount of outcrop available. There are at least three and possibly four phases of the intrusion, each of which may have been emplaced as completely distinct cooling units along the same zone of weakness that guided the first.

There are two ultramafic intrusive units that carry significant quantities of sulphide mineralization. The upper consists of a trough-shaped mass of pyroxenite which grades upward and inward into peridotite. Sulphide mineralization is expressed as disseminated to net-textured pyroxenite near the base of the trough, and locally there are narrow vein-like masses of massive sulphide near the basal contact.

Accompanying the net-textured sulphides is a considerable amount of massive sulphide, which forms intersections up to 10 metres thick and locally forms veins that brecciate the chilled margin and penetrate into the host rocks. Locally the upper margin of the lower ultramafic body is marked by a gradational transition from pyroxenite through gabbro to contact-metamorphosed basalt, indicating that a considerable amount of ultramafic liquid may have passed through this small body before it solidified.

All the magmatic Ni-Cu deposits at the Nunavik Nickel Project have essentially the same mineralogy. Petrographic work (Walker 2004a, 2004b) identified pyrrhotite ($Fe_{1-X}S$) as the main sulphide mineral, followed by pentlandite ([Fe,Ni]S) and chalcopyrite ($CuFeS_2$). Pentlandite occurs generally as a separate mineral and only rarely as exsolution lamellae in pyrrhotite. Pentlandite appears to be the main cobalt carrier. Niccolite (NiAs) and violarite $(Ni, Fe)_3S_4$ occur only rarely or are entirely absent. Intergrowth of both pentlandite and chalcopyrite with silicate minerals, particularly with serpentine, can be intricate. Magnetite (Fe_3O_4) is a minor constituent of the rock, the result of the breakdown of the original olivine into serpentine plus magnetite.

In May 2008, an initial resource estimate was completed for the Allammaq Deposit employing a NSR cut-off grade appropriate for an underground mining scenario. The current Allammaq resource estimate was derived from applying a NSR cut-off grade appropriate for an open pit mining scenario, and the resulting tonnes and grade are reported in the following tables.

2009 P&E Open pit resource estimate for Allammaq @ $40/tonne NSR cut-off is:

Measured Resource

Measured	Tonnes	Ni (%)	Cu (%)	Co (%)	Au (g/t)	Pt (g/t)	Pd (g/t)	NSR ($/t)
HW Net	**559,855**	**0.93**	**1.10**	**0.04**	**0.10**	**0.60**	**2.66**	**$220**

Indicated Resource

Indicated	Tonnes	Ni (%)	Cu (%)	Co (%)	Au (g/t)	Pt (g/t)	Pd (g/t)	NSR ($/t)
HW Massive	102,754	3.72	2.01	0.15	0.11	1.34	3.27	$704
HW Net	2,726,347	0.80	1.04	0.04	0.12	0.51	2.28	$193
HW Vein	183,706	1.89	3.35	0.08	0.08	0.69	3.58	$496
HW Cu	9,769	0.90	6.03	0.05	0.21	0.81	2.25	$504
FW Massive	28,202	3.47	1.56	0.16	0.07	0.80	1.89	$618
FW Net	267,508	0.74	0.79	0.03	0.05	0.35	1.53	$161
FW Vein	11,437	0.97	0.56	0.04	0.04	0.33	1.82	$162
West Ext Net	430,795	0.39	0.49	0.02	0.06	0.24	1.09	$87
Total Indicated	**3,760,518**	**0.90**	**1.11**	**0.04**	**0.10**	**0.50**	**2.18**	**$211**

Inferred Resource

Inferred	Tonnes	Ni (%)	Cu (%)	Co (%)	Au (g/t)	Pt (g/t)	Pd (g/t)	NSR ($/t)
HW Massive	8,906	3.91	1.22	0.16	0.09	1.46	3.60	$688
HW Net	52,486	0.56	1.15	0.03	0.14	0.39	1.90	$160
HW Vein	6,963	1.89	2.59	0.07	0.07	0.54	2.61	$440
HW Cu	788	0.84	5.09	0.04	0.28	0.94	2.52	$441
FW Massive	17,823	3.36	1.51	0.15	0.07	0.93	2.08	$602
FW Net	39,789	0.63	0.65	0.03	0.05	0.30	1.27	$135
FW Vein	37,456	0.99	0.62	0.05	0.05	0.28	1.42	$166
West Ext Net	1,417,068	0.37	0.46	0.02	0.06	0.26	1.07	$83
West Ext Vein	10,214	1.82	2.50	0.10	0.05	0.35	2.37	$418
Total Inferred	**1,591,493**	**0.47**	**0.53**	**0.02**	**0.06**	**0.28**	**1.15**	**$102**

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(2) The quantity and grade reported in this inferred resource estimation are conceptual in nature and there has been insufficient exploration to define an indicated mineral resource on the property and it is uncertain if further exploration will result in discovery of an indicated or measured mineral resource on the property

The mineral resources in this estimate were calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

The previous resource estimate for Allammaq used a $115/tonne NSR cut-off grade based on an underground mining scenario, while the current resource estimate uses a $40/tonne NSR cut-off grade based on an open pit mining scenario.

The 2008 diamond drilling revealed the presence of an extension to the Allammaq mineralization, named the West Extension. The majority of the tonnes from this extension are currently classified in the Inferred category.

In order to potentially upgrade the West Extension portion of the zone from the Inferred to Indicated category, it is recommended to drill a total of 3,500 metres of in-fill, followed by an update of the resources.

Due to the change in proposed possible mining scenarios, it is recommended to undertake a scoping study using open pit parameters, and if positive, follow with an updated feasibility study, geotechnical study, metallurgical test work and an environmental impact study. The recommended work should be completed in two phases; phase two being contingent upon the results of phase one. A preliminary budget for each phase of work is presented below.

Phase I Program	**Program Costs $CDN**
3,500 metres of in-fill drilling between main zone and west extension	$1,400,000
Resource Update	$50,000
Scoping study using open pit parameters	$75,000
TOTAL	**$1,525,000**

Phase II Program	**Program Costs $CDN**
Feasibility study	$950,000
Geotechnical study	$250,000
Metallurgical test work	$450,000
Environmental impact study	$300,000
TOTAL	**$1,950,000**

1.0 INTRODUCTION AND TERMS OF REFERENCE

1.1 TERMS OF REFERENCE

The following report was prepared to provide an NI 43-101 compliant Technical Report and updated Resource Estimate of the nickel, copper, cobalt and platinum group elements – PGE (combined gold, platinum and palladium) mineralization at the Allammaq Deposit, Nunavik Nickel Project, Nunavik, Quebec, Canada (the "Project").

The claims covering the Allammaq Deposit area are under option to Canadian Royalties Inc., ("CRI") from Ungava Minerals Corp. and its wholly-owned subsidiary, Ungava Exploration Inc. (together referred to as "Ungava Minerals"). As of the date of this Technical Report, CRI had earned an initial 80% interest in the Expo-Ungava Property, and as of June 30, 2009, CRI announced that it had begun to take the steps necessary to acquire a 100% interest in the Expo-Ungava Property, given that Ungava had failed to bring its joint venture account into good standing.

This report was prepared by P&E Mining Consultants Inc., ("P&E") at the request of Mr. Grant Arnold, President and COO of Canadian Royalties Inc. Canadian Royalties is a Montreal based company trading on the Toronto Stock Exchange (TSX) under the symbol of "CZZ", with its corporate office at:

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This report is considered current as of October 4, 2009.

Mr. Antoine Yassa, P. Geo., of P&E, a qualified person under the terms of NI 43-101, conducted a site visit to the Nunavik Property and the Allammaq site from August 25 to August 28, 2009.

In addition to the site visit, P&E carried out a study of all relevant parts of the available literature and documented results concerning the project and held discussions with technical personnel from the company regarding all pertinent aspects of the project. For further details on the project the reader is referred to these data sources, which are outlined in the "References" Section 19.0 of this report.

The purpose of the current report is to provide an independent Technical Report and updated resource estimate of the nickel, copper, cobalt and platinum group elements (PGE) mineralization present in the Allammaq Deposit, in conformance with the standards required by NI 43-101 and Form 43-101F1. The estimate of mineral resources contained in this report conforms to the CIM Mineral Resource and Mineral Reserve definitions (December 11, 2005) referred to in National Instrument (NI) 43-101, Standards of Disclosure for Mineral Projects.

1.2 SOURCES OF INFORMATION

This report is based, in part, on internal company technical reports, and maps, published government reports, company letters and memoranda, and public information as listed in the

"References" Section 19.0 of this report. Several sections from reports authored by other consultants have been directly quoted in this report, and are so indicated in the appropriate sections. P&E has not conducted detailed land status evaluations, but has obtained tenure information from previous technical reports, public documents and statements by CRI regarding property status and legal title to the project.

1.3 UNITS AND CURRENCY

Unless otherwise stated all units used in this report are metric. Nickel, copper and cobalt assay values are reported in percent ("%") and gold, platinum and palladium, (PGE) elements are reported in combined grams per tonne (g/t) unless otherwise specified. The CDN$ is used throughout this report unless stated otherwise and the final resource numbers were derived utilizing a Net Smelter Return Royalty, (NSR) cut-off as $C/tonne.

2.0 RELIANCE ON OTHER EXPERTS

The authors wish to make clear that they are qualified persons only in respect of the areas in this report identified in their “Certificates of Qualified Persons” submitted with this report to the Canadian Securities Administrators.

Although copies of the tenure documents, operating licenses, permits, and work contracts were reviewed, an independent verification of land title and tenure was not performed. P&E has not verified the legality of any underlying agreement(s) that may exist concerning the licenses or other agreement(s) between third parties but has relied on the clients solicitor’s to have conducted the proper legal due diligence.

A draft copy of this report has been reviewed for factual errors by CRI, and P&E has relied on their historical and current knowledge of the Property in this regard. Any changes made as a result of these reviews did not involve any alteration to the conclusions made. Hence, the statement and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this report.

3.0 PROPERTY DESCRIPTION AND TENURE

3.1 DESCRIPTION AND TENURE

The Allammaq Deposit lies on the Expo-Ungava Property located approximately 80 kilometres west of the village of Kangiqsujuaq, (also known as Wakeham Bay) in the northern Québec region of Nunavik, and is centred at 6827644N and 595506E in UTM NAD83 Zone 18.

Canadian Royalties holds extensive mineral rights in what is referred to geologically as the South Trend, which covers an area of approximately 972 square kilometres. The number of claims and square kilometres has changed from the previous Technical Report, as some new claims were acquired (Grey Goose), and many of the claims were "converted" to mining leases, (Expo Ungava, Phoenix and South Trend blocks).

A list of the individual properties comprising CRI's Nunavik Nickel Project and their respective areas is presented in the following table.

Table 3-1: List of Individual Properties Comprising the Nunavik Nickel Project

Property Name	No. Claims	Hectares	Sq. Km.	# Acres
67's	28	1,152	12	2,846
Arbitration	29	1,194	12	2,951
Bégin	176	7,310	73	18,062
Béliveau	4	165	2	409
Blazers	73	3,000	30	7,413
Breakaway	54	2,225	22	5,498
Colts	10	410	4	1,013
Cougars	17	699	7	1,728
Cournoyer	25	1,031	10	2,548
Crocodile Tears East	84	3,468	35	8,570
Crocodile Tears West	96	3,560	36	8,798
Dryden	11	453	5	1,120
Expo Ungava	495	20,024	200	49,478
Expo Ungava West	12	398	4	984
Gamache	112	4,321	43	10,677
Generals	19	783	8	1,934
Giants	76	3,128	31	7,730
Giraffe	85	3,499	35	8,646
Grey Goose	112	4,610	46	11,392
Greyhounds	8	328	3	811
Hitmen	16	657	7	1,623
Ice	32	1,316	13	3,251
Inukshuk	0	0	0	0
Lac Chasse	44	1,805	18	4,460
Lac Felix NE	36	1,476	15	3,648
Lafleur	53	2,184	22	5,396
New Foreurs East	53	2,178	22	5,381
New Foreurs West	43	1,766	18	4,364
Olympiques	16	660	7	1,632
Otters	12	493	5	1,218
Pats	14	576	6	1,424
Phoenix	150	5,847	58	14,449
Platters	21	865	9	2,138
Rebels	66	2,725	27	6,733
Robinson	67	2,758	28	6,814
Rockets	32	1,319	13	3,260
Ron Roy West	71	2,919	29	7,212
South Trend	82	3,273	33	8,088
Sting	32	1,313	13	3,244
Vicenza	22	907	9	2,240
Wheat Kings	11	452	5	1,117
Grand Total	2399	97,247	972	240,299

CRI entered into an option and joint venture agreement (the “Option and JV Agreement”) dated January 12, 2001, with Ungava Minerals Corp. and its wholly owned subsidiary, Ungava Mineral Exploration Inc. (together referred to as “Ungava Minerals”), and with Gogama Gold Inc. (Gogama), and 582556 Alberta Inc. Pursuant to this agreement, Ungava Minerals, Gogama and 582556 Alberta Inc. granted to CRI an option to acquire up to an 80% interest in the Expo-Ungava Property by incurring progressive exploration expenditures of $1,750,000 over four years, to earn an initial 70% interest, and by delivering a feasibility study on the Expo-Ungava Property to earn an additional 10%. The definitive feasibility study was delivered by SNC Lavalin on June 4, 2007, bringing CRI’s ownership in the Property to 80%.

As of June 30, 2009, CRI announced that it had begun to take the steps necessary to acquire a 100% interest in the Expo-Ungava Property, given that Ungava had failed to bring its joint venture account into good standing.

3.2 CONCLUSION TO LITIGATION

On July 21, 2008, CRI announced that it had been advised by two of its directors, Mr. Bruce Durham and Mr. Glenn Mullan, that Ungava Minerals Exploration Inc. (“UMEI”) lost its appeal in the highest court of Québec (Court of Appeal of Québec), in its (UMEI’s) attempt to reverse an earlier decision of the Québec Superior Court, that was unfavourable to Ungava Minerals.

In 2006, Ungava Minerals launched an action against Durham and Mullan in the Québec Superior Court, seeking $50,500,000 in damages and alleging trespass and concealment, among other related issues (see Press Release of Ungava Minerals Corp./Nearctic Nickel Mines Inc. dated August 11, 2006). Bruce Durham and Glenn Mullan were successful in having this 2006 action against them dismissed by the Québec Superior Court on April 24, 2007, and again, in the Court of Appeal of Québec on July 16, 2008, when the Honourable Louise Otis, Juge de la Cour d’appel (JCA), the Honourable François Pelletier, JCA, and the Honourable Marie-France Bich, JCA, rejected Ungava’s appeal, with costs to be paid by Ungava Minerals.

For a complete account of the litigation, the reader is referred to the company’s latest Management’s discussion and analysis (Q2MD&A) which can be found on *www.sedar.com*.

4.0 LOCATION, ACCESS, CLIMATE, PHYSIOGRAPHY & INFRASTRUCTURE

4.1 LOCATION AND ACCESS

The Allammaq Deposit area is located approximately 80 kilometres west of the village of Kangiqsujuaq, (also known as Wakeham Bay) in the northern Québec region of Nunavik and approximately 30 kilometres east-southeast of the Katinniq Mine, part of the Raglan operations of Xstrata Nickel, a subsidiary of Xstrata PLC, (formerly Falconbridge Ltd.). The property is centred at 6827644N and 595506E in UTM NAD83 Zone 18.

Air Inuit and First Air provide daily air service from Montreal and Val-d'Or to the coastal communities of Kuujjuaq, Salluit and nearby Kangiqsujuaq. Air service from Salluit also connects to the community of Radisson in the James Bay hydroelectric development area.

CRI charters flights from Montreal and Val-d'Or to Kangiqsujuaq during the summer months to support the exploration programs. Project logistics are facilitated by Twin Otter (DHC-6) shuttle service to the Berbegamo camp from the coastal village of Kangiqsujuaq. The property can also be reached by helicopter from the nearby coastal villages. Daily fieldwork requires helicopter support.

Shipping operations (sealift) during the summer months is conducted at Bombardier Beach on Deception Bay and, to a much lesser extent, Douglas Harbour.

In 2005, CRI constructed an access road from the Deception Bay / Katinniq / Donaldson / Douglas Harbour road network south to the Mesamax Deposit, which has improved access to the Mesamax, Allammaq and Expo areas.

In addition, CRI completed construction of an additional access road in the fall of 2007 from the east-west Katinniq / Donaldson road south to the Expo Deposit, a distance of approximately 18 kilometres. The road facilitates ground transportation to and from Bombardier Beach at Deception Bay. Work around the Expo complex and the deposit is now fully ground-supported.

4.2 CLIMATE AND PHYSIOGRAPHY

The Expo-Ungava Property is located on a broad plateau, in an area of gently rolling topography north of the tree line, within the Povungnituk Range. The topography is characterized by moderate to steep east-west trending ridges and valleys. Vegetation consists of sparse shrubs, plants and grasses, which grow to less than 25 centimetres in height. Outcrop ridges are generally bare rock, devoid of vegetation, where outcrop or subcrop is commonly reduced to heaps of frost-heaved blocks and boulders. The low areas between outcrop ridges are typically flat, grass-covered tundra traversed by small streams.

The entire area is affected by permafrost resulting in the widespread formation of soil polygons and other soil solifluction features that form in response to a type of creep that takes place in regions where the ground freezes to a considerable depth and as it thaws during the warm seasons the upper thawed position creeps downhill over the frozen material. The soil moves as a viscous liquid down slopes of as little as 2 or 3 degrees and may carry rocks of considerable size in suspension. At Raglan, the permafrost reaches a depth of 400 metres, and the average rock temperature is -6 C^{o} (Falconbridge Annual Report 1998). The Allammaq Deposit elevation is 550-600 metres above sea level and the relief is subdued and ranges from 50 to 75 metres. Overburden in the area is generally less than 20 metres in thickness (from drillhole information).

The climate of the area is harsh, with summer (July and early August) temperatures ranging from 0 Cº to 20 Cº while winter temperatures range from 0 Cº to -50 Cº. Snow can accumulate in any month of the year, and parts of some sheltered ridges can remain snow covered throughout the year. The field season for surface exploration activities optimally lasts the months of June, July, August and early September, with some early winter snow expected in late August and early September. The area is subject to strong wind conditions and periods of dense fog.

4.3 INFRASTRUCTURE

Construction of the Nunavik Nickel Project commenced on May 20th, 2008, however in response to the global financial crisis, on August 5th, 2008, an asset conservation plan was implemented to protect cash resources. Following implementation of the asset conservation plan, construction activities were refocused to complete essential infrastructure and to place the Nunavik Nickel Project on care and maintenance.

The project infrastructure currently consists of:

- An access-road that links into the existing road-network;
- Employee housing complex for 300 people;
- Potable water and waste-water treatment plants;
- Concentrator foundation with thermosyphons;
- Temporary shelters for equipment and materials;
- Detailed concentrator engineering 90% completed;
- Structural steel, flotation cells and other mill components on site;
- Long-lead items procured (ball mills etc.).

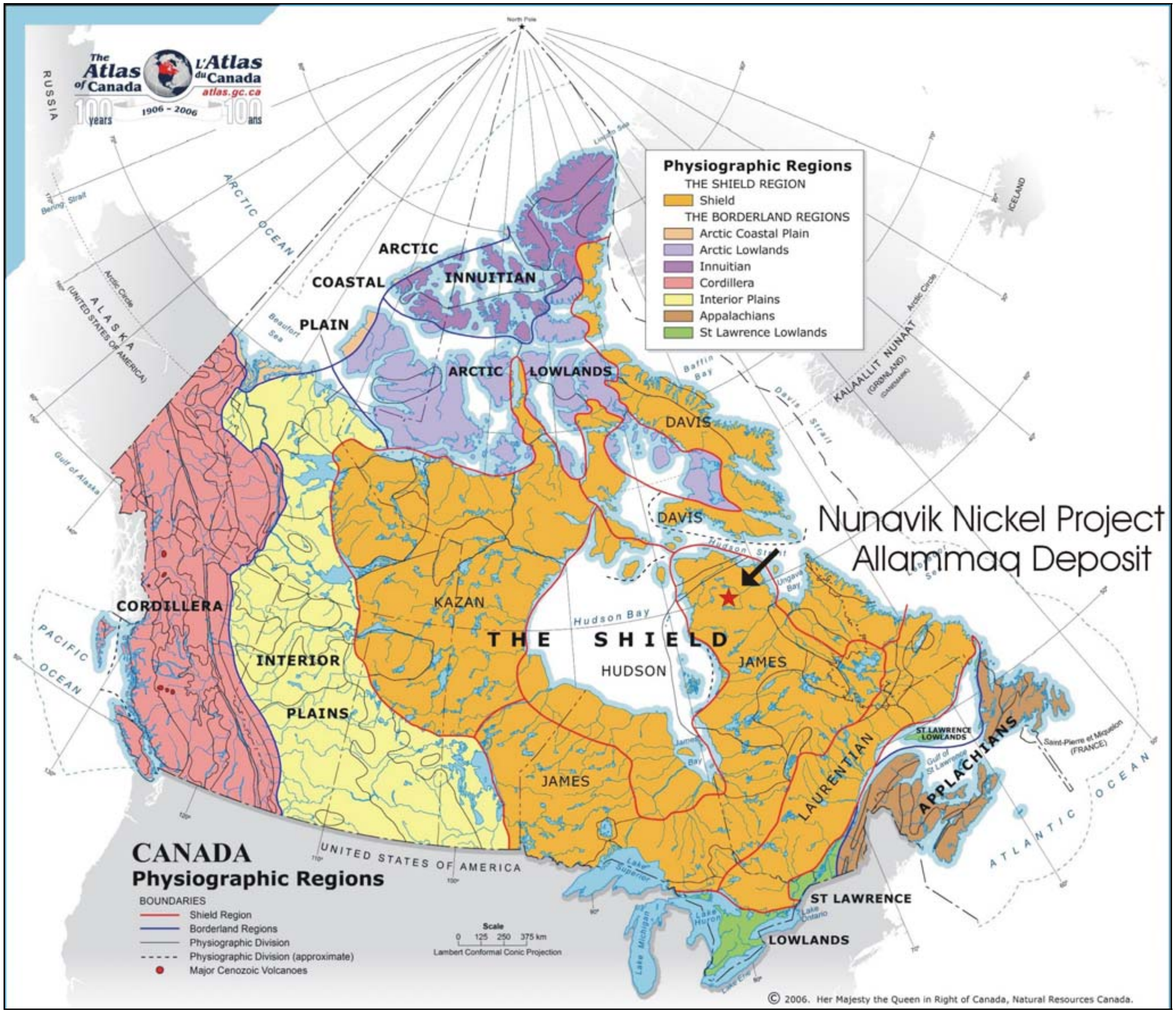


Figure 4.1: Regional Location Map of the Nunavik Nickel Project

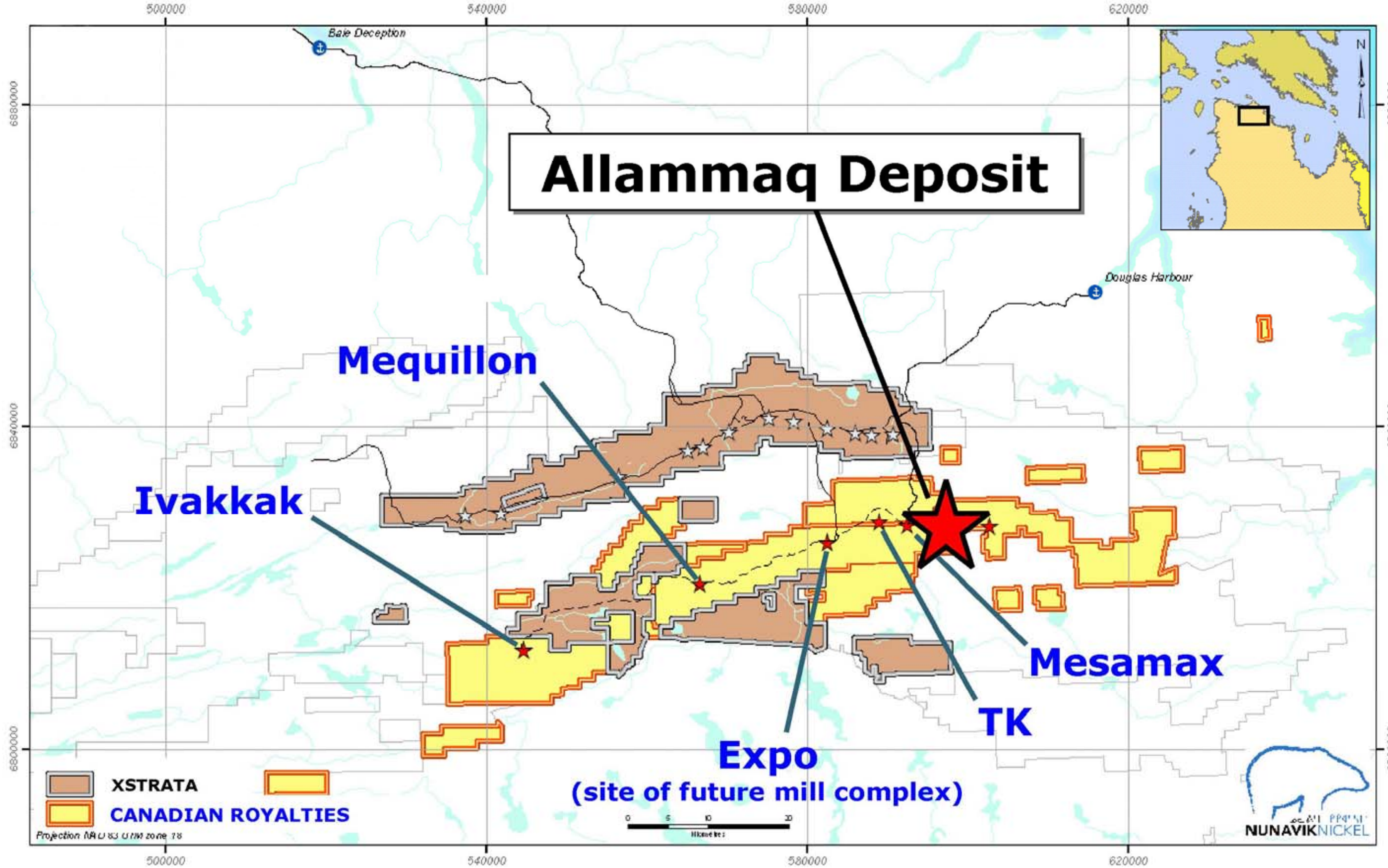


Figure 4.2: Detailed Property Location Map

5.0 HISTORY AND PREVIOUS EXPLORATION

5.1 GENERAL HISTORY

The general area of ultramafic-hosted nickel-copper-PGE deposits in northern Nunavik covering the Raglan Trend and the South Trend has been explored since the mid 1950's. Initial field work consisting of ground geophysics and surface sampling undertaken by New Quebec Mining and Exploration in 1957 indicated the possible importance of the Expo-Ungava area. This was also the date of the first PGE assays on the property.

The Expo-Ungava area was covered by several airborne geophysical surveys that were completed over portions of the South Trend Properties. The surveys were performed by different exploration companies between 1957 and 1996 in an initial effort to locate conductive target areas. Ground geophysical surveys, mapping and possibly diamond drilling would then be completed on selected targets. The airborne surveys generally combined a magnetic and electromagnetic (EM) component. Survey line spacing was relatively wide in consideration of the anticipated size of a massive sulphide lens. The depth of detection was less than 100 metres, which combined with the wide line spacing limited the effectiveness of these surveys to identify massive sulphide targets.

In 1957-1958, Compagnie Minière de l'Ungava (Cominga) carried out magnetic, vertical loop and horizontal loop electromagnetic surveys and followed up with three packsack drill holes. Sulphide mineralization was intersected in all three holes. Diamond drilling tested the upper part of the mineralized ultramafic unit around and east of the packsack holes and reported several long intersections with moderate nickel and copper grades, (Cominga did not assay for platinum group elements in 1958).

In 1976, Ron Roy Uranium Mines completed a VLF survey over the Mequillon area, and results indicated the occurrence of many local conductors. New Quebec Raglan Mines established a grid in 1977, geologically mapped the area, reviewed the Cominga results in light of their own findings and determined that the mineralization at Mequillon had been adequately tested by drilling and did not present an economic deposit (Ouellet, 1977).

The region was mapped by the Geological Survey of Canada in the years 1985 to 1987 at a scale of 1: 50 000.

In 1997 High North Resources and Ungava Minerals established the Mequillon North Grid. Approximately 14 kilometres of ground magnetometer and horizontal loop electromagnetic (HEM) surveys using the MaxMin system with a 100 metre coil separation were completed by the geophysical firm SAGAX Geophysics from Val-d'Or, Quebec. Mapping and prospecting identified boulders of rusty pyroxenite containing up to 10% pyrrhotite plus chalcopyrite.

5.2 INITIAL EXPLORATION WORK BY CANADIAN ROYALTIES IN 2001

In the summer of 2001, CRI undertook a program of evaluating the historical diamond drill core from exploration programs completed in 1967-69 and 1997 by Expo Ungava Mines, Amax and High North in the Expo Deposit area (Durham, 2005). This evaluation was facilitated by the nearly complete preservation of most of the historical diamond drill core at the site, including the remains of the original core logging facility. The core was generally in reasonable condition, most of it stored in the original waxed cardboard core boxes. Most of the boxes appeared to have been left undisturbed for more than 30 years.

On the basis of these observations, a program of check sampling was undertaken in the summer of 2001 by CRI personnel.

During the period 2001-2008, Canadian Royalties drilled, discovered, delineated and augmented Nickel, Copper, Platinum and Palladium magmatic sulphide resources and showings along the length the Nunavik Nickel Project's multiple properties. Current updated mineral resource estimates for all Nunavik Nickel Project deposits are listed in the following table:

Table 5-1: Nunavik Nickel Project - Resources

Deposit & Estimate Date	Resource Category	Tonnes	Ni%	Cu%	Co%	Pt (g/t)	Pd (g/t)	Au (g/t)	Discovery
Puimajuq *Oct-09*	Indicated	209,000	1.64	2.73	0.06	0.92	2.48	0.09	Canadian Royalties
	Inferred	12,000	2.31	3.23	0.09	1.18	2.63	0.14	
Allammaq *Oct-09*	Measured	560,000	0.93	1.10	0.04	0.60	2.66	0.10	Canadian Royalties
	Indicated	3,761,000	0.90	1.12	0.04	0.50	2.18	0.10	
	Inferred	1,591,000	0.47	0.53	0.03	0.28	1.15	0.06	
Mesamax *Jan-07*	Indicated	2,218,000	1.89	2.57	0.08	0.97	3.63	0.20	Canadian Royalties
	Inferred	31,000	1.61	1.78	0.07	0.60	3.57	0.15	
Mequillon *Sep-07*	Indicated	5,374,000	0.74	1.07	0.04	0.70	2.65	0.23	Historic Significantly Augmented by CZZ
	Inferred	3,085,000	0.82	1.12	0.04	0.65	2.57	0.18	
Expo *Jan-07*	Indicated	8,562,000	0.76	0.76	0.04	0.32	1.36	0.08	Historic Discovery Augmented by CZZ
	Inferred	478,000	0.81	0.83	0.04	0.32	1.33	0.07	
Ivakkak *Feb-07*	Indicated	1,128,000	1.22	1.55	0.05	0.64	3.14	0.15	Canadian Royalties
	Inferred	40,000	1.24	1.30	0.05	0.69	2.90	0.10	
TK *Apr-03*	Indicated	90,000	1.60	1.20	0.10	0.40	2.00	0.10	Canadian Royalties
	Inferred	7,000	1.60	1.00	0.11	0.40	1.60	0.00	
TOTALS	***Measured***	***560,000***	***0.93***	***1.10***	***0.04***	***0.60***	***2.66***	***0.10***	
	Indicated	***21,342,000***	***0.93***	***1.15***	***0.05***	***0.54***	***2.17***	***0.14***	
	Inferred	***5,244,000***	***0.73***	***0.92***	***0.04***	***0.51***	***2.03***	***0.13***	

A number of significant showings with drill intercepts are shown in the following table. The list is considerably longer when prospecting samples and locations are included.

Table 5-2: Nunavik Nickel Project – Significant Showings

Significant Showing	Example Drillhole	Core Length (m)	Ni%	Cu%	Pt (g/t)	Pd (g/t)	Discovery
Cominga	CMG-05-19	2.00	2.41	0.59	0.55	1.80	Historic; Augmented by CZZ
Cominga East	CMG-08-33	1.90	1.44	1.95	0.39	1.43	Canadian Royalties
Endah *(Kehoe)*	KH-08-16	38.15	1.23	1.21	0.56	1.99	Canadian Royalties
Gurn *(Giraffe)*	GRN-08-04	6.25	2.44	1.01	1.02	3.09	Canadian Royalties
Lac Vaillant	VL-08-22	5.52	1.96	0.84	0.44	2.47	Canadian Royalties
Snow Owl	SN-02-01	10.00	1.09	0.22	0.39	0.84	Canadian Royalties
Tootoo	TT-02-02	10.51	3.14	2.56	0.80	2.60	Canadian Royalties

5.3 PREVIOUS FEASIBILITY STUDIES

The Allammaq Deposit was not included in the feasibility study of the Nunavik Nickel Project that was completed in June 2007 by SNC Lavalin.

5.4 PREVIOUS METALLURGICAL TESTING

This section was previously reported on in the Technical Report titled, "Technical Report and Resource Estimate on the Allammaq Ni-Cu-PGE Deposit, Nunavik, Quebec", dated May 30, 2008. For simplicity, it has been reproduced here.

Thirty-three drill core samples from 11 drill holes that intersected the Allammaq Ni-Cu deposit were submitted for a predictive metallurgical study undertaken by Terra Mineralogical Services of Peterborough, Ontario. The goal of the study was to conduct a preliminary ore characterization and predictive metallurgical evaluation of the Ni-Cu mineralization.

The Allammaq drill core samples can be best classified as semi-massive (net-textured) to locally massive sulphide mineralization. The non-opaque gangue is mainly composed of mafic silicates and minor to moderate carbonate. Alteration assemblages predominantly comprised of acicular actinolite, remnant amphibole, and variable amounts of serpentine, chlorite and carbonate characterize the non-opaque gangue mineralogy. Locally, remnant plagioclases were also observed.

Pyrrhotite is the predominant sulphide and is accompanied by variable amounts of chalcopyrite and pentlandite. Trace amounts of sphalerite were also observed, as well as trace to minor amounts of mineral phases interpreted to be PGE minerals. Similarly trace amounts of Selenides? and Tellurides? might also be present in a few samples. SEM-EDS analyses are being carried out to further identify minerals that have been reported as PGE, selenide and telluride phases. A few points of interest can be summarized as follows:

- Two major mineralization types were observed. Massive sulphides mineralization (> 95% sulphides) and semi-massive (net-textured) sulphide mineralization;
- The massive sulphide mineralization commonly forms fairly coarse and relatively simple mineralization textures that could be well liberated with a primary grind greater than 100 µm (~120 – 130 µm);
- The semi-massive sulphide mineralization possesses mineralization textures varying from fairly simple to very complex. A primary target of 50 to 60 µm and a series of regrind (down to 25 to 30 µm) should be tested for mineral liberation of the semi-massive sulphide mineralization;
- The main textural complexity of the semi-massive sulphide mineralization is comprised of abundant recurrent acicular silicate gangue (actinolite?) intergrown with the sulphides, and particularly chalcopyrite and pentlandite;
- Locally the abundance of acicular silicate gangue - chalcopyrite- pentlandite – pyrrhotite results in serrated / feathery textures in which chalcopyrite and pentlandite occur as very-fine grained (<20 µm) triangular or acicular mineral fragments. This will likely result in Cu and Ni losses to the tails;
- Locally, chalcopyrite and/ or pentlandite form fine to very-fine, fairly complex intergrowth textures with pyrrhotite. In most cases, the increased complexity of the sulphide textures could be addressed with increased grinding;
- Ore textures observed in samples from MX-07-34 (Section 2350E) are particularly poor. The mineral separation of the economic minerals from the gangue and each other in this particular ore material will remain poor, regardless of the level of grind applied and consequently ore material mined from this portion of the deposit could cause recurrent metallurgical challenges.

In contrast, it appears better ore textures occur in samples collected from drill holes intersecting the deposit along sections 2300E and 2250E. However, only minor amounts of samples were examined and this observation should be considered with caution.

5.5 EXPO/MESAMAX BLEND TEST FOR FLOTATION & GRINDABILITY

Half drill core samples of Expo mineralization were sent to SGS Lakefield in January, 2006 and again in April 2006 with the goal of investigating grindability and flotation characteristics of blended Expo and Mesamax mineralization. Of principal interest was the metallurgical response to a coarse primary grind while maintaining acceptable concentrate recovery and grade. Results of the study are reported in "SGS Lakefield Report 10749-004 Report 8", dated August 8, 2006. These results have also been reported in the above mentioned technical report on the Expo deposit and can be viewed on *www.sedar.com*.

5.6 PREVIOUS RESOURCE ESTIMATES

There has been one NI 43-101 compliant resource estimate completed on the Allammaq Deposit, detailed in the report titled, "Technical Report and Resource Estimate on the Allammaq Ni- Cu-PGE Deposit, Nunavik Nickel Project, Nunavik, Quebec", for Canadian Royalties, authored by P&E Mining Consultants Inc. and dated May 30, 2008. This report can be viewed at *www.sedar.com*.

The previously reported resources are presented in Tables 5-3 and 5-4 below.

Table 5-3: 2008 Allammaq Deposit Indicated Resource Estimate @ \$115/tonne NSR cut-off (based on an underground mining scenario)

Domain	Tonnes	Ni (%)	Cu (%)	Co (%)	Au (g/t)	Pt (g/t)	Pd (g/t)	NSR (\$/t)
HW Massive	112,000	3.74	2.62	0.15	0.20	1.32	2.99	\$630
HW Net Textured	1,878,000	1.12	1.33	0.05	0.12	0.70	3.10	\$223
HW Vein	75,000	2.39	4.64	0.10	0.13	0.79	4.41	\$532
TOTAL	**2,065,000**	**1.30**	**1.52**	**0.05**	**0.13**	**0.73**	**3.14**	**\$256**

Table 5-4: 2008 Allammaq Deposit Inferred Resource Estimate @ \$115/tonne NSR cut-off (based on an underground mining scenario)

Domain	Tonnes	Ni (%)	Cu (%)	Co (%)	Au (g/t)	Pt (g/t)	Pd (g/t)	NSR (\$/t)
HW Massive	56,000	3.58	2.24	0.14	0.22	1.83	3.96	\$603
HW Net Textured	147,000	1.03	1.27	0.05	0.08	0.53	2.46	\$202
HW Vein	31,000	2.44	4.20	0.10	0.15	0.91	5.01	\$525
HW Cu	8,000	2.74	12.37	0.12	1.75	1.86	4.65	\$938
FW Massive	81,000	3.70	1.71	0.16	0.08	1.08	2.25	\$576
FW Net Textured	129,000	1.16	1.31	0.05	0.07	0.44	2.06	\$218
FW Vein	9,000	1.14	0.43	0.05	0.03	0.35	1.15	\$149
TOTAL	**461,000**	**1.97**	**1.84**	**0.08**	**0.13**	**0.81**	**2.67**	**\$353**

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(2) The quantity and grade reported in this inferred resource estimation are conceptual in nature and there has been insufficient exploration to define an indicated mineral resource on the property and it is uncertain if further exploration will result in discovery of an indicated or measured mineral resource on the property

6.0 GEOLOGICAL SETTING

6.1 REGIONAL GEOLOGY

The Cape Smith Belt in which the Allammaq Deposit occurs is an interpreted foreland thrust-fold belt that constitutes the north-eastern extension of the Trans-Hudson Orogen, an early Proterozoic collision zone, which separates the Archean Superior Province from the Proterozoic Churchill Province (Hynes and Francis, 1982; Hoffman 1990). The Trans-Hudson Orogen includes the Thompson Nickel Belt of Manitoba and the New Quebec Orogen (Labrador Trough) on opposite sides of the Superior Province. The Cape Smith (Ungava) Belt extends for 375 kilometres in an east-west direction across the Ungava Peninsula of Nunavik. The greenschist facies foreland portion of the belt is divided into three structurally superimposed Proterozoic units, from south to north and oldest to youngest: Lamarche, Povungnituk and Chukotat Groups (Lamothe, 1994). The amphibolite grade hinterland is divided into four structurally superimposed Proterozoic units from south to north; Sparton, Parent, Perreault, and Watts Groups (Lamothe, 1994; St-Onge et al., 1992).

The tectono-stratigraphic elements of the belt record a rifting event 2.0-1.9 billion years (Ga) ago, with accumulation of sedimentary and volcanic units (Povungnituk and Chukotat Groups) on a north-facing continental margin. Subsequent closing of the rift during the Hudsonian Orogeny (*ca* 1.8 Ga), resulted in a complex interaction of thrusting, penetrative shearing, metamorphism and imbrication of the foreland thrust belt with the tectono-stratigraphic units of the hinterland (Lamothe, 1994; Lucas and St.-Onge 1989; St-Onge and Lucas, 1990; St-Onge et al., 1992). After detailed geological mapping on the Expo Ungava Property in recent years, Mungall (2004) has queried the existence or structural necessity of the various thrust faults postulated by the earlier workers.

The Property is located within the central portion of the assemblage, near the suture separating the foreland from the hinterland domains. The North Domain is dominated by the mostly volcanic Watts Group, which has been interpreted as an Island-Arc accretionary complex. The South Domain includes the Lamarche, Povungnituk, and Chukotat Groups, which are collectively interpreted as an extensional sequence consisting mainly of basalts, sediments and ultramafic rocks grading into oceanic crust towards the north. The boundary between the North and South domains is marked by the regional scale Bergeron Fault, considered to be a subduction zone (Bergeron, 1957; Bergeron, 1959; Lamothe et al., 1983; Lamothe, 1986). The basin is interpreted to record a protracted regime of extension followed by sea-floor spreading and subsequent convergent tectonics marked by folding and thrusting.

6.2 ALLAMMAQ PROPERTY GEOLOGY

The Allammaq Deposit is hosted by a discordant east-west striking subvertical ultramafic intrusion belonging to the Expo Intrusive Suite. Located some three kilometres to the west, the Mesamax Deposit is thought to be hosted by the same family of intrusions. Intercalated metabasaltic sheet flows and metasediments of the middle member of the Beauparlant Formation are hosts for the intrusion and its related mineralization. In the immediate vicinity of the deposit, the host rocks strike approximately 100° and dip gently at 20° to 30° to the north.

The overall form of the intrusion hosting the Allammaq Deposit is dyke-like. On the geology map and in surface magnetic maps it is distinctly linear and strikes at a low angle to the strike of the host rocks along the west limb of the syncline. As it passes through the hinge of the syncline it is deflected somewhat into a N-W strike before resuming its E-W strike on the east limb of the fold. It is important to note that along the west limb, the level of exposure of the dyke is essentially along a paleo-horizontal trend, whereas on the east limb it is a vertical section. In the west limb the dyke is expressed as a peridotite mass, sheathed in pyroxenite at its margins. The peridotite grades westward into pyroxenite, as the level of exposure gradually moves downward through the dyke. This is suggestive of a dyke form with pyroxenite near its base and around its edges, and a core of peridotite with a lower limit about 100 metres above the base of the dyke. In the east limb there is a rapid transition from peridotite to pyroxenite and then to olivine melano-gabbronorite (“hornblende gabbro”).

At the deposit scale, diamond drilling reveals a much more complex structure than can be observed from the limited amount of outcrop available. There are at least three and possibly four phases of the intrusion, each of which may have been emplaced as completely distinct cooling units along the same zone of weakness that guided the first.

The most obvious intrusive unit is observed at surface as the peridotite mesa that gives its name to the Mesamax Deposit (Allammaq being the name for the new deposit found along the eastern extension of the Mesamax Main grid). Where this unit has been drilled directly on top of the mesa it is observed to be only a few tens of metres thick, and in the field it can be seen to be surrounded by a sub-horizontal fault that offsets it a few tens of metres from the rest of the dyke. This fault is interpreted as a minor thrust fault, perhaps forming a splay off a more important one that can be followed through the subcrop to the north of the mesa and would be several metres above the present erosional level at the mesa itself. Where this unit was drilled on section 2400E in 2002 (MX-02-06), it was found to be composed of peridotite and pyroxenite through a vertical extent of more than 150 metres, terminating downward against metabasalt.

Another intrusive unit is a dyke of hornblende gabbro that was intersected in hole MX-07-42. This dyke was intersected at depth over approximately 20 metres. Contact relations between this unit and the others have not been observed. It may represent an extension of the gabbro dyke that is inferred to underlie the peridotite and has been mapped out toward the east as a possible 'keel' to the mineralized intrusion or it may be a separate narrow dyke. Such bodies are commonly observed near mineralized intrusions in the Nunavik Nickel project area and although they are considered to be co-magmatic with the mineralization, they do not themselves appear to have any economic potential at the level of exposure at which they manifest themselves as gabbro.

There are two ultramafic intrusive units that carry significant quantities of sulphide mineralization. The upper consists of a trough-shaped mass of pyroxenite which grades upward and inward into peridotite. This body has a clearly defined base north of and at a higher elevation than the massive peridotite and pyroxenite intersected by hole MX-02-06 as described above. It therefore appears to represent a separate body, although it may link to the southern body at a slightly higher structural level than the current level of exposure. Sulphide mineralization is expressed as disseminated to net-textured pyroxenite near the base of the trough, and locally there are narrow vein-like masses of massive sulphide near the basal contact. Contact relations in drill core include “hot” contacts with partially melted basalt and sediment as well as clearly chilled blebby pyroxenite contact facies.

The upper mineralized ultramafic body locally cuts into the upper portion of the lower mineralized body, and where it does so it forms a chilled margin against the coarse-grained pyroxenite of the lower body. In other places the two ultramafic bodies are separated by a screen of metabasalt and metasediment that show clear signs of extensive contact metamorphism. Most of the upper mineralized ultramafic body is barren; significant mineralization is restricted to a relatively narrow zone near its base (Upper Zone).

In sharp contrast, the lower ultramafic intrusion is almost entirely composed of mineralization (Allammaq Deposit). It generally has a sharp chilled pyroxenitic margin above and below, containing blebby and disseminated sulphides, but this margin grades over less than a metre into net-textured sulphide hosted by pyroxenite that fills almost the entire intrusion in some sections. Accompanying the net-textured sulphides is a considerable amount of massive sulphide, which forms intersections up to 10 metres thick and locally forms veins that brecciate the chilled margin and penetrate into the host rocks. Locally the upper margin of the lower ultramafic body is marked by a gradation transition from pyroxenite through gabbro to contact-metamorphosed basalt, indicating that a considerable amount of ultramafic liquid may have passed through this small body before it solidified.

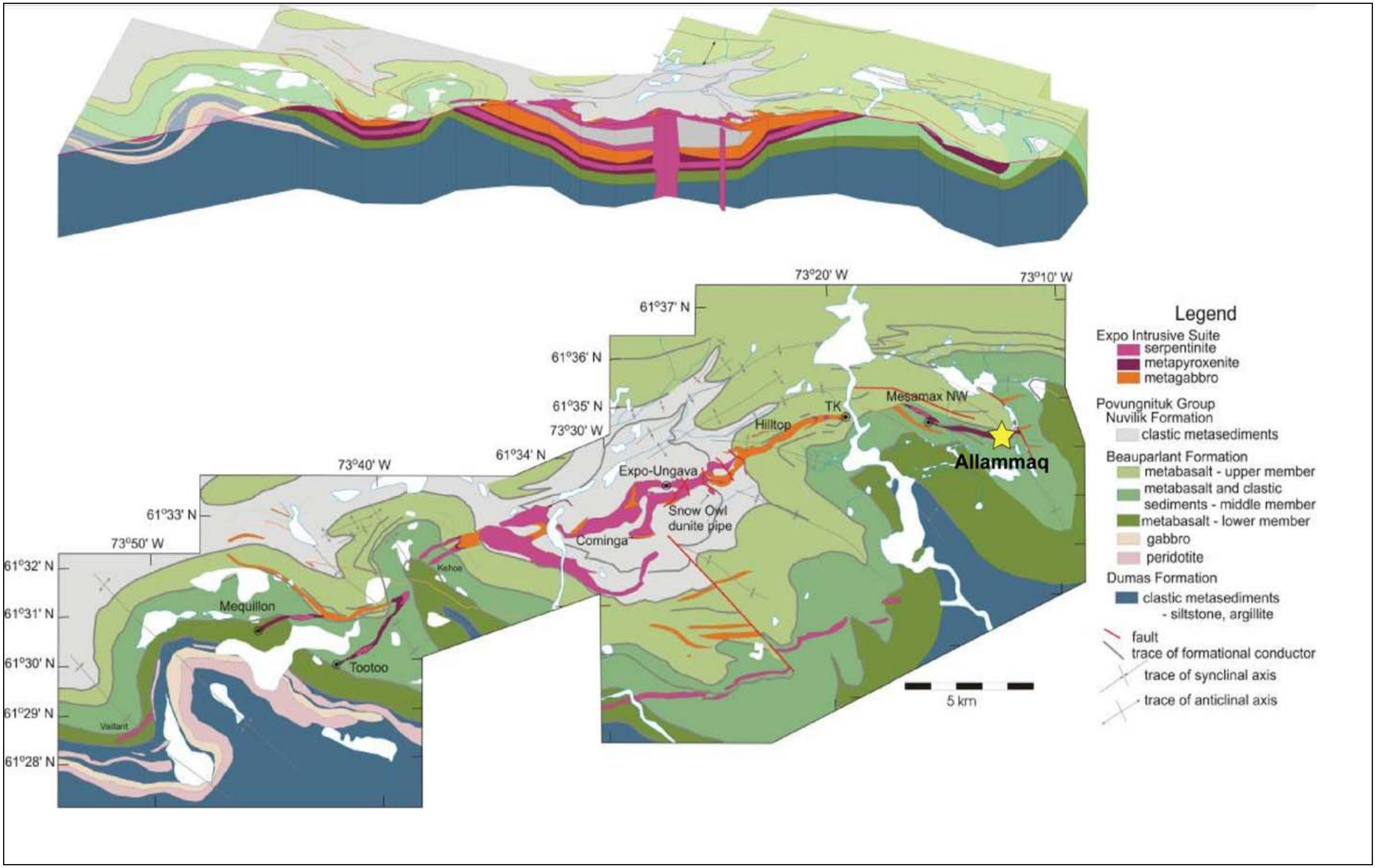


Figure 6.1: Regional Geology of South Trend

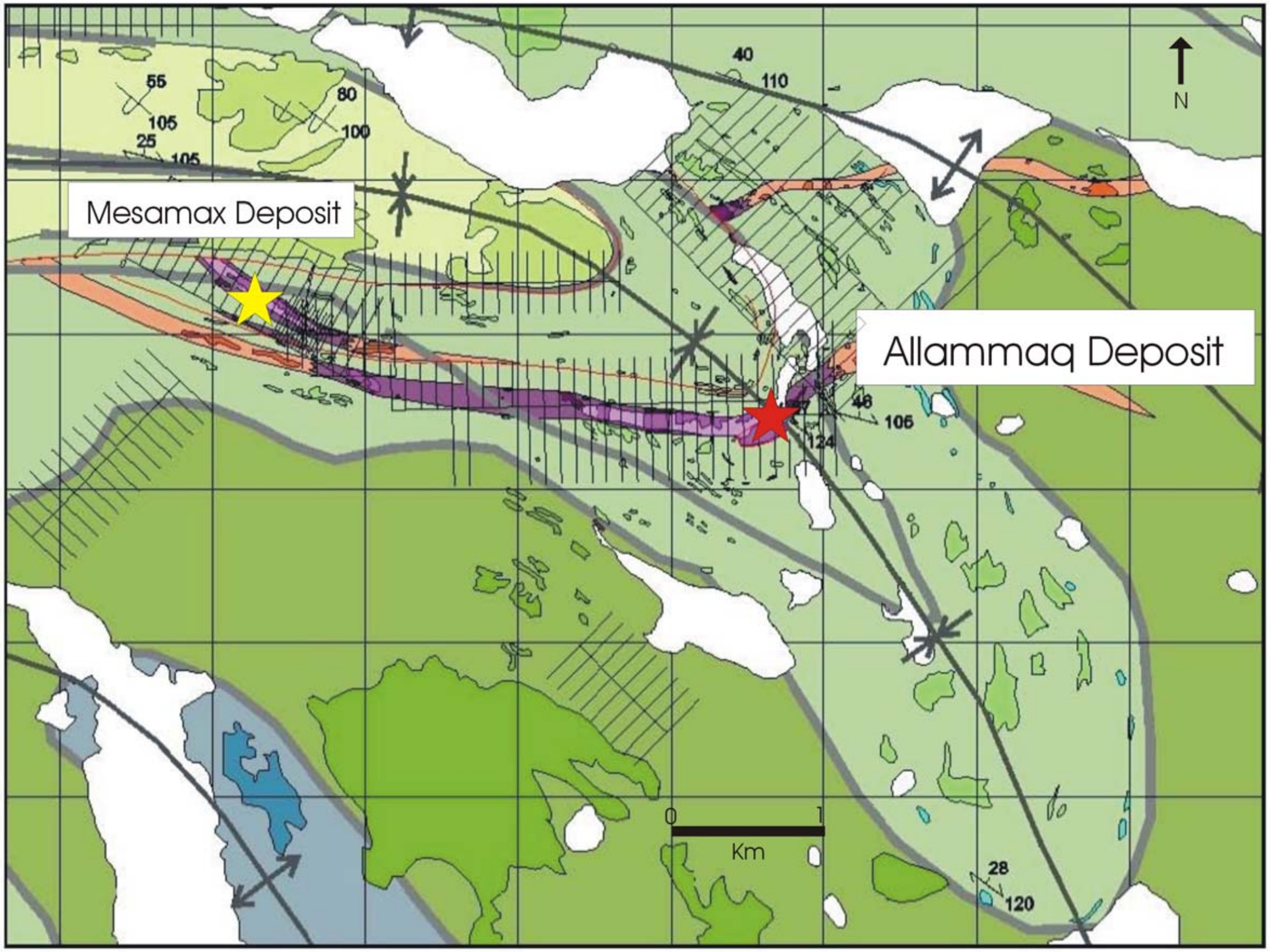


Figure 6.2: Surface Geology Map of Allammaq-Mesamax Trend. See Figure 6.1 for Legend.

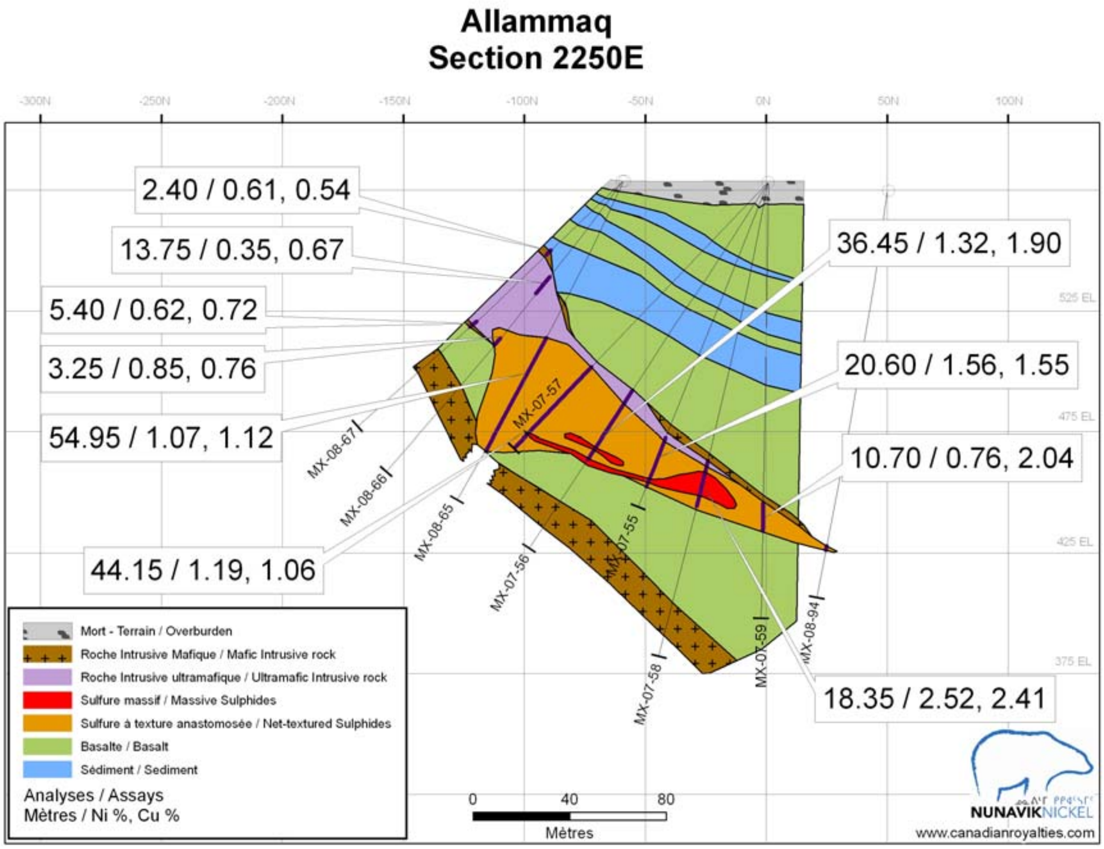


Figure 6.3: Schematic Cross Section of Allammaq Deposit Section 2250E

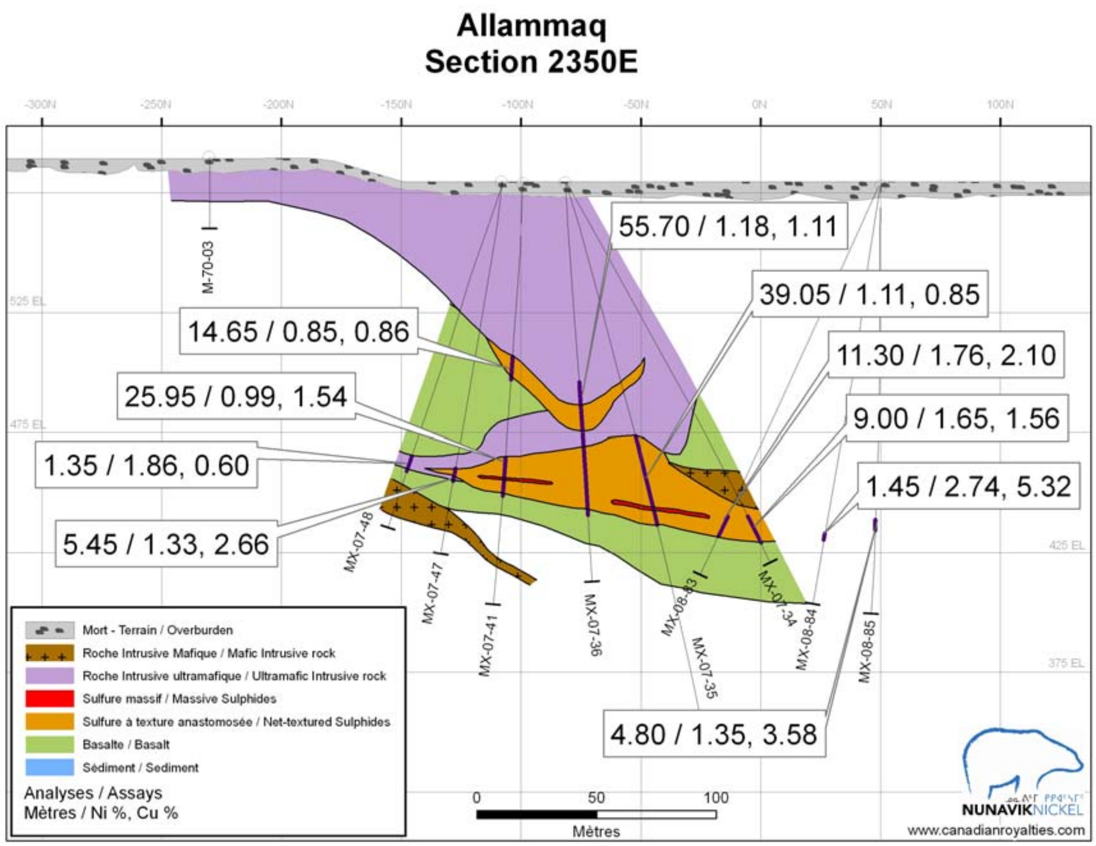


Figure 6.4: Schematic Cross Section of Allammaq Deposit Section 2350E

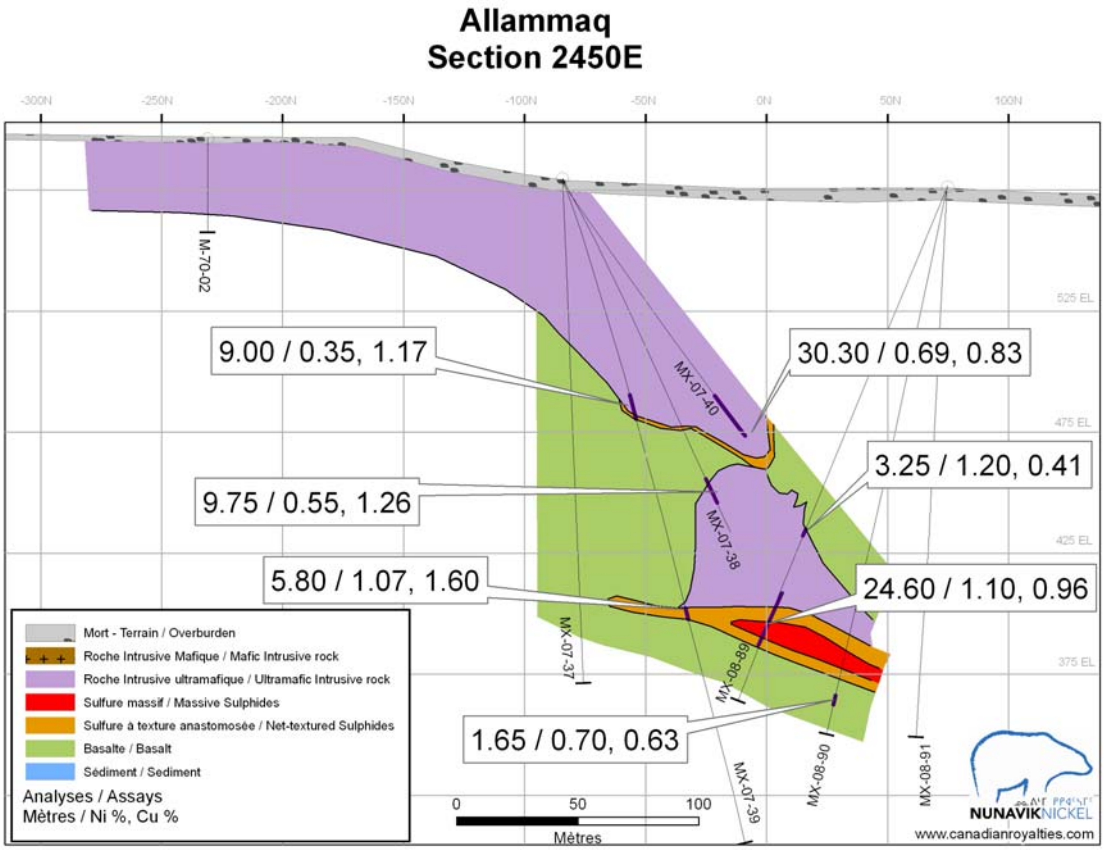


Figure 6.5: Schematic Cross Section of Allammaq Deposit Section 2450E

7.0 DEPOSIT TYPES

7.1 MAGMATIC NICKEL-COPPER-PLATINUM GROUP ELEMENTS TYPE

The mineral occurrences along the South Trend including the Allammaq Deposit as well as those of the Raglan Trend to the north belong to the class of magmatic sulphide deposits. The descriptions that follow are cited from the Geology of Canadian Mineral Deposit Types 1995, edited by Eckstrand, Sinclair and Thorpe.

A broad group of deposits containing nickel-copper-platinum group elements (PGE) occur as sulphur segregations associated with a variety of mafic and ultramafic magmatic rocks. Among such deposits, two main subtypes are distinguishable. In the first, the Ni-Cu sulphide type, nickel and copper are economic commodities contained in sulphide-rich ores that are associated with differentiated mafic sills and stocks and ultramafic volcanic (komatiitic) volcanic flows and sills. The second type, magmatic PGE is mined principally for PGE's which are associated with sparsely dispersed sulphides in medium to large, typically layered mafic to ultramafic intrusions.

Nickel-copper sulphide deposits are sulphide concentrations that occur in certain mafic and/or ultramafic intrusions or volcanic flows. Nickel is the main economic commodity; copper may be either a co-product or by-product, and platinum group elements (PGEs) are usual by-products. Other commodities recovered in some cases include gold, silver, cobalt, sulphur, selenium, and tellurium. These metals are associated with sulphides, which generally make up more than 10% of the ore.

As a group, magmatic nickel-copper sulphide deposits have accounted for most of the world's past and current production of nickel. International reserves of magmatic sulphide nickel remain large, though they are exceeded by those of lateritic nickel deposits, the only other significant source of nickel.

Most nickel sulphide deposits consist of several closely adjacent, but discrete orebodies, therefore the definition of "deposit" is rather arbitrary. Individual orebodies may contain from a few hundred thousand to a few million tonnes of ore, and in some instances tens of millions of tonnes of ore. Mining grades are generally about 1 to 3% Ni, but may be higher in some small deposits. Noteworthy exceptions are some of the ore zones in the Talnakh camp of the Noril'sk area, where substantial orebodies average several per cent Ni and greater than 20% Cu.

There are four subtypes of this deposit and all subtypes have some general similarities. For example, the host intrusions in all cases are either mafic or ultramafic in composition. In addition, most deposits occur as sulphide concentrations toward the base of their magmatic host bodies. Furthermore, all subtypes of nickel sulphide ores usually consist mainly of the simple sulphide assemblage pyrrhotite-pentlandite-chalcopyrite, either as massive sulphides, sulphide-matrix breccias, or disseminations of sulphides. Nickel-copper sulphide ores of any of the subtypes that have undergone tectonic remobilization have been converted to similar-appearing sulphide-matrix breccias. The subtypes differ significantly in their geological-tectonic settings and in the geometric form and style of differentiation of the host magmatic bodies. They differ also in that the magmatic hosts in most subtypes are intrusions, but in the komatiitic subtype most are volcanic flows. Furthermore the ores of the various subtypes show some differences in composition, most noticeably in their Ni:Cu ratios.

Although Eckstrand (1996) groups the Expo Ungava Deposit with those related to komatiitic flows and related intrusions, considerable evidence suggests that the deposits located along the

South Trend are related to continental or continental margin intrusive suites. The fact that these deposits have nickel/copper ratios of approximately 0.8:1 and are universally endowed in PGE also contrasts with the standard komatiitic model.

According to Mungall (2007), the parent magma of the Paleoproterozoic Expo Intrusive Suite was a komatiitic basalt with a weakly LILE-depleted composition. Neither the basalts of the Povungnituk Group nor the intrusions of the Expo Intrusive Suite were emplaced in a rifting environment. The Povungnituk Group was emplaced onto a long-lived passive continental margin, followed at least 108M years later by the simultaneous intrusion of the sills and dykes that form the Expo Intrusive Suite and eruption of the lavas of the Raglan Formation. A very strong control on the intrusive style and differentiation of the Expo Intrusive Suite was exerted by its country rocks. Dr Mungall has also drawn attention to a similar mineralized body sharing many of the characteristics of the Expo Intrusive Suite that is being mined at Jinchuan (Chai & Naldrett, 1992), which might have formed in much the same manner.

8.0 MINERALIZATION

The Allammaq Deposit consists primarily of net-textured mineralization, with lesser amounts of massive sulphide and vein-type mineralization. Disseminated sulphides do not constitute an important part of the mineralization.

In a predictive metallurgical evaluation of a limited number of drill core samples conducted in 2008, the Allammaq samples were classified as semi-massive to locally massive sulphide mineralization. The non-opaque gangue observed was mainly composed of mafic silicates and minor to moderate carbonate. Alteration assemblages predominantly comprised of acicular actinolite, remnant amphibole, and variable amounts of serpentine, chlorite and carbonate characterize the non-opaque gangue mineralogy. Remnant local plagioclases were also observed.

Pyrrhotite is the predominant sulphide and it is accompanied by variable amounts of chalcopyrite and pentlandite. Trace amounts of sphalerite were also observed as were trace to minor amounts of mineral phases interpreted to be PGE minerals. Similarly, trace amounts of possible Selenides? and Tellurides? may also be present in a few samples. SEM-EDS analyses are required to further identify minerals that have been reported as PGE?, Selenide? and Telluride? phases.

The results of detailed mineralogical work at the similar Mesamax Deposit (Cabri, 2003) are pertinent to Allammaq. At Mesamax, accessory sulphides are galena (PbS), sphalerite (ZnS), cubanite ($CuFe_2S_3$) and cobaltite (CoAsS). Cabri also reported a large number of platinum group minerals (PGEs). Cabri identified sudburyite (PbSb) and a new Pd_2Sb mineral as the principal palladium carriers in net textured and massive sulphides, respectively, and PGE tellurides such as michenerite (PdBiTe), merenskyite ($PdTe_2$), moncheite ($PtTe_2$) and kotulskite (PdTe) as well as sperrylite ($PtAs_2$). Electrum (a gold-silver alloy of varying composition) appears to be the main gold carrier.

9.0 EXPLORATION

9.1 2007 DISCOVERY OF ALLAMMAQ DEPOSIT

On July 7th, 2007 hole MX-07-30 was drilled grid north on L2400E; 81S at -88°. The target was geological and the hole was spotted at a location 50 metres north of hole MX-02-06 which returned minor mineralisation grading up to 0.40% Ni and 1.30% Cu in separate samples. Hole MX-07-30 intersected 8.30 metres of ultramafic-hosted, predominantly net-textured mineralization in a lower-grade upper zone that graded 0.60% Ni and 1.22% Cu, and 6.60 metres in a basal zone that yielded the discovery intercept of 1.68% Ni and 2.34% Cu.

This new deposit, located approximately three kilometres east of the road-accessible Mesamax Deposit, was named Allammaq. This Inuktitut word means “clear sky”.

The deposit was drilled extensively in 2007 and a resource estimate was subsequently completed, (see Section 5.6 of this report).

9.2 2008 EXPLORATION

On June 19th, 2008 the company announced that it had successfully and conclusively detected the Allammaq deposit using advanced electromagnetic geophysical techniques (SQUID sensors). A production SQUID survey between the Allammaq and Mesamax deposits commenced during the winter of 2008 and was completed early during the summer. All valid drill targets generated were drill tested and results reported. Other than SQUID geophysical surveys, there was no other exploration work completed on the Allammaq Deposit in 2008 apart from diamond drilling which is presented in Section 10 of this report.

10.0 DRILLING

10.1 2008 ALLAMMAQ DRILL PROGRAM

The drilling contractor employed by CRI has been Major Drilling Group ("Major") who has been on-site since 2001. In the past Major used JKS 300 wire line drill rigs equipped to recover BQ-sized core. In 2008 they retired these rigs and replaced them with modern Duralite 500 heli-portable diamond drills. The Duralite drills have significant depth capacity in the BQ and NQ core sizes. All 2008 Allammaq drilling was conducted using NQ running gear.

In 2008, the core of the deposit was drilled on 25 to 50 metre spaced sections over a 300 metre strike length, (Sections 2200 E to 2500 E) with step-outs on 50 metre to 100 metre spacings over an additional 300 metres to the west, (Sections 1900 E to 2200 E). Thirty-five delineation holes were drilled for a total of 6,697 metres.

The goal of the drilling was to delineate deposit extensions and to upgrade resource classifications with the goal of outlining an open pittable resource (as opposed to the underground resource reported in May 2008).

Two mineralized zones have been delineated at Allammaq: a Basal Zone and an Upper Zone. The Basal Zone (Allammaq) is the most economically important of the two with thicknesses exceeding 45 metres in the central portion of the deposit, with the highest grades being present near the base of the zone. A third zone, the West Extension, is related to the Upper Zone and occurs to the west of the main body of Allammaq mineralization. The West Extension comprises lower-grade material compared to Allammaq mineralization and was classed mainly in the Inferred category. This mineralization can now be included because it is spatially located within the potential open pit mining shell designed to quantify the Allammaq resource.

As part of the CRI exploration programs, the services of a registered Quebec Land Surveyor, (J.L. Corriveau & Associates), were retained to provide survey control for grids and drill holes. All the Allammaq holes have been surveyed.

Drillhole deviation was monitored with a combination of acid dip tests and Reflex down-hole dip and azimuth measurements. During 2008 the Reflex instrument was exclusively used for monitoring drillhole deviation. The acid tests were completed at approximately 50-metre intervals with one Reflex test at the bottom of the hole. Dip deviations are typically of 1^{o} or less per 100 metres. Azimuth deflection of holes is more difficult to evaluate due to the magnetic nature of the peridotite body, however, "bad tests" could be filtered out based on magnetic susceptibilities also recorded. Based upon the holes that were drilled far enough into the non-magnetic footwall sediments, the azimuth deviation is of the order of 2^{o} per 100 metres. Deviations of this magnitude are standard for short holes such as drilled at Allammaq. NQ drilling conducted during 2008 ensured less deviation than in BQ-size holes drilled previously.

Table 10-1: 2008 Allammaq Diamond Drill Holes

DDH Allammaq	From (m)	To (m)	Core length (m)	Ni %	Cu %	Pt g/t	Pd g/t
MX-07-54	140.85	141.95	1.10	1.16	1.49	0.35	1.11
MX-08-65	72.00	126.95	54.95	1.07	1.12	0.54	2.47
MX-08-66	52.00	65.75	13.75	0.35	0.67	0.32	1.41
MX-08-66	83.85	87.10	3.25	0.85	0.76	0.45	1.94
MX-08-67	41.10	43.50	2.40	0.61	0.54	0.79	5.96
MX-08-67	81.00	87.40	6.40	0.62	0.72	2.26	8.95
MX-08-75	53.90	61.50	7.60	0.46	0.44	0.26	1.09
MX-08-75	73.50	78.00	4.50	0.58	1.01	0.24	1.12
MX-08-76	51.40	53.10	1.70	1.95	0.92	0.47	5.55
MX-08-76	73.45	82.00	8.55	0.55	0.48	0.19	0.71
MX-08-77	80.50	81.85	1.35	1.15	0.49	0.18	0.73
MX-08-78	124.70	125.20	0.50	2.14	2.49	0.48	6.40
MX-08-81	145.75	152.45	6.70	0.57	2.79	0.35	1.60
MX-08-82	145.55	145.85	0.30	2.59	3.07	0.63	8.73
MX-08-83	152.60	163.90	11.30	1.76	2.10	0.70	4.51
MX-08-84	149.30	150.75	1.45	2.74	5.32	0.79	5.04
MX-08-85	140.00	144.80	4.80	1.35	3.58	0.41	2.38
MX-08-86	141.60	158.05	16.45	0.87	2.11	0.49	1.87
MX-08-87	146.40	154.55	8.15	1.01	1.93	0.58	2.63
MX-08-88	131.45	161.80	30.35	1.45	2.21	0.54	2.35
MX-08-88	167.25	170.30	3.05	1.68	3.79	0.42	2.58
MX-08-89	152.50	155.75	3.25	1.20	0.41	0.32	1.43
MX-08-89	178.00	202.60	24.60	1.10	0.96	0.56	2.57
MX-08-90	211.50	213.15	1.65	0.70	0.63	0.25	1.30
MX-08-93	176.00	181.00	5.00	0.63	1.06	0.24	1.13
MX-08-93	190.30	195.10	4.80	1.03	1.37	0.21	1.19
MX-08-94	148.35	150.25	1.90	1.81	2.03	0.78	4.18
MX-08-95	166.65	177.40	10.75	1.11	0.75	0.43	1.79
MX-08-96	125.24	130.75	5.51	1.29	4.20	0.72	2.23
MX-08-97	123.85	128.15	4.30	1.39	0.87	0.55	1.55
MX-08-98	99.00	103.20	4.20	0.76	0.54	0.26	1.59
MX-08-99	157.00	164.90	7.90	0.35	0.49	0.31	1.33
MX-08-100	139.65	140.30	0.65	1.80	0.30	0.24	2.21
MX-08-101	112.00	129.85	17.85	0.74	0.88	0.61	2.66
MX-08-102	117.70	124.90	7.20	0.95	1.38	0.56	4.88
MX-08-104	120.00	141.10	21.10	0.84	1.65	0.42	2.14
MX-08-104	144.95	165.55	20.60	0.63	0.60	0.28	1.21
MX-08-105	167.40	181.85	14.45	0.32	0.41	0.23	1.08
MX-08-106	139.20	146.00	6.80	0.66	1.53	0.47	2.45
MX-08-107	156.30	162.70	6.40	0.86	2.46	0.27	1.35
MX-08-107	173.40	183.80	10.40	1.75	1.26	0.47	2.01

11.0 SAMPLING METHOD AND APPROACH

All 2007 core logging and splitting was completed at the core shack at the Expo camp to which the core boxes were transported by helicopter. In 2008 the Mesamax camp was established beside a deep lake located approximately 1.5 kilometres NNE of the Mesamax deposit. Core from the 2008 drill program was processed in the coreshack and sampling facilities established at this camp. The drill core was logged by CRI geologists and discussions and observations by the core loggers ensured consistent unit identification among them. The distance between the depth markers added by the drill personnel was measured to check for misplaced markers and for lost core. All logging information was recorded directly into laptop computers. Core intervals identified for sampling were marked with wax crayons, with sample tags placed at the start of a sample interval. Logging and sampling was in the metric system.

The sample length in obvious mineralization was generally one metre. Individual samples were not allowed to cross lithologic contacts or abrupt changes in mineralization. Drill core was sawn in half using an electric-powered Vancon diamond-blade core saw. After sawing, one-half of the sample was placed back in the corebox for reference while samples for assay were placed in plastic sample bags, tagged and recorded with unique sample numbers. Sample intervals were recorded on sample ticket books, and later recorded on the computerized drill logs.

There are no obvious drilling, sampling or recovery factors that would impact the reliability of the core samples. The even distribution of the sulphides in all types of mineralization ensures that the samples are of high quality and representative of the material or mineralization being sampled.

12.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

After splitting and bagging, the sealed individual samples were placed in shipping bags, which in turn were sealed with plastic tie straps. The samples were shipped off-site on a regular basis to the ALS Chemex lab in Val-d'Or, Québec for sample preparation.

The split drill core samples were crushed in their entirety to 90% passing 2 millimetres and the crusher was cleaned with barren rock between samples. From the coarse rejects a sub-sample of one kilogram was split and pulverized to 85% passing 75 microns. The pulveriser was cleaned with silica sand between samples.

From each pulp, a 100-gram sub-sample was split and shipped to the ALS Chemex laboratory in Vancouver, British Columbia for assay. The remainder of the pulp and the rejects are held at the preparation laboratory in Val-d'Or for future reference.

ALS Chemex Laboratories is an internationally recognized minerals testing laboratory operating in 16 countries and has an ISO 9001:2000 certification. The laboratory in Vancouver has also been accredited to ISO 17025 standards for specific laboratory procedures by the Standards Council of Canada (SCC)**.**

The base metals of economic interest (nickel, copper and cobalt), and elements of more general geochemical interest such as arsenic, chromium, iron, magnesium and sulphur, were determined using a 0.2-gram aliquot that was subjected to Geochemical Procedure ME-ICP81, (ALS Chemex internal code). This method uses a lithium meta-borate fusion to digest the sample, and is more appropriate for the concentrations encountered for the economic elements.

The precious metals gold, platinum and palladium, were determined using Procedure PGM-ICP27 (ALS Chemex internal code), a thirty-gram fire assay followed by ICP-AES.

13.0 DATA VERIFICATION

13.1 SITE VISIT AND INDEPENDENT SAMPLING

Antoine Yassa, P. Geo., visited the Nunavik Nickel Project from August 25 to August 29, 2009. Independent sample verification was conducted on drill core with 23 samples taken from the project as a whole, and six from the Allammaq Deposit. An attempt was made to sample intervals from a variety of low and high-grade material.

The chosen intervals were then sampled by taking quarter splits of the remaining half-split core. The samples were then documented, bagged, and sealed with packing tape and were hand delivered by Mr. Yassa to Dicom in Rouyn-Noranda, Quebec. From there the samples were sent to the offices of P&E in Brampton, Ontario who forwarded them to SGS Mineral Services in Toronto for analysis.

At no time, prior to the time of sampling, were any employees or other associates of CRI advised as to the location or identification of any of the samples to be collected.

A comparison of the P&E independent sample verification results versus the original assay results for Ni, Cu, Au, Pd and Pt can be seen in Figures 13.1 to 13.5. The P&E results demonstrate that the results obtained and reported by CRI were reproducible.

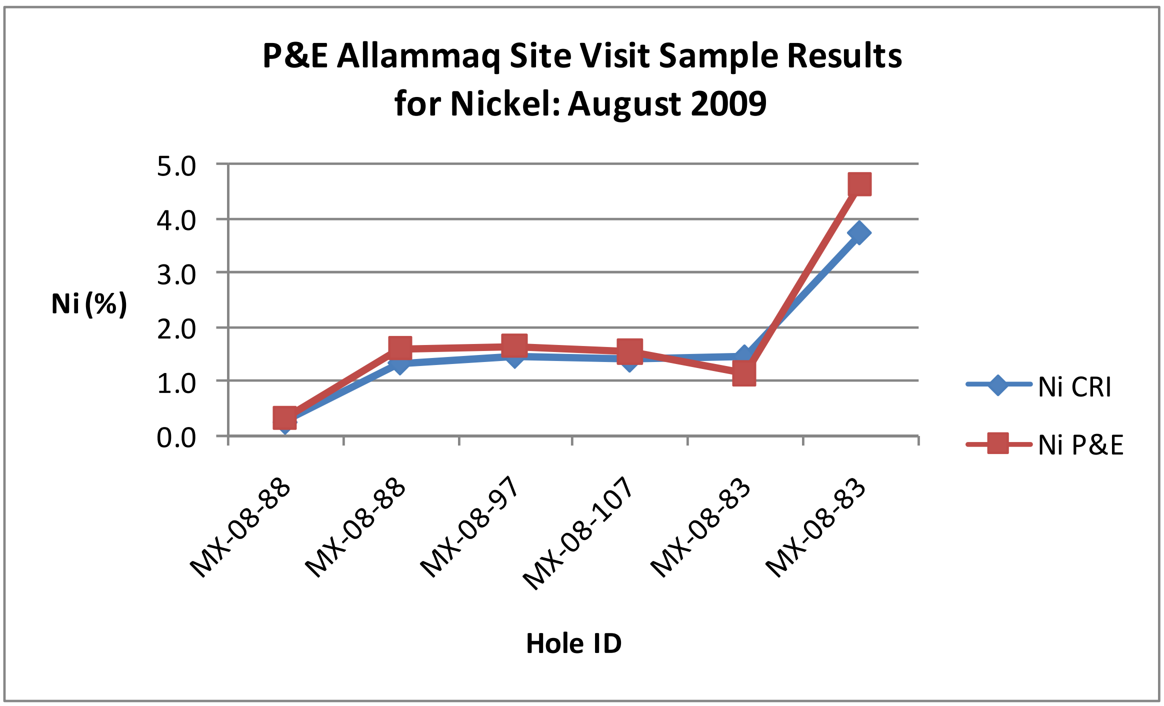


Figure 13.1: Independent Sample Verification Results for Nickel, August 2009

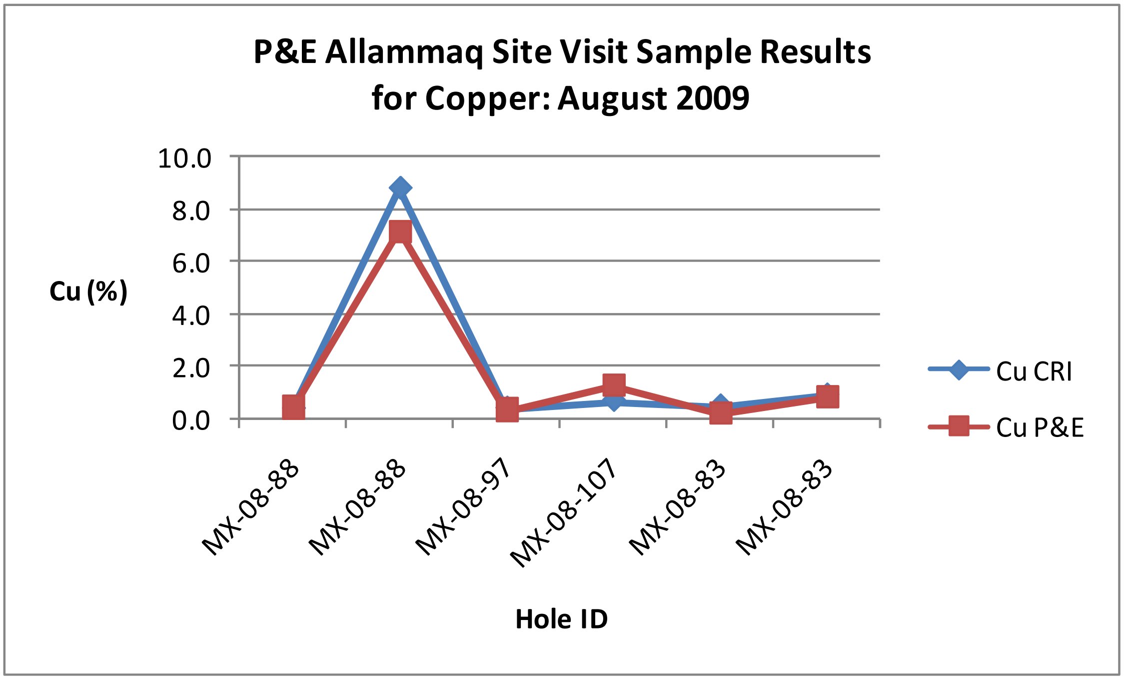


Figure 13.2: Independent Sample Verification Results for Copper, August 2009

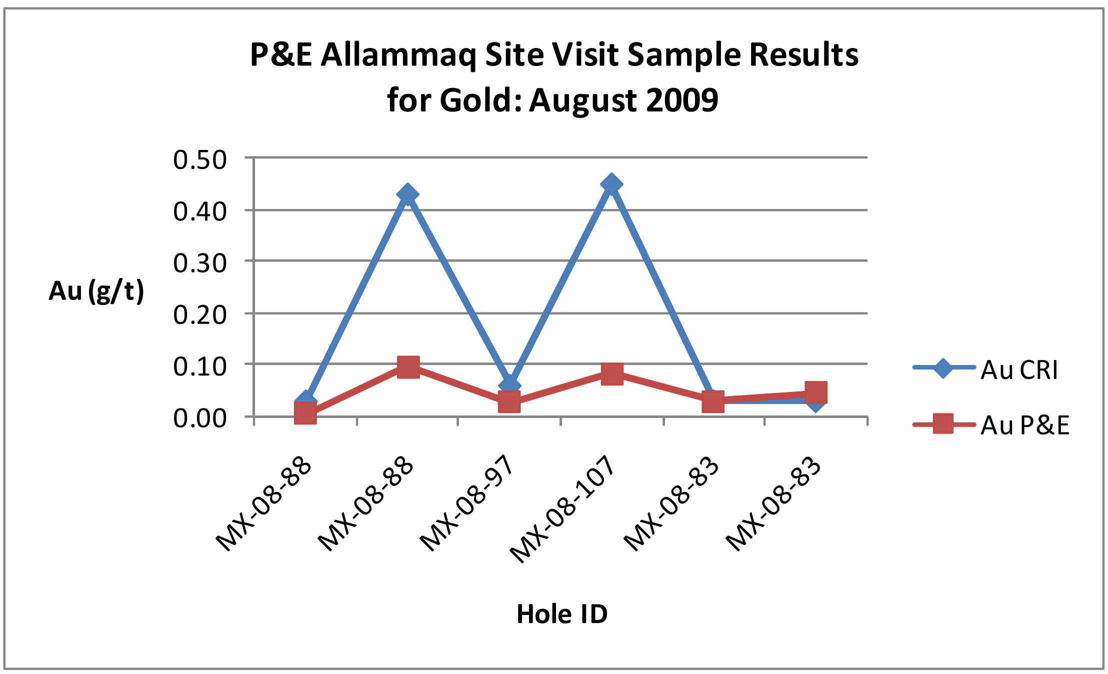


Figure 13.3: Independent Sample Verification Results for Gold, August 2009

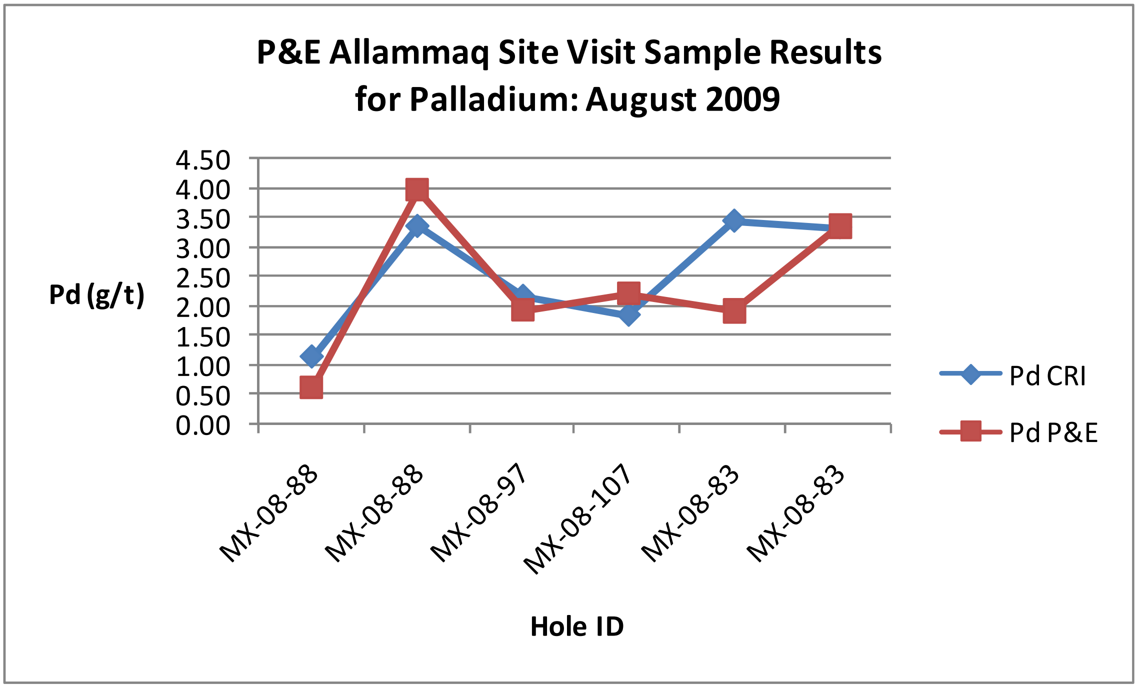


Figure 13.4: Independent Sample Verification Results for Palladium, August 2009

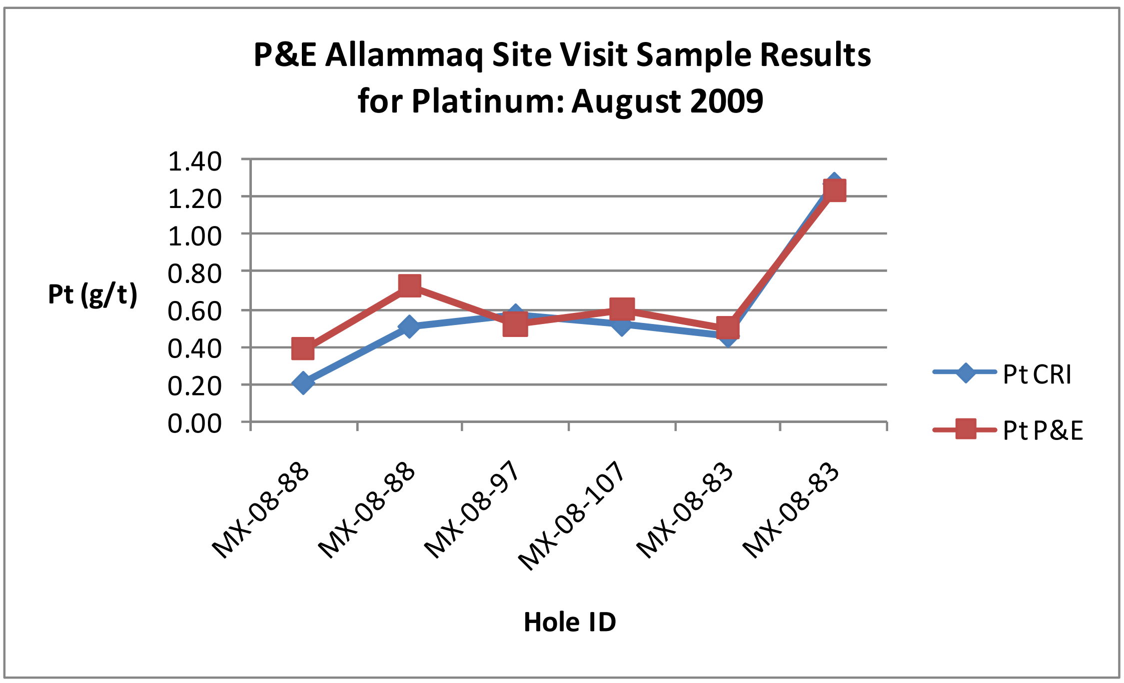


Figure 13.5: Independent Sample Verification Results for Platinum, August 2009

13.2 CORE RECOVERY

The core recovery on the Allammaq drill holes was very high, and given the overall excellent recoveries and the even distribution of the minerals of potential economic interest in the core, there is no reason to believe that core recovery has in any way influenced the reliability of the assay database for the Allammaq Deposit.

13.3 DATABASE VERIFICATION

The Allammaq assay database is assembled and kept by CRI personnel in Val-d'Or, who are also responsible for the ongoing monitoring of the assay results with respect to the laboratory performance on standards and blanks. The data are stored in a commercially available spreadsheet format that can be exported into GEMCOM software for later resource modelling.

Assay data are received electronically and imported into the spreadsheet without the need for manual manipulation. Sample numbers and intervals are checked against the data recorded in the drill logs, and routine searches are made for overlapping or missing assay intervals. Results below detection limit were assigned one half of the detection limit value for data treatment purposes.

All projects in the Nunavik Nickel Project are grouped into one large drillhole database called Ungava_Master and are referenced in the NAD83 UTM coordinate system.

13.4 QUALITY ASSURANCE AND QUALITY CONTROL

A thorough QA/QC program was instituted in 2002 when CRI began drilling on the Nunavik Nickel Project. Property standards were created from a large volume of drill core samples from the Mesamax Deposit. Two different reference materials were made: Net Textured CR-CS03-NTv2, and Massive Sulphide, CR-CS01-MS. Initial round robin characterization of the material was done by three different labs. Blanks and field duplicates were also inserted into the sample stream and formed an integral part of the QC program.

During the next six years, (2003 through 2008) both the net textured and massive sulphide standards were used systematically for all Expo-Ungava Projects, including Allammaq. In addition, three commercially available certified reference materials were used.

13.5 ALLAMMAQ QUALITY CONTROL RESULTS

All QC data, including results for blank material, reference material and field duplicates were received in Excel format and examined by the author. The very minor number of failures observed in the QC was negated by other standards in the same certificates remaining within two standard deviations from the mean. There were no values in the blanks that had any impact on the data.

The author considers the data acceptable for use in a resource estimate.

14.0 ADJACENT PROPERTIES

14.1 XSTRATA NICKEL

Canadian Royalties has a very large property package consisting of greater than 979 square kilometres in the South Trend. The Allammaq, Expo, Mesamax, Mequillon, Ivakkak and Tootoo deposits are all situated essentially in the central area of the property, (refer to Figure 6.1). The deposits of the currently operating Raglan Mine are located along a parallel belt of rocks approximately 15 kilometres to the north.

The Raglan Mine, now owned and operated by Xstrata Nickel, has similar geology and economic geology to that of CRI's Nunavik Nickel Project.

The Raglan Trend stretches 55 kilometres from east to west, with a series of many high-grade ore deposits scattered along its length. While the general geology of the South Trend and Raglan Trend is similar with comparable sulphide mineral paragenesis and with similar sulphide textures, the Ni-Cu ratios are different. The Raglan Trend displays a 3:1 Ni-Cu ratio that contrasts with that of the South Trend, which is generally closer to parity.

Mineralization at Raglan is associated with up to nine separate peridotite flows, which constitute an overall ultramafic body that has been identified along the 55 kilometres. Deposits along this trend include from east to west the Donaldson, Boundary, West Boundary, 13-14, 5-8, Katinniq, East Lake, 2-3 Zone and Cross Lake deposits. The thickness of the sulphide lenses varies from a few metres to a few tens of metres, and the strike length can vary from tens of metres to 200 metres. Production began in April 1998 at Katinniq, which consists of over 20 discrete lenses of massive and disseminated sulphide, which vary in size from 10,000 tonnes to 1.4 million tonnes (Falconbridge Limited, Website May 2003). The lenses extend along an ultramafic horizon 1400 metres in strike length, which dips to the northwest at 45º to 50º. The mineralized horizon has been traced to a depth of 350 metres and is open in that direction.

The Raglan operations consist of open pits, three underground mines, a concentrator, power plant, accommodation and administration buildings, fresh water supply and fuel storage tanks. The mine site is linked by all-weather roads to an airstrip at Donaldson and to the concentrate, storage and ship-loading facilities at Deception Bay.

Approximately 90% of the mining at Raglan comes from three underground sources, with the remainder coming from a series of open pits.

The ore from the Raglan mines is crushed, ground and treated at the Raglan mill to produce a nickel-copper concentrate. Milling capacity is now approximately 3,500 tonnes per day. Nickel capacity at the concentrator is now over 28,000 tonnes of nickel-in-concentrate per year. Xstrata Nickel has expanded mine production to 1.3 million tonnes per year. The project to further expand capacity to 2.0 million tonnes per year has been shelved indefinitely.

The concentrate is trucked 100 kilometres to Deception Bay and then shipped via ocean freighter to Québec City within an expected shipping season of at least eight months of the year, and a minimum of six shipments per year. From there, it is sent by rail to the smelter in Sudbury. The smelted matte material is returned by rail to Québec City, and then shipped overseas to Xstrata's Norwegian Nikkelverk refinery for refining into pure metals.

On December 5th, 2007 Xstrata Nickel announced exploration results and declared that Zone 5-8 was now the largest mineralized zone in Raglan's history and that Zone 5-8 would be Raglan's next mining centre. Zone 5-8 now contains proven and probable mineral reserves of 0.8 million tonnes at 3.02% nickel and 0.80% copper, measured and indicated mineral resources of 0.4 million tonnes at 1.30% nickel and 0.35% copper, and inferred mineral resources of 11.5 million tonnes at 3.00% nickel and 0.80% copper.

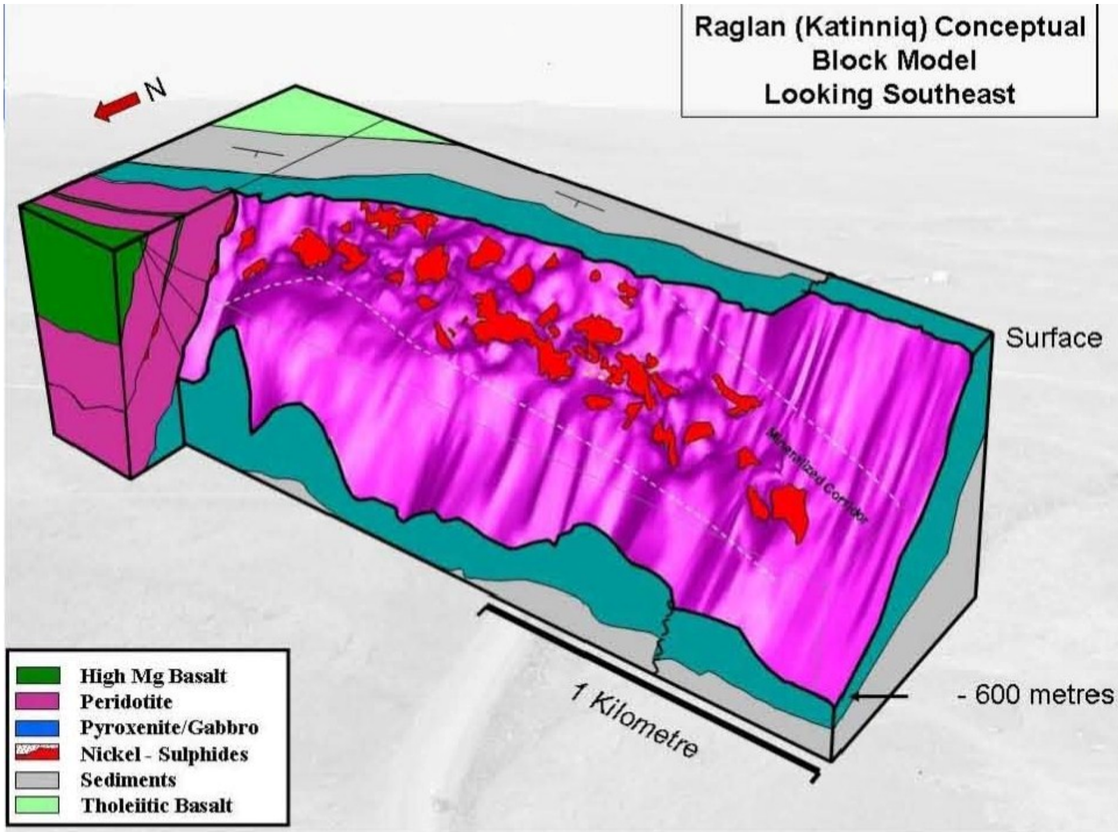
Raglan Mine Reserves as of June 30th, 2008

Proven:	6.3 million tonnes grading 2.16% nickel and 0.61% copper
Probable:	9.3 million tonnes grading 2.81% nickel and 0.79% copper

Raglan Mine Resources as of June 30th, 2008

Measured:	5.6 million tonnes grading 2.50% nickel and 0.70% copper
Indicated:	12.0 million tonnes grading 2.83% nickel and 0.88% copper
Inferred:	15.0 million tonnes grading 3.00% nickel and 0.80% copper

While the authors cannot suggest at this point that the CRI deposits on the South Trend will attain the scale of the Raglan deposits in the Raglan Trend, there is an undeniable similarity in host rock, ore genesis, style of mineralization and metallurgy.



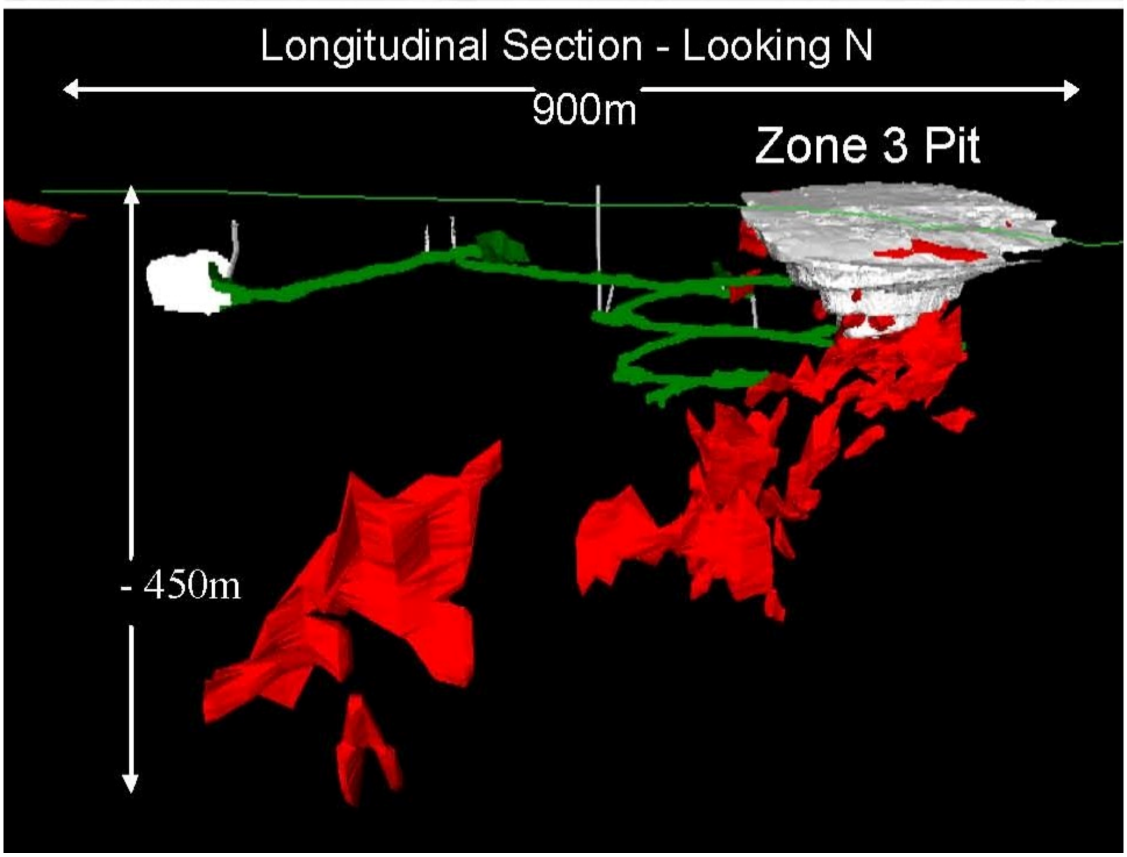


Figure 14.1: 3D Views of Raglan Mine Ore (taken from Goldbrook Ventures website)

14.2 GOLDBROOK VENTURES

Goldbrook Ventures Inc., a TSX-V traded company based in Vancouver, holds a large land package named the Raglan Property, contiguous to the north, east and west of Canadian Royalties. The Raglan Property, (see Figure 14.2) was first explored in 1974 by Getty Mining Northeast Ltd. who drilled four holes on the Belanger Prospect. Goldbrook began acquiring the claims that constitute the Raglan Property in 2003, and has been exploring continuously since that time.

Since 2003, a total of 65,623 metres of diamond drilling has been completed on the Property. Goldbrook has also completed AeroTEM airborne magnetic-time domain electromagnetic surveys, as well as borehole EM, airborne VTEM geophysics and regional geology, sampling and prospecting.

In 2008, a remote sensing program was also undertaken on select portions of the Property, which consisted of a LiDAR (light detection and ranging) survey that was completed over the most explored part of the Belanger trend of deposits in order to generate a digital model of the earth's surface. A VNIR (visible and near infrared) & SWIR (shortwave infrared) hyperspectral survey was completed over large areas of the Goldbrook Property to collect data for visible-thermal imaging of the earth's surface.

A 'SEBASS', a mid-long infrared thermal imaging hyperspectral survey was completed over large sections of the eastern part of the property, along with strips over the western portions. These data are particularly useful in the identification of silicate minerals.

Goldbrook has discovered to date several Ni-Cu-PGE mineralized zones along a roughly 40 kilometre trend. No resource estimates have been prepared for any of the Goldbrook Zones, however information from news releases in 2009 suggests that a resource estimate should be completed late in 2009 or early in 2010. See Table 14-1 for most significant drill results.

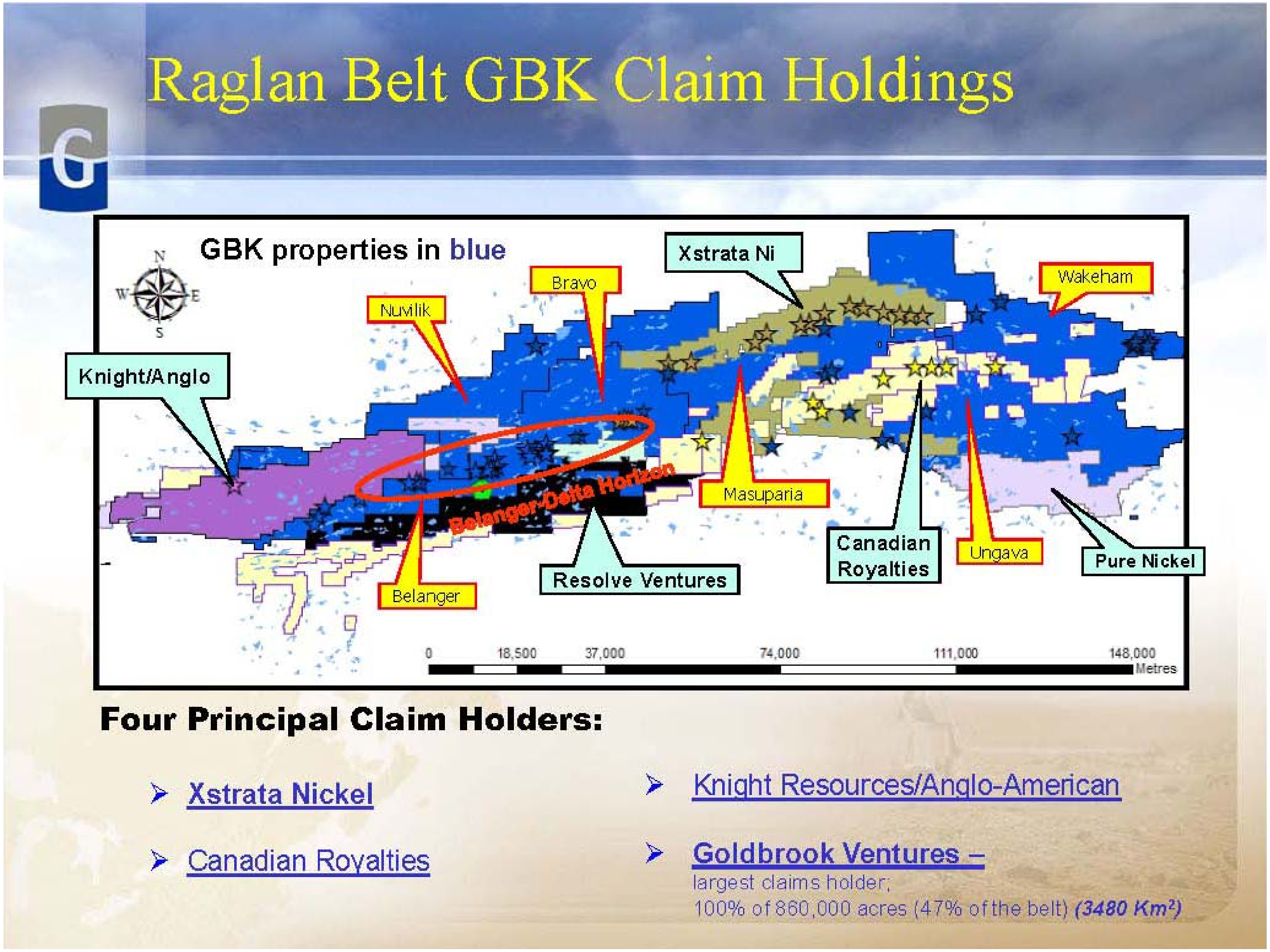


Figure 14.2: Goldbrook Ventures Raglan Property, Nunavik Quebec

Table 14-1: Goldbrook Ventures Significant Diamond Drill Hole Intersections 2003 to 2008

Zone Drill Hole #	From (m)	To (m)	Core length (m)	Ni %	Cu %	Co %	Au g/t	Pt g/t	Pd g/t
Mystery									
MYS08-003	78.00	209.00	131.00	0.81	0.87	0.04	0.18	0.50	3.01
MYS08-005	186.00	232.00	46.00	0.74	1.58	n/a	0.30	1.60	6.80
MYS08-006	263.00	325.10	62.10	0.81	1.03	n/a	0.13	0.62	3.26
MYS08-012	58.00	160.00	102.00	0.72	1.00	0.04	0.13	0.59	3.03
MYS08-031	135.00	211.30	76.30	0.91	1.11	0.05	0.33	0.45	2.94
Getty									
BEL04-21	3.90	53.25	49.35	1.35	0.61	0.06	n/a	0.37	2.88
GET07-003	10.00	18.60	8.60	1.31	1.67	0.06	0.12	0.47	1.74
GET07-005	38.00	81.10	43.10	0.69	0.63	0.03	0.04	0.30	1.30
GET07-008	10.00	47.30	37.30	0.87	0.62	0.04	0.03	0.30	1.44
GET07-012	61.90	77.40	15.50	1.27	0.53	0.07	0.02	0.35	1.68
GET07-020	36.10	52.95	16.85	0.76	0.53	0.04	0.11	0.32	1.46
Sylvie									
SYL07-018	109.10	122.15	13.05	1.66	1.06	0.07	0.06	0.63	4.71
SYL07-023	96.40	114.90	18.50	1.41	0.67	0.06	0.09	0.41	3.23
SYL07-032	124.00	149.10	25.10	1.33	0.78	0.06	0.02	0.32	1.23
SYL07-033	121.40	138.50	17.10	1.76	1.23	0.08	0.05	0.38	1.37
Bravo B4									
BRA07-006	69.00	96.90	27.90	0.67	1.27	0.03	0.06	0.28	2.27
BRA07-013	119.00	135.27	16.27	0.62	1.07	0.04	0.05	0.48	2.17
BEL05-005	6.96	31.69	24.73	0.85	1.49	n/a	n/a	0.14	1.28
Pad R2									
PDR07-005	57.70	74.40	16.70	0.71	0.37	0.03	0.03	0.25	1.28
PDR07-006	88.75	106.67	17.92	0.70	0.72	0.02	0.04	0.31	1.53
Timtu									
BEL05-003	25.00	33.65	8.65	1.01	0.63	n/a	n/a	0.57	2.38
TIM07-007	19.50	37.10	17.60	0.70	1.00	0.03	0.09	0.37	3.12

All above information regarding Goldbrook has been taken directly from their website, www.goldbrookventures.com.

15.0 METALLURGICAL PROCESSING AND METALLURGICAL TESTING

Results of the metallurgical processing and metallurgical testing were presented in Section 5 of this Technical Report as well as Section 17.

16.0 MINERAL RESOURCES AND MINERAL RESERVE ESTIMATES

16.1 INTRODUCTION

The purpose of this report section is to delineate the Allammaq Deposit Resources in compliance with NI 43-101 and CIM standards. This resource estimate was undertaken by Eugene Puritch, P.Eng. and Antoine Yassa, P.Geo. of P & E Mining Consultants Inc. of Brampton Ontario. The effective date of this resource estimate is October 4, 2009.

16.2 DATABASE

Drilling data was provided by Canadian Royalties Inc. (CRI) in the form of a Microsoft Access database, Excel files, drill logs and assay certificates. Forty two (42) drill cross sections were developed on a local grid looking east on an azimuth of 88.4^0 on a 25 metre spacing named from 1500E to 2525E. A Gemcom database was provided by CRI containing 135 diamond drill holes of which 84 were utilized in the resource calculation. The remaining data were not in the area that was modeled for this resource estimate. A surface drill hole plan is shown in Appendix I.

The database was validated in Gemcom with minor corrections required. The assay table of the database contained 5,467 assays for Ni and Cu, 5,410 assays for Co, 5,238 assays for Au and 5,371 assays for Pt and Pd. All data are expressed in metric units and grid coordinates are in the NAD83 UTM system.

16.3 DATA VERIFICATION

Verification of assay data entry was performed on 4,646 assay intervals for Ni, Cu, Co, Au, Pt and Pd. A few very minor data entry errors were observed and corrected. The 4,646 verified intervals were checked against digital assay lab certificates from ALS Chemex of Vancouver, B.C. The checked assays represented 100% of the data to be used for the resource estimate and approximately 85% of the entire database.

16.4 DOMAIN INTERPRETATION

Domain boundaries were determined from lithology, structure and Ni, Cu and PGE boundary interpretation from visual inspection of drill hole sections. Nine domains were developed and were named as Hanging Wall Cu, Hanging Wall Massive, Hanging Wall Net Textured, Hanging Wall Vein, Footwall Massive, Footwall Net Textured, Footwall Vein, West Extension Net Textured and West Extension Vein. These domains were created by computer screen digitizing on drill hole sections in Gemcom by the authors of this report. The outlines were influenced by the selection of mineralized material that demonstrated mineralization style characteristics and zonal continuity along strike and down dip. In a very few cases, some mineralization below characteristic mineralization style grades was included for the purpose of maintaining zonal continuity. Smoothing was utilized to remove obvious jogs and dips in the domains and incorporated a minor addition of inferred mineralization. This exercise allowed for easier domain creation without triangulation errors from solids validation.

On each section, polyline interpretations were digitized from drill hole to drill hole but not extended more than 50 metres into untested territory. Minimum constrained true width for interpretation was 2.0 metres. The interpreted polylines from each section were “wireframed” in Gemcom into 3-dimensional domains. The resulting solids (domains) were used for statistical analysis, grade interpolation, rock coding and resource reporting purposes. See Appendix II.

16.5 ROCK CODE DETERMINATION

The rock codes used for the resource model were derived from the nine mineralized domain solids and are listed below:

Rock Code Description

10	Hanging Wall Cu Domain	60	Footwall Net Textured Domain
20	Hanging Wall Massive Domain	70	Footwall Vein Domain
30	Hanging Wall Net Textured Domain	80	West Extension Net Textured Domain
40	Hanging Wall Vein Domain	90	West Extension Vein Domain
50	Footwall Massive Domain		

16.6 COMPOSITES

Length weighted composites were generated for the drill hole data that fell within the constraints of the above-mentioned domains. These composites were calculated for Ni, Cu, Co, Au, Pt and Pd over 1.0 metre lengths starting at the first point of intersection between assay data hole and hanging wall of the 3-D wireframe constraint. The compositing process was halted upon exit from the footwall of the aforementioned constraint. Un-assayed intervals were treated as ½ assay detection limit values. Any composites calculated that were less than 0.25 m in length, were discarded so as to not introduce a short sample bias in the interpolation process. The composite data were transferred to Gemcom extraction files for the grade interpolation as X, Y, Z, Ni, Cu, Co, Au, Pt, Pd files.

16.7 GRADE CAPPING

Grade capping was investigated on the raw assay values in the combined domains to ensure that the possible influence of erratic high values did not bias the database. Extraction files were created for constrained Ni, Cu, Co, Au, Pt and Pd data within each mineralized domain. From these extraction files, log-normal histograms were generated. Refer to Appendix III for graphs.

Table 16.1: Grade Capping Values

Hanging Wall Cu Domain					
Element	**Capping Value**	**Number of Assays Capped**	**Cumulative Percent for Capping**	**Raw Coefficient of Variation**	**Capped Coefficient of Variation**
Ni	2 %	2	84.6	0.84	0.53
Cu	10 %	2	84.6	0.42	0.28
Co	No Cap	0	100	0.76	0.76
Au	1 g/t	2	84.6	1.96	1.44
Pt	2 g/t	1	92.3	0.83	0.60
Pd	6 g/t	1	92.3	0.93	0.73

Hanging Wall Massive Domain					
Element	**Capping Value**	**Number of Assays Capped**	**Cumulative Percent for Capping**	**Raw Coefficient of Variation**	**Capped Coefficient of Variation**
Ni	4.5 %	3	92.5	0.22	0.21
Cu	4.5 %	3	92.5	0.72	0.69
Co	No Cap	0	100	0.21	0.21
Au	0.3 g/t	3	92.5	1.44	0.84
Pt	2.25 g/t	3	92.5	0.47	0.37
Pd	10 g/t	4	90.0	1.05	0.93

Hanging Wall Net Textured Domain					
Element	**Capping Value**	**Number of Assays Capped**	**Cumulative Percent for Capping**	**Raw Coefficient of Variation**	**Capped Coefficient of Variation**
Ni	3.5 %	22	98.4	0.89	0.83
Cu	6.5 %	22	98.4	1.45	1.09
Co	0.12 %	25	98.1	0.75	0.67
Au	1.0 g/t	17	98.7	2.64	1.90
Pt	2.75 g/t	7	99.5	0.91	0.80
Pd	15 g/t	5	99.6	1.02	0.91

Hanging Wall Vein Domain					
Element	**Capping Value**	**Number of Assays Capped**	**Cumulative Percent for Capping**	**Raw Coefficient of Variation**	**Capped Coefficient of Variation**
Ni	No Cap	0	100	0.87	0.87
Cu	10 %	6	94.5	1.16	1.03
Co	No Cap	0	100	0.80	0.80
Au	0.25 g/t	10	90.4	2.32	0.89
Pt	2 g/t	2	98.2	0.75	0.71
Pd	15 g/t	5	95.4	1.14	1.00

Footwall Wall Massive Domain					
Element	**Capping Value**	**Number of Assays Capped**	**Cumulative Percent for Capping**	**Raw Coefficient of Variation**	**Capped Coefficient of Variation**
Ni	No Cap	0	100	0.35	0.35
Cu	3 %	1	96.4	0.61	0.60
Co	No Cap	0	100	0.36	0.36
Au	0.25 g/t	1	96.4	2.05	0.75
Pt	No Cap	0	100	0.56	0.56
Pd	3.5 g/t	3	89.3	0.91	0.46

Footwall Net Textured Domain					
Element	**Capping Value**	**Number of Assays Capped**	**Cumulative Percent for Capping**	**Raw Coefficient of Variation**	**Capped Coefficient of Variation**
Ni	3.5 %	5	97.9	1.02	0.94
Cu	6 %	1	99.6	1.52	1.08
Co	0.1 %	9	96.2	0.88	0.70
Au	0.2 g/t	7	97.1	1.26	0.70
Pt	1.2 g/t	2	99.2	0.62	0.61
Pd	4.5 g/t	3	98.7	0.74	0.62

Footwall Vein Domain					
Element	**Capping Value**	**Number of Assays Capped**	**Cumulative Percent for Capping**	**Raw Coefficient of Variation**	**Capped Coefficient of Variation**
Ni	No Cap	0	100	1.08	1.08
Cu	1.5 %	6	82.9	1.48	0.66
Co	No Cap	0	100	0.97	0.97
Au	0.15 g/t	2	94.3	1.19	0.62
Pt	1 g/t	2	94.3	1.17	0.86
Pd	5 g/t	2	94.3	1.01	0.77

West Extension Net Textured Domain					
Element	**Capping Value**	**Number of Assays Capped**	**Cumulative Percent for Capping**	**Raw Coefficient of Variation**	**Capped Coefficient of Variation**
Ni	2 %	4	99.0	0.91	0.76
Cu	1.5 %	17	95.8	1.04	0.67
Co	0.13 %	2	99.5	0.75	0.72
Au	0.35 g/t	18	95.2	2.80	1.21

Pt	1.2 g/t	3	99.3	0.70	0.62
Pd	6 g/t	2	99.5	0.89	0.71

West Extension Vein Domain					
Element	**Capping Value**	**Number of Assays Capped**	**Cumulative Percent for Capping**	**Raw Coefficient of Variation**	**Capped Coefficient of Variation**
Ni	No Cap	0	100	0.70	0.70
Cu	No Cap	0	100	0.80	0.80
Co	No Cap	0	100	0.75	0.75
Au	No Cap	0	100	0.79	0.79
Pt	No Cap	0	100	0.73	0.73
Pd	No Cap	0	100	0.94	0.94

16.8 VARIOGRAPHY

Variography was carried out on the constrained domain composites within the deposit model. The Hanging Wall and Footwall Net Textured domain composites yielded reasonable directional variograms while the West Extension Net Textured domain composites yielded only omnivariograms. The remaining domains consisted of populations too small to yield discernable variograms. Additional future drilling may enhance variography for those domains. See Appendix IV.

16.9 BULK DENSITY

The bulk density used for the resource model was derived from bulk density test work performed by ALS Chemex on 1,923 pulp samples that represented all nine domains. The bulk density block model was coded with a simple spherical interpolation pass. The resulting average bulk densities within the constraining domains utilizing these samples were calculated to be 4.2 tonnes/m3 for massive, 3.5 tonnes/m3 for veins and 3.1 tonnes /m3 for net textured.

16.10 BLOCK MODELING

The resource model was divided into a 3D block model framework. The block model has 12,480,000 blocks that were 2.5m in the X direction, 2.5m in the Y direction and 2.5m in the Z direction. There were 520 columns (X), 240 rows (Y) and 100 levels (Z). The block model was rotated 1.55 degrees counter-clockwise. Separate block models were created for rock type, density, percent, Class, Ni, Cu, Co, Au, Pt, Pd and NSR.
The percent block model was set up to accurately represent the volume and subsequent tonnage that was occupied by each block inside each constraining domain. As a result, the domain boundaries were properly represented by the percent model's ability to measure infinitely variable inclusion percentages within a particular domain.

The Ni, Cu, Co, Au, Pt and Pd composites were extracted from the Microsoft Access database composite table into separate files for each Mineralized Zone. Inverse distance squared (1/d2) grade interpolation was utilized. There were three interpolation passes performed on the hanging wall net textured domain for each element for coding blocks in the Measured, Indicated and Inferred classifications. The remaining domains were subjected to two interpolation passes for the Indicated and Inferred classifications. The resulting Ni, Cu, and NSR blocks can be seen on the block model cross-sections and plans in Appendix V and VI. The grade blocks within the domains were interpolated using the following parameters:

Table 16.2: Block Model Interpolation Parameters

Domain Profile	Dip Dir.	Strike	Dip	Dip Range	Strike Range	Across Dip Range	Max # per Hole	Min # Sample	Max # Sample
HW-Meas	0^0	90^0	-30^0	30m	20m	7m	2	5	20
HW-Ind	0^0	90^0	-30^0	65m	40m	15m	2	3	20
HW-Inf	0^0	90^0	-30^0	100m	100m	50m	2	1	20
FW-Ind	0^0	90^0	-30^0	30m	30m	10m	2	3	20
FW-Inf	0^0	90^0	-30^0	100m	100m	50m	2	1	20
WE-Ind	0^0	90^0	-40^0	30m	30m	10m	2	3	20
WE-Inf	0^0	90^0	-40^0	100m	100m	50m	2	1	20

16.11 RESOURCE CLASSIFICATION

For the purposes of this resource, the classification of all interpolated grade blocks was determined from the Ni grade interpolations for Indicated and Inferred due to Ni being the dominant revenue producing element in the NSR calculation. See block model classification cross-sections and plans in Appendix VII and VIII.

16.12 RESOURCE ESTIMATE

The resource estimate was derived from applying an NSR cut-off grade to the block model and reporting the resulting tonnes and grade for potentially mineable areas. The following calculations demonstrate the rationale supporting the NSR cut-off grade that determines the potentially economic portion of the mineralized domains.

NSR Cut-Off Grade Calculation Components (All currency $C unless stated otherwise)

$C/$US (Exchange Rate .... $0.92)
Ni Price...US $9.02/lb ($9.80/lb) 24 mo. trailing avg. price Aug 30/09
Cu Price..US $2.84/lb ($3.09/lb) 24 mo. trailing avg. price Aug 30/09
Co Price...US $20/lb ($21.74/lb) 24 mo. trailing avg. price Aug 30/09
Au Price..US $871/oz ($947/oz) 24 mo. trailing avg. price Aug 30/09
Pt Price..US $1,398/oz ($1,520/oz) 24 mo. trailing avg. price Aug 30/09
Pd Price...US $311oz ($338/oz) 24 mo. trailing avg. price Aug 30/09

<u>Net Textured Ni Concentrate</u>
Ni Flotation Recovery.. 79%
Cu Flotation Recovery... 7%
Co Flotation Recovery.. 0%
Au Flotation Recovery.. 0%
Pt Flotation Recovery 43%
Pd Flotation Recovery.. 26%
Concentration Ratio 15.0:1
Ni Smelter Payable 92%
Cu Smelter Payable.. 90%
Co Smelter Payable... 0%
Au Smelter Payable... 0%
Pt Smelter Payable 65%
Pd Smelter Payable 65%

Net Textured Cu Concentrate

Ni Flotation Recovery	2%
Cu Flotation Recovery	89%
Co Flotation Recovery	0%
Au Flotation Recovery	0%
Pt Flotation Recovery	9%
Pd Flotation Recovery	67%
Concentration Ratio	32.4:1
Ni Smelter Payable	0%
Cu Smelter Payable	97%
Co Smelter Payable	0%
Au Smelter Payable	0%
Pt Smelter Payable	42%
Pd Smelter Payable	69%

Massive Sulphide & Vein Ni Concentrate

Ni Flotation Recovery	82%
Cu Flotation Recovery	6%
Co Flotation Recovery	0%
Au Flotation Recovery	0%
Pt Flotation Recovery	52%
Pd Flotation Recovery	61%
Concentration Ratio	4.6:1
Ni Smelter Payable	92%
Cu Smelter Payable	90%
Co Smelter Payable	0%
Au Smelter Payable	0%
Pt Smelter Payable	65%
Pd Smelter Payable	65%

Massive Sulphide & Vein Cu Concentrate

Ni Flotation Recovery	3%
Cu Flotation Recovery	92%
Co Flotation Recovery	0%
Au Flotation Recovery	0%
Pt Flotation Recovery	14%
Pd Flotation Recovery	36%
Concentration Ratio	32.4:1
Ni Smelter Payable	0%
Cu Smelter Payable	97%
Co Smelter Payable	0%
Au Smelter Payable	0%
Pt Smelter Payable	23%
Pd Smelter Payable	56%

Ni Refining Charges	US $0.50/lb ($0.54lb)
Cu Refining Charges	US $0.10/lb ($0.11/lb)
Co Refining Charges	US $3.00/lb ($3.26/lb)
Au Refining Charges	US $15.00/oz ($16.30/oz)
Pt Refining Charges	US $15.00/oz ($16.30/oz)

Pd Refining Charges ....US $15.00/oz ($16.30/oz)
Ni Smelter Treatment Charges...................... US $125/tonne
Cu Smelter Treatment Charges..................... US $103/tonne
Concentrate Shipping..................................... US $58/tonne
Humidity Factor………………………………………...8%

In the anticipated open pit mining operation of the Allammaq Deposit, the ore transport to plant, processing and G&A costs combine for a total of ($5 + $20+ $15) = $40/tonne milled which became the NSR cut-off value.

The above data were derived from similar resource estimates for the Nunavik Nickel Project. In order for the constrained mineralization in the Allammaq resource model to be considered as a resource which is potentially economic, a first pass Whittle 4X pit optimization was carried out to create a pit shell (See Appendix IX) utilizing the criteria below.

Waste mining cost per tonne	$3.50
Ore mining cost per tonne	$5.00
Ore transport to mill and process cost per tonne	$25.00
General & Administration cost per ore tonne	$15.00
Process production rate (ore tonnes per year)	750,000
Pit slopes (inter ramp angle)	50 deg
Massive Sulphide Bulk Density	4.2t/m3
Vein Bulk Density	3.5t/m3
Net Textured Sulphide Bulk Density	3.1t/m3
Waste Rock Bulk Density	2.8t/m3

The resulting open pit resource estimate can be seen in the following table:

Table 16.3: Resource Estimate @ C$40/tonne NSR cut-off

Measured	**Tonnes**	**Ni (%)**	**Cu (%)**	**Co (%)**	**Au (g/t)**	**Pt (g/t)**	**Pd (g/t)**	**NSR ($/t)**
HW Net	**559,855**	**0.93**	**1.10**	**0.04**	**0.10**	**0.60**	**2.66**	**$220**

Indicated	**Tonnes**	**Ni (%)**	**Cu (%)**	**Co (%)**	**Au (g/t)**	**Pt (g/t)**	**Pd (g/t)**	**NSR ($/t)**
HW Massive	102,754	3.72	2.01	0.15	0.11	1.34	3.27	$704
HW Net	2,726,347	0.80	1.04	0.04	0.12	0.51	2.28	$193
HW Vein	183,706	1.89	3.35	0.08	0.08	0.69	3.58	$496
HW Cu	9,769	0.90	6.03	0.05	0.21	0.81	2.25	$504
FW Massive	28,202	3.47	1.56	0.16	0.07	0.80	1.89	$618
FW Net	267,508	0.74	0.79	0.03	0.05	0.35	1.53	$161
FW Vein	11,437	0.97	0.56	0.04	0.04	0.33	1.82	$162
West Ext Net	430,795	0.39	0.49	0.02	0.06	0.24	1.09	$87
Total Indicated	**3,760,518**	**0.90**	**1.11**	**0.04**	**0.10**	**0.50**	**2.18**	**$211**

Inferred	Tonnes	Ni (%)	Cu (%)	Co (%)	Au (g/t)	Pt (g/t)	Pd (g/t)	NSR ($/t)
HW Massive	8,906	3.91	1.22	0.16	0.09	1.46	3.60	$688
HW Net	52,486	0.56	1.15	0.03	0.14	0.39	1.90	$160
HW Vein	6,963	1.89	2.59	0.07	0.07	0.54	2.61	$440
HW Cu	788	0.84	5.09	0.04	0.28	0.94	2.52	$441
FW Massive	17,823	3.36	1.51	0.15	0.07	0.93	2.08	$602
FW Net	39,789	0.63	0.65	0.03	0.05	0.30	1.27	$135
FW Vein	37,456	0.99	0.62	0.05	0.05	0.28	1.42	$166
West Ext Net	1,417,068	0.37	0.46	0.02	0.06	0.26	1.07	$83
West Ext Vein	10,214	1.82	2.50	0.10	0.05	0.35	2.37	$418
Total Inferred	**1,591,493**	**0.47**	**0.53**	**0.02**	**0.06**	**0.28**	**1.15**	**$102**

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(2) The quantity and grade reported in this inferred resource estimation are conceptual in nature and there has been insufficient exploration to define an indicated mineral resource on the property and it is uncertain if further exploration will result in discovery of an indicated or measured mineral resource on the property

It should be noted that the mineral resources in this estimate were calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

16.13 CONFIRMATION OF ESTIMATE

As a test of the reasonableness of the estimate, the block model was queried at a 0.01 % Ni cut off grade with blocks in all classifications summed and their grades weight averaged. This average is the average grade of all blocks within the mineralized domains. The values of the interpolated grades for the block model were compared to the length weighted average capped assay grades and average grade of composites of all samples from within the domain. The results are presented below:

Table 16.4: Comparison of Weighted Average Grade of Capped Assays and Composites with Total Block Model Average Grade

Category	Ni (%)	Cu (%)	Co (%)	Au (g/t)	Pt (g/t)	Pd (g/t)
Capped Assays	0.81	0.97	0.04	0.09	0.45	1.94
Composites	0.81	0.96	0.04	0.09	0.45	1.93
Block Model	0.70	0.88	0.03	0.08	0.39	1.71

The comparison above shows the average grade of all of the Ni, Cu, Co, Au, Pt and Pd blocks in each domain to be somewhat lower than the weighted average of all capped assays and composites used for grade estimation. This effect resulted from the clustering of some of the data used for grade interpolation. The block model grades reflect a more representative three dimensional grade distribution than the capped assays and composites.

In addition, a volumetric comparison was performed with the block volume of the model vs. the geometric calculated volume of the domain solids.

Net Textured Sulphide Domain

Block Model Volume	2,143,828 m3
Geometric Domain Volume	2,145,482 m3
Difference	0.08%

17.0 OTHER RELEVANT DATA AND INFORMATION

There are no data considered relevant to this report that have not been discussed in a previous section.

18.0 CONCLUSIONS AND RECOMMENDATIONS

18.1 CONCLUSIONS

The Allammaq nickel, copper, cobalt, PGE Deposit was modeled under current CIM resource definitions (December, 2005) and in accordance with accepted industry practice. NI 43-101 reporting standards and formats were followed in this document in order to report the mineral resource in a fully compliant manner.

The previous resource estimate for Allammaq used a $115/tonne NSR cut-off grade based on an underground mining scenario, while the current resource estimate uses a $40/tonne NSR cut-off grade based on an open pit mining scenario.

The 2008 diamond drilling revealed the presence of an extension to the Allammaq mineralization, named the West Extension. The majority of the tonnes from this extension are currently classified in the Inferred category.

18.2 RECOMMENDATIONS

In order to potentially upgrade the West Extension portion of the zone from the Inferred to Indicated category, it is recommended to drill a total of 3,500 metres of in-fill, followed by an update of the resources.

Due to the change in proposed possible mining scenarios, it is recommended to undertake a scoping study using open pit parameters, and if positive, follow with a feasibility study, geotechnical study, metallurgical test work and an environmental impact study. The recommended work should be completed in two phases; phase two being contingent upon the results of phase one. A preliminary budget for each phase of work is presented in Table 18-1 below.

Table 18-1: Preliminary Budget for Allammaq Deposit

Phase I Program	**Program Costs $CDN**
3,500 metres of in-fill drilling between main zone and west extension	$1,400,000
Resource Update	$50,000
Scoping study using open pit parameters	$75,000
TOTAL	**$1,525,000**

Phase II Program	**Program Costs $CDN**
Feasibility study	$950,000
Geotechnical study	$250,000
Metallurgical test work	$450,000
Environmental impact study	$300,000
TOTAL	**$1,950,000**

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20.0 CERTIFICATES

CERTIFICATE of AUTHOR

TRACY J. ARMSTRONG, P.GEO.

I, Tracy J. Armstrong, P.Geo. residing at 2007 Chemin Georgeville, res. 22, Magog, QC J1X 0M8, do hereby certify that:

1. I am an independent geological consultant contracted by P&E Mining Consultants Inc;

2. I am a graduate of Queen's University at Kingston, Ontario with a B.Sc. (HONS) in Geological Sciences (1982);

3. I am a geological consultant currently licensed by the Order of Geologists of Québec (License No. 566) and the Association of Professional Geoscientists of Ontario (License No. 1204);

4. I have worked as a geologist for a total of 23 years since obtaining my B.Sc. degree;

5. I am responsible for Sections 1 through 15, 17, and co-authored Section 18, as well as the overall structuring of the technical report titled **"**Technical Report and Updated Resource Estimate on the Allammaq Ni-Cu PGE Deposit, Nunavik Nickel Project, Nunavik, Quebec," and dated November 20, 2009;

6. I have visited the Nunavik Nickel Project several times;

7. I have had prior involvement with the Allammaq Property that is the subject of this Technical Report. The nature of my prior involvement was co-authoring the previous Technical Report titled, "Technical Report and Resource Estimate on the Allammaq Ni-Cu PGE Deposit, Nunavik Nickel Project, Nunavik, Quebec," and dated May 30, 2008;

8. As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;

9. I have read the definition of "Qualified Person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101. This report is based on my personal review of information provided by the Issuer and on discussions with the Issuer's representatives. My relevant experience for the purpose of the Technical Report is:
    - Underground production geologist, Agnico-Eagle Laronde Mine 1988-1993;
    - Exploration geologist, Laronde Mine 1993-1995;
    - Exploration coordinator, Placer Dome 1995-1997;
    - Senior Exploration Geologist, Barrick Exploration 1997-1998;
    - Exploration Manager, McWatters Mining 1998-2003;
    - Chief Geologist Sigma Mine 2003;
    - Consulting Geologist 2003-present.

10. I am independent of the issuer applying the test in Section 1.4 of NI 43-101;

11. I have read NI 43-101 and Form 43-101F1 and the Report has been prepared in compliance therewith;

EFFECTIVE DATE: October 4, 2009

SIGNING DATE: November 20, 2009.

{SIGNED AND SEALED}

[Tracy J. Armstrong]

Tracy J. Armstrong, P. Geo.

CERTIFICATE of AUTHOR

EUGENE J. PURITCH, P. ENG.

I, Eugene J. Puritch, P. Eng., residing at 44 Turtlecreek Blvd., Brampton, Ontario, L6W 3X7, do hereby certify that:

1. I am an independent mining consultant contracted by Canadian Royalties Inc.

2. I am a graduate of The Haileybury School of Mines, with a Technologist Diploma in Mining, as well as obtaining an additional year of undergraduate education in Mine Engineering at Queen's University. In addition I have also met the Professional Engineers of Ontario Academic Requirement Committee's Examination requirement for Bachelor's Degree in Engineering Equivalency.

3. I am a mining consultant currently licensed by the Professional Engineers of Ontario (License No. 100014010) and registered with the Ontario Association of Certified Engineering Technicians and Technologists as a Senior Engineering Technologist. I am also a member of the National and Toronto CIM.

4. I have practiced my profession continuously since 1978. My summarized career experience is as follows:

- Mining Technologist - H.B.M.& S. and Inco Ltd.	1978-1980
- Open Pit Mine Engineer – Cassiar Asbestos/Brinco Ltd	1981-1983
- Pit Engineer/Drill & Blast Supervisor – Detour Lake Mine	1984-1986
- Self-Employed Mining Consultant – Timmins Area	1987-1988
- Mine Designer/Resource Estimator – Dynatec/CMD/Bharti	1989-1995
- Self-Employed Mining Consultant/Resource-Reserve Estimator	1995-2004
- President – P & E Mining Consultants Inc.	2004-Present

5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that, by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

6. I am jointly responsible for Section 16 and co-authored Section 18 of the Technical Report titled **"**Technical Report and Updated Resource Estimate on the Allammaq Ni-Cu PGE Deposit, Nunavik Nickel Project, Nunavik, Quebec," and dated November 20, 2009.

7. I have had prior involvement with the property that is the subject of the Technical Report in that I participated in the following three NI-43-101 reports; "Technical Report on the Mineral Resource Estimate, Expo Nickel-Copper Deposit, Nunavik, Quebec" dated August 8, 2005 and "Revised Raglan South Nickel Project, Nunavik, Quebec Technical Report and Preliminary Economic Assessment on the Mequillon, Mesamax, Expo and Ivakkak Deposits" dated July 27, 2006, "Technical Report and Resource Estimate on the Allammaq Ni-Cu PGE Deposit, Nunavik Nickel Project, Nunavik, Quebec," and dated May 30, 2008.

8. As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading;

9. I am independent of the issuer applying the test in Section 1.4 of NI 43-101.

10. I have read NI 43-101 and Form 43-101F1 and the Report has been prepared in compliance therewith.

11. I have not visited the Allammaq Deposit.

EFFECTIVE DATE: October 4, 2009

SIGNING DATE: November 20, 2009.

{SIGNED AND SEALED}

[Eugene J. Puritch]

Eugene J. Puritch, P. Eng.

CERTIFICATE of AUTHOR

ANTOINE R. YASSA, P. GEO

I, Antoine R. Yassa, P. Geo., residing at 241 Rang 6 West, Evain, Quebec, do hereby certify that:

1. I am an independent geological consultant contracted by P& E Mining Consultants Inc;
2. I am a graduate of Ottawa University at Ottawa, Ontario with a B.Sc. (HONS) in Geological Sciences (1977);
3. I am a geological consultant currently licensed by the Order of Geologists of Québec (License No 224);
4. I have worked as a geologist for a total of 32 years since obtaining my B.Sc. degree;
5. I am responsible for co-authoring Section 16.0 of the technical report titled **“**Technical Report and Updated Resource Estimate on the Allammaq Ni-Cu PGE Deposit, Nunavik Nickel Project, Nunavik, Quebec,” and dated November 20, 2009;
6. I visited the Allammaq Property from August 25 to 28, 2009;
7. I have had prior involvement with the Allammaq Property that is the subject of this Technical Report. The nature of my prior involvement was co-authoring the Technical Report titled, “Technical Report and Resource Estimate on the Allammaq Ni-Cu-PGE Deposit, Nunavik Nickel Project, Nunavik, Quebec”, and dated May 30, 2008;
8. As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;
9. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101. This report is based on my personal review of information provided by the Issuer and on discussions with the Issuer’s representatives. My relevant experience for the purpose of the Technical Report is:
    - Minex Geologist (Val d’Or), 3D Modeling (Timmins), Placer Dome 1993-1995;
    - Database Manager, Senior Geologist, West Africa, PDX, 1996-1998
    - Senior Geologist, Database Manager, McWatters Mine 1998-2000;
    - Database Manager, Gemcom modeling and Resources Evaluation (Kiena Mine) QA/QC Manager (Sigma Open pit), McWatters Mines 2001-2003;
    - Database Manager and Resources Evaluation at Julietta Mine, Far-East Russia, Bema Gold Corporation, 2003-2006
    - Consulting Geologist since 2006.
10. I am independent of the issuer applying the test in Section 1.4 of NI 43-101;

EFFECTIVE DATE: October 4, 2009

SIGNING DATE: November 20, 2009.

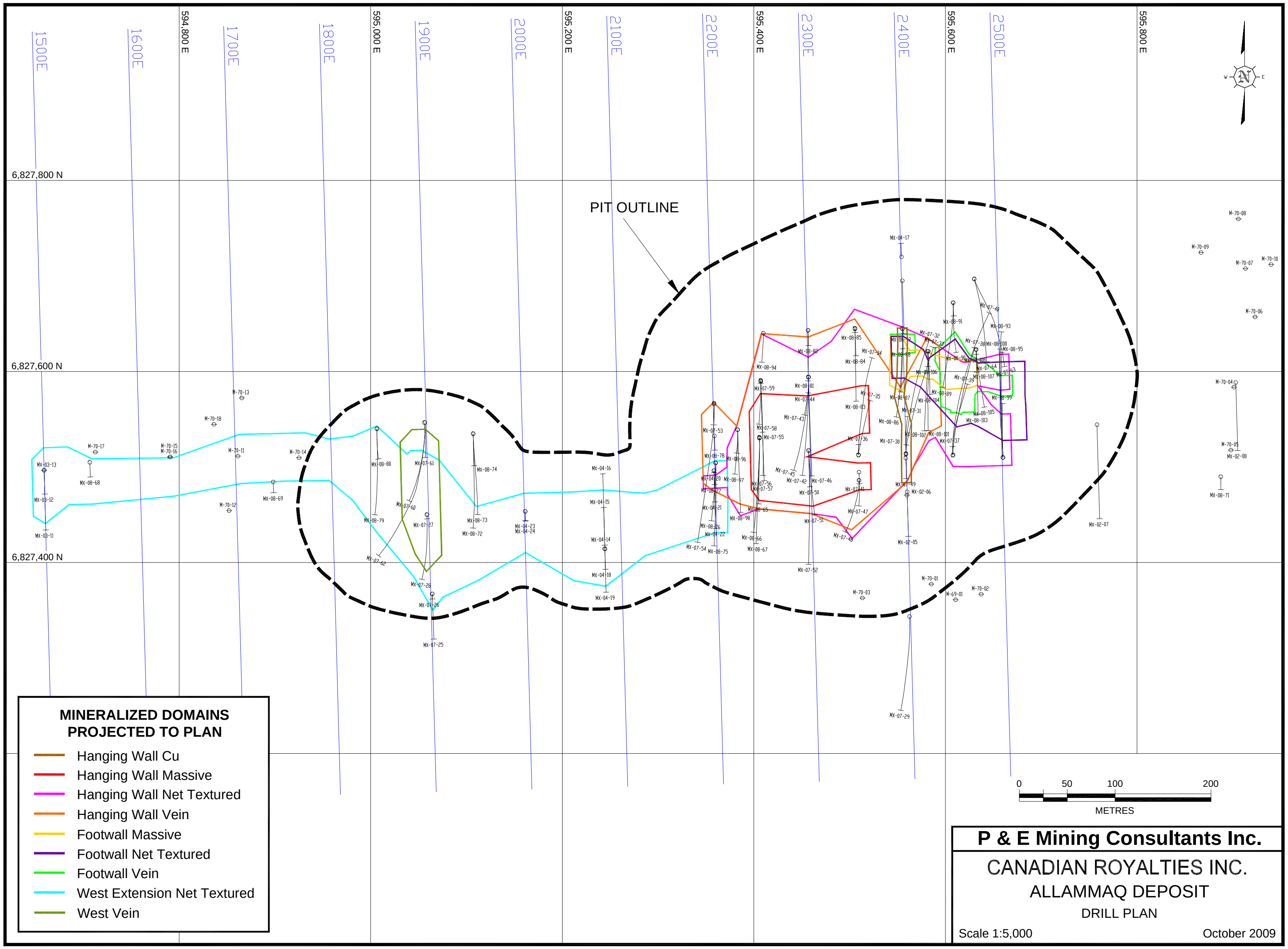
{SIGNED AND SEALED}

[Antoine R. Yassa]

Antoine R. Yassa, P.Geo.
OGQ # 224

APPENDIX I

SURFACE DRILL HOLE PLAN

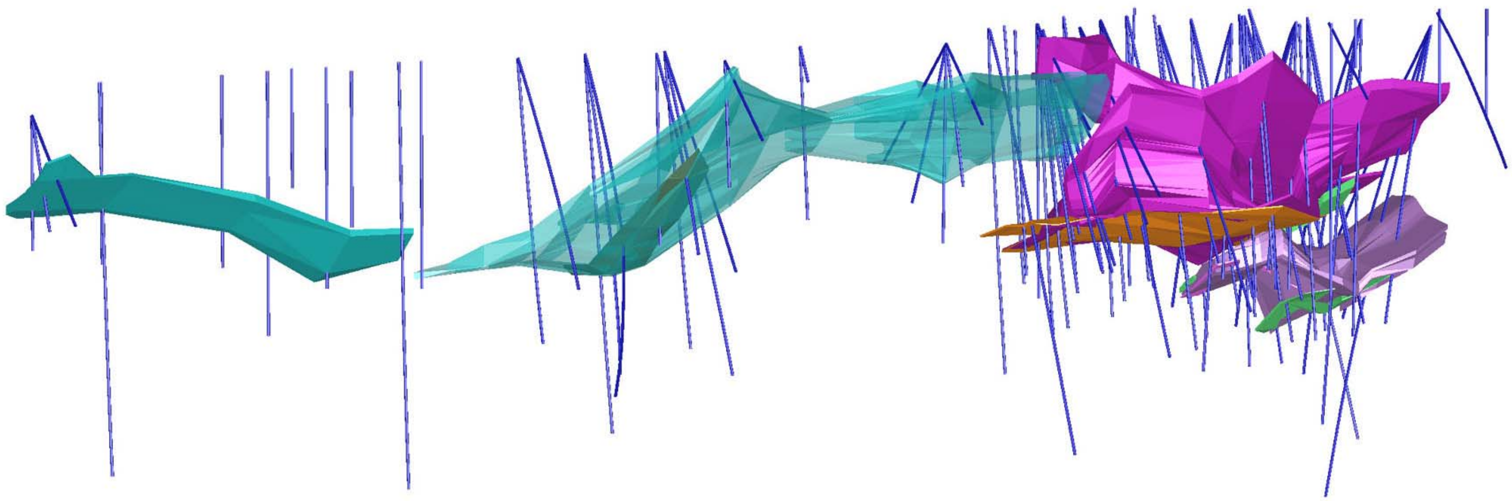


PIT OUTLINE
6,827,800 N
6,827,600 N
6,827,400 N
594,800 E
595,000 E
595,200 E
595,400 E
595,600 E
595,800 E
1500E
1600E
1700E
1800E
1900E
2000E
2100E
2200E
2300E
2400E
2500E
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
DRILL PLAN
Scale 1:5,000
October 2009

APPENDIX II

3D DOMAINS

ALLAMMAQ DEPOSIT - 3D DOMAINS

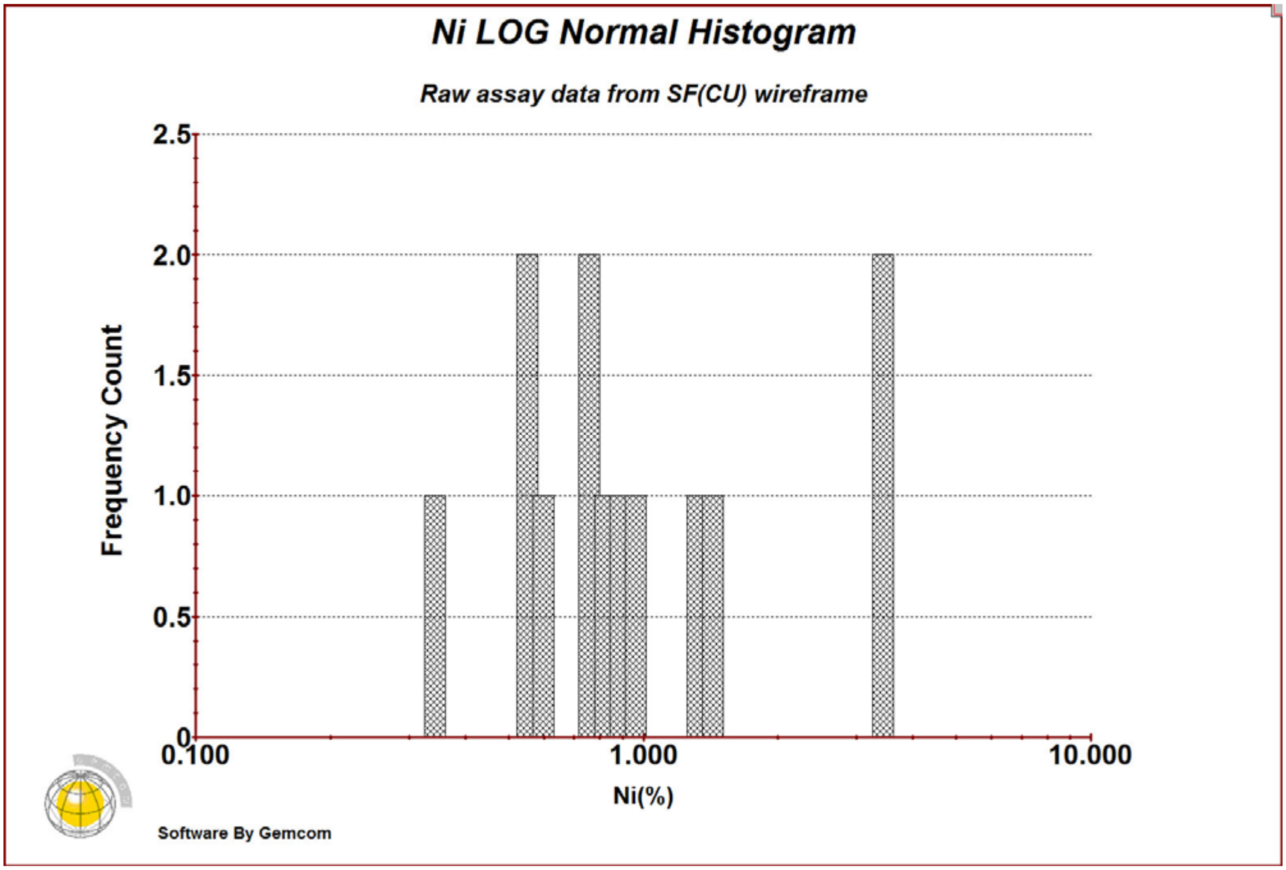


DOMAINS

Hanging Wall Cu (Not Visible)	Footwall Massive (Not Visible)
Hanging Wall Massive (Not Visible)	Footwall Net Textured
Hanging Wall Net Textured	Footwall Vein
Hanging Wall Vein	West Extension Net Textured
	West Vein

APPENDIX III

LOG NORMAL HISTOGRAMS


Ni LOG Normal Histogram
Raw assay data from SF(CU) wireframe
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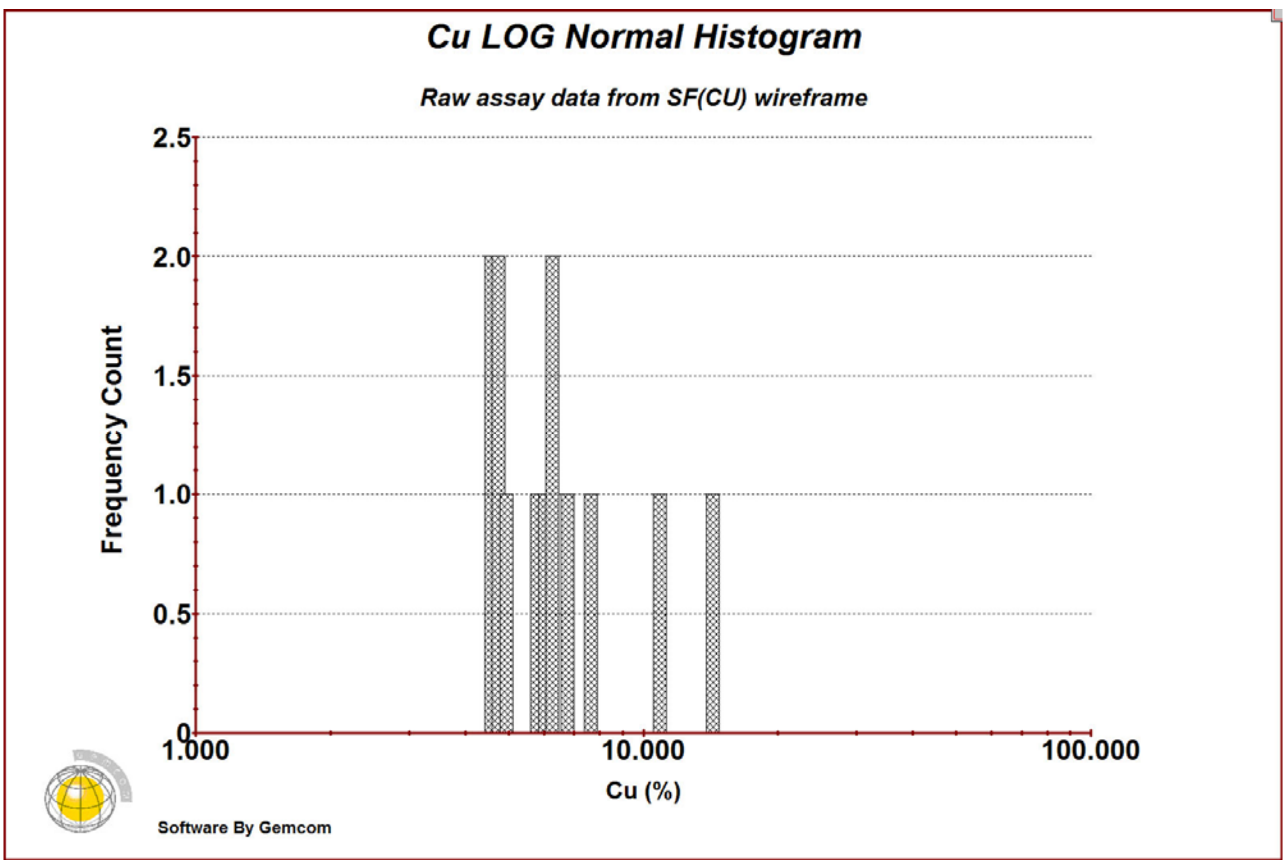
1.0
0.5
0
0.100
1.000
10.000
Ni(%)
Software By Gemcom


Cu LOG Normal Histogram
Raw assay data from SF(CU) wireframe
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1.5
1.0
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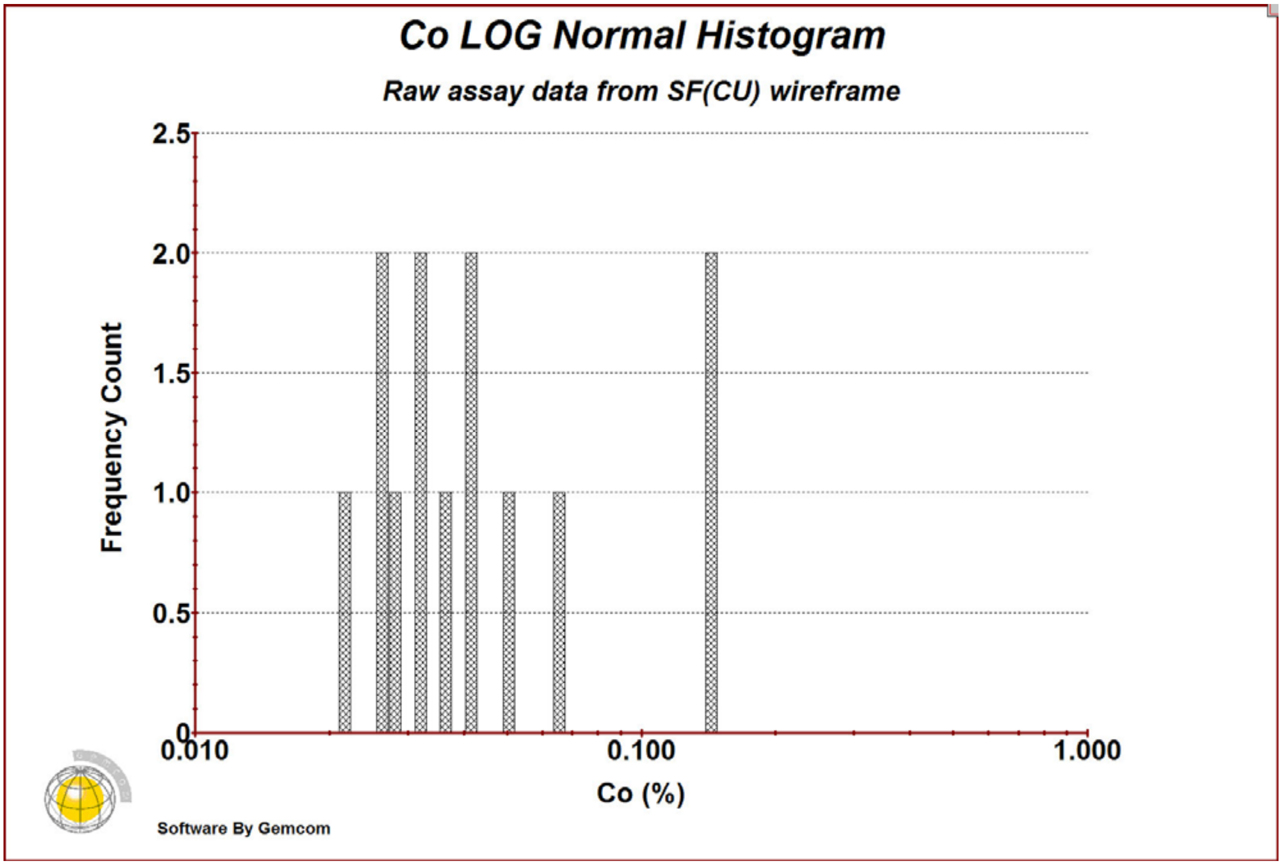
1.000
10.000
100.000
Cu (%)
Software By Gemcom


Co LOG Normal Histogram
Raw assay data from SF(CU) wireframe
Frequency Count
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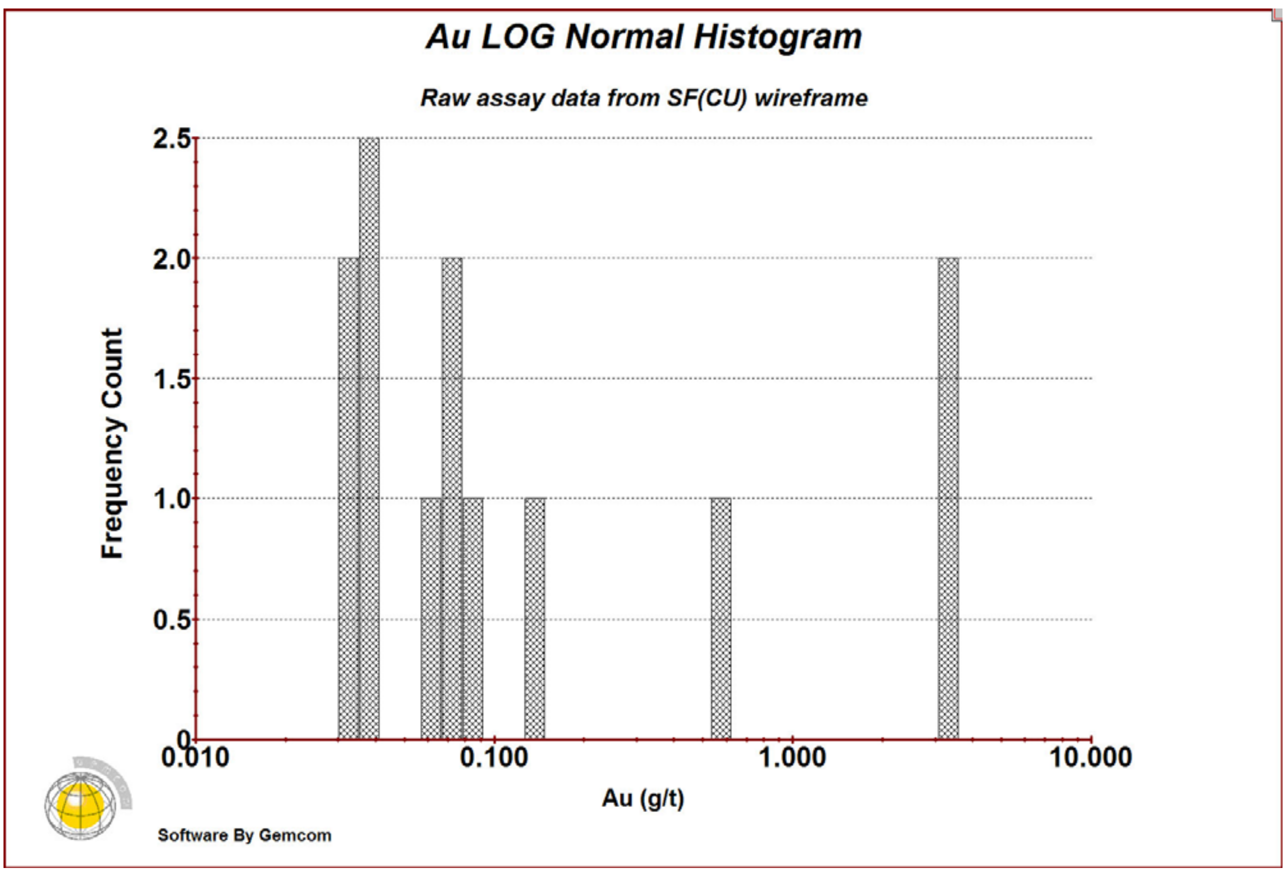
1.5
1.0
0.5
0
0.010
0.100
1.000
Co (%)
Software By Gemcom


Au LOG Normal Histogram
Raw assay data from SF(CU) wireframe
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0
0.010
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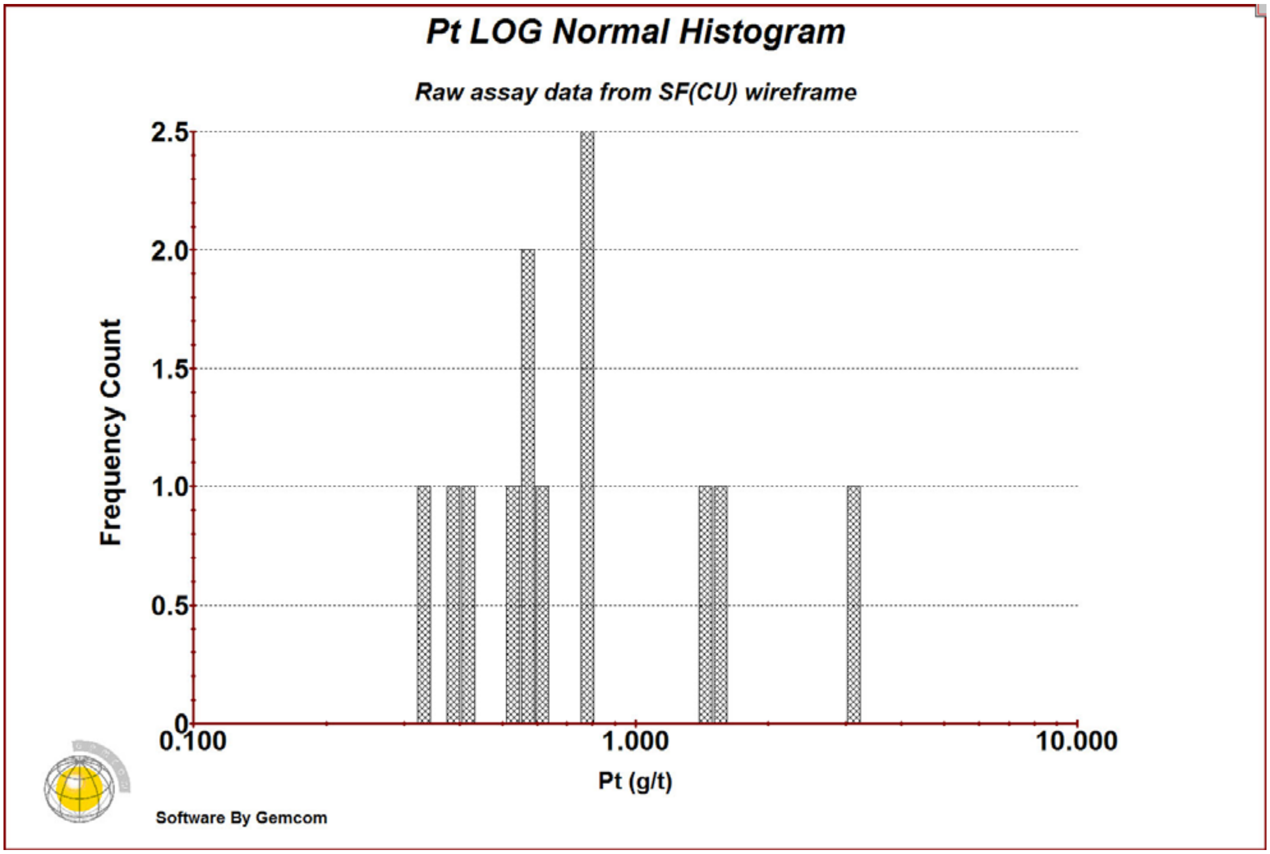
1.000
10.000
Au (g/t)
Software By Gemcom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Raw assay data from SF(CU) wireframe
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1.0
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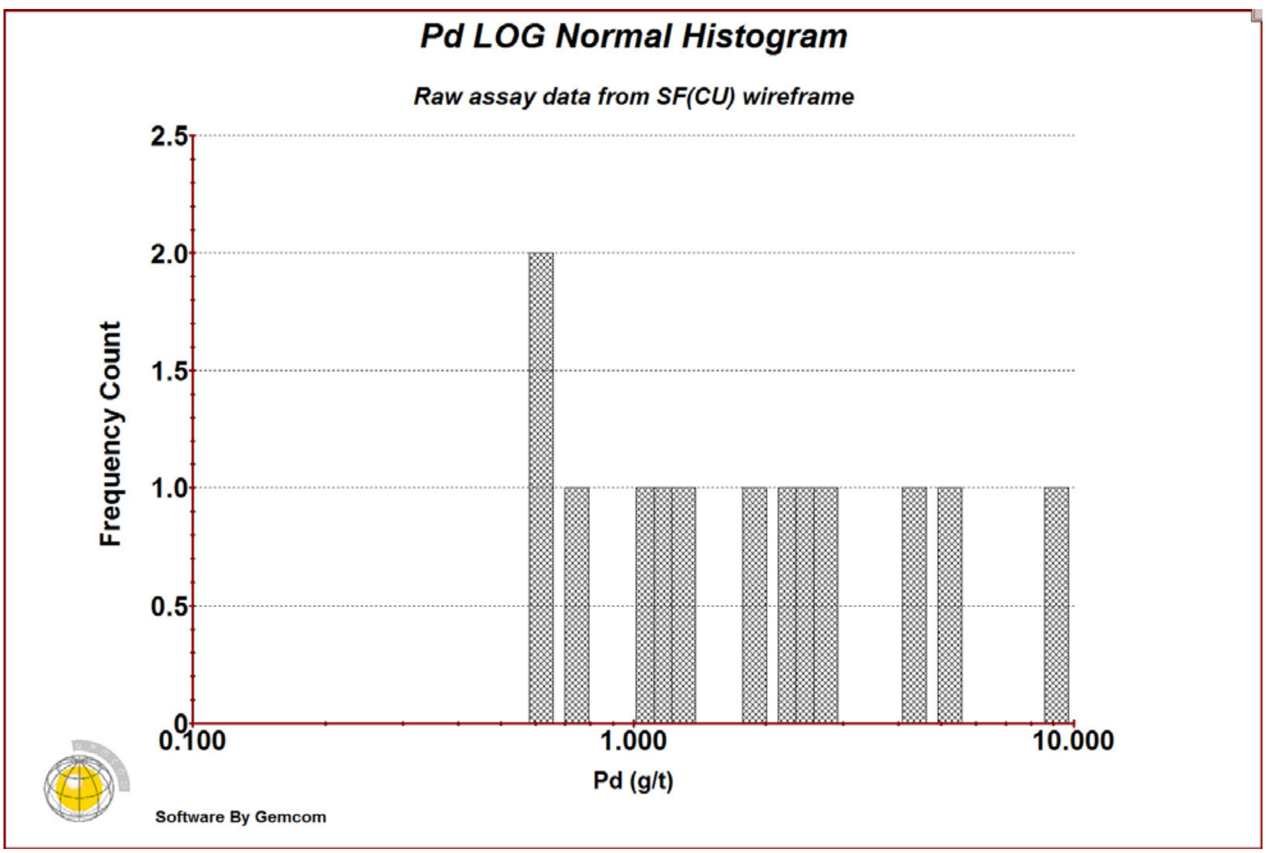
0
0.100
1.000
10.000
Pt (g/t)
Software By Gemcom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Raw assay data from SF(CU) wireframe
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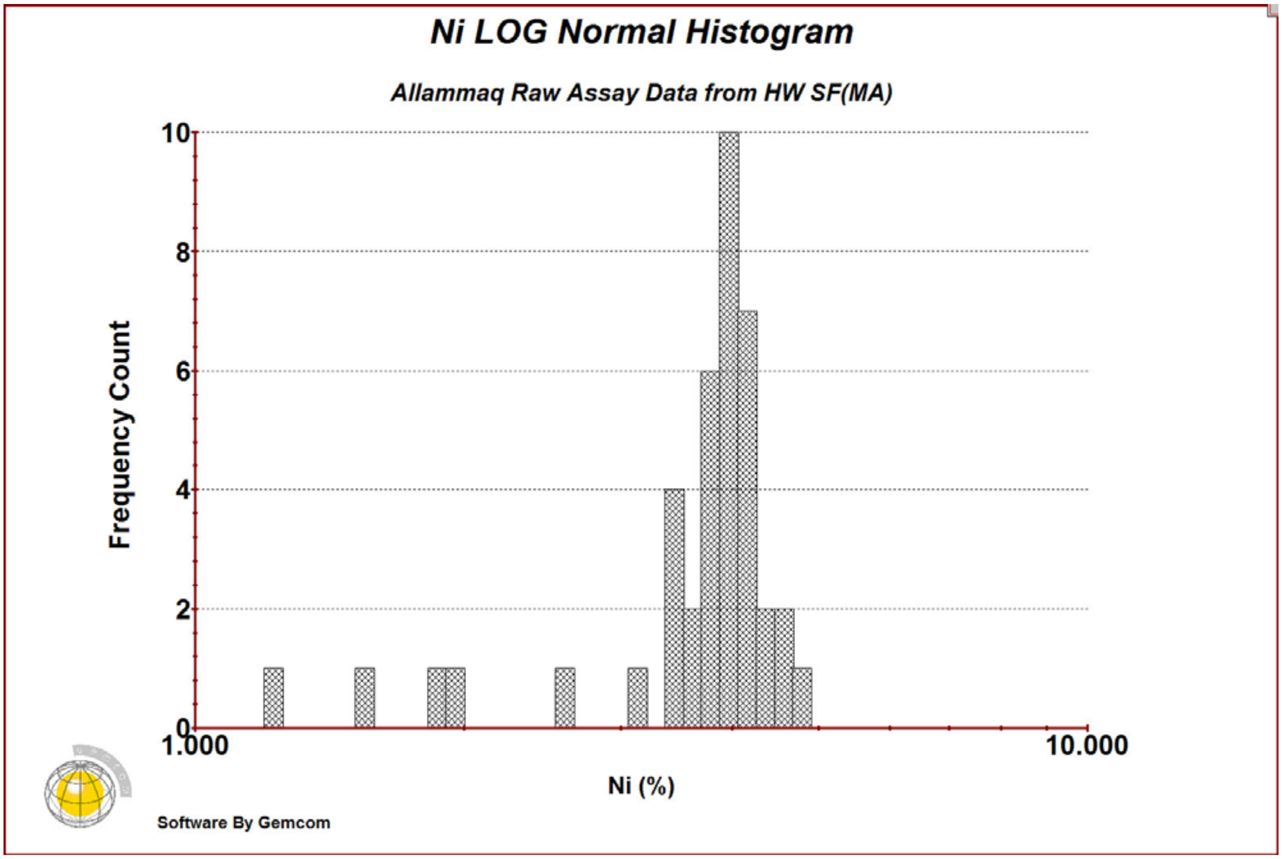
1.5
1.0
0.5
0
0.100
1.000
10.000
Pd (g/t)
Software By Gemcom


Ni LOG Normal Histogram
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Frequency Count
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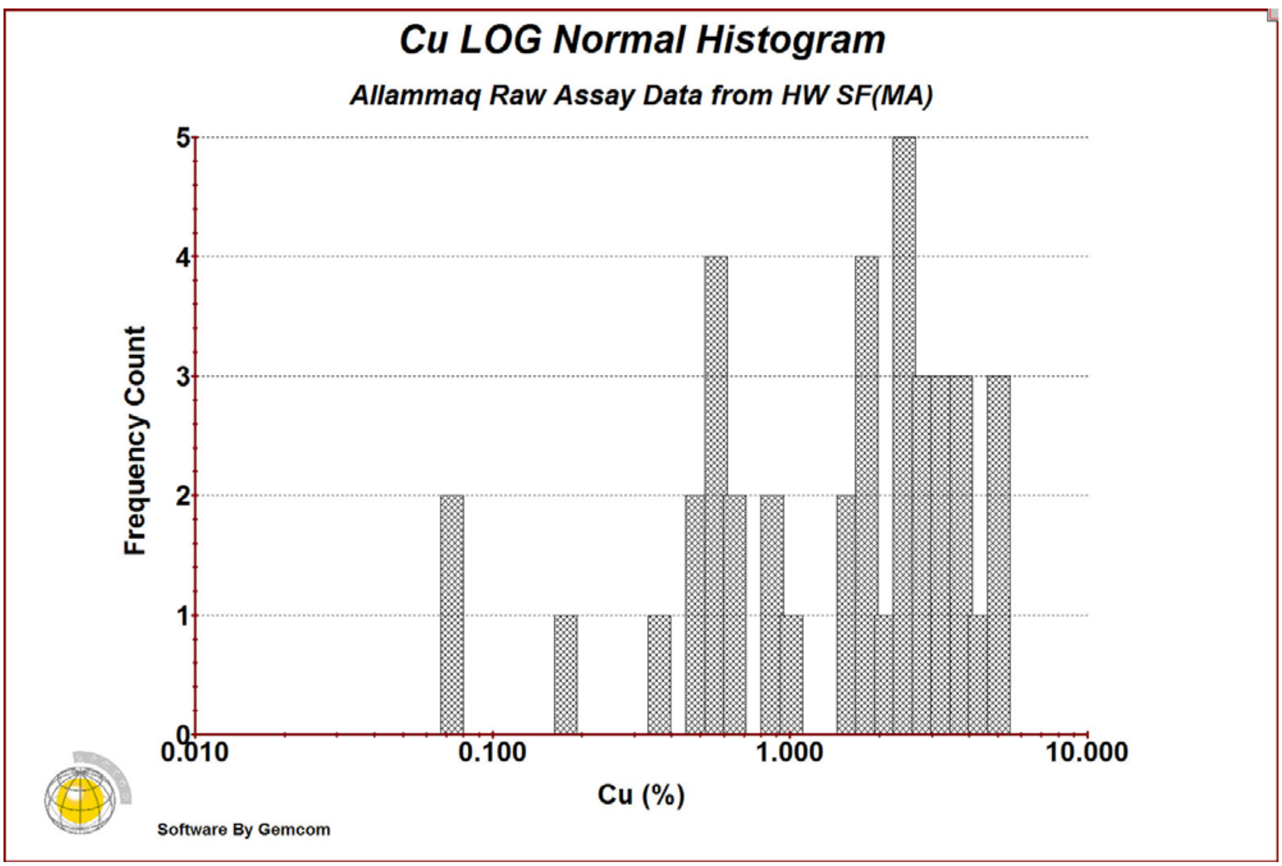
8
6
4
2
0
1.000
10.000
Ni (%)
Software By Gemcom


Cu LOG Normal Histogram
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Frequency Count
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4
3
2
1
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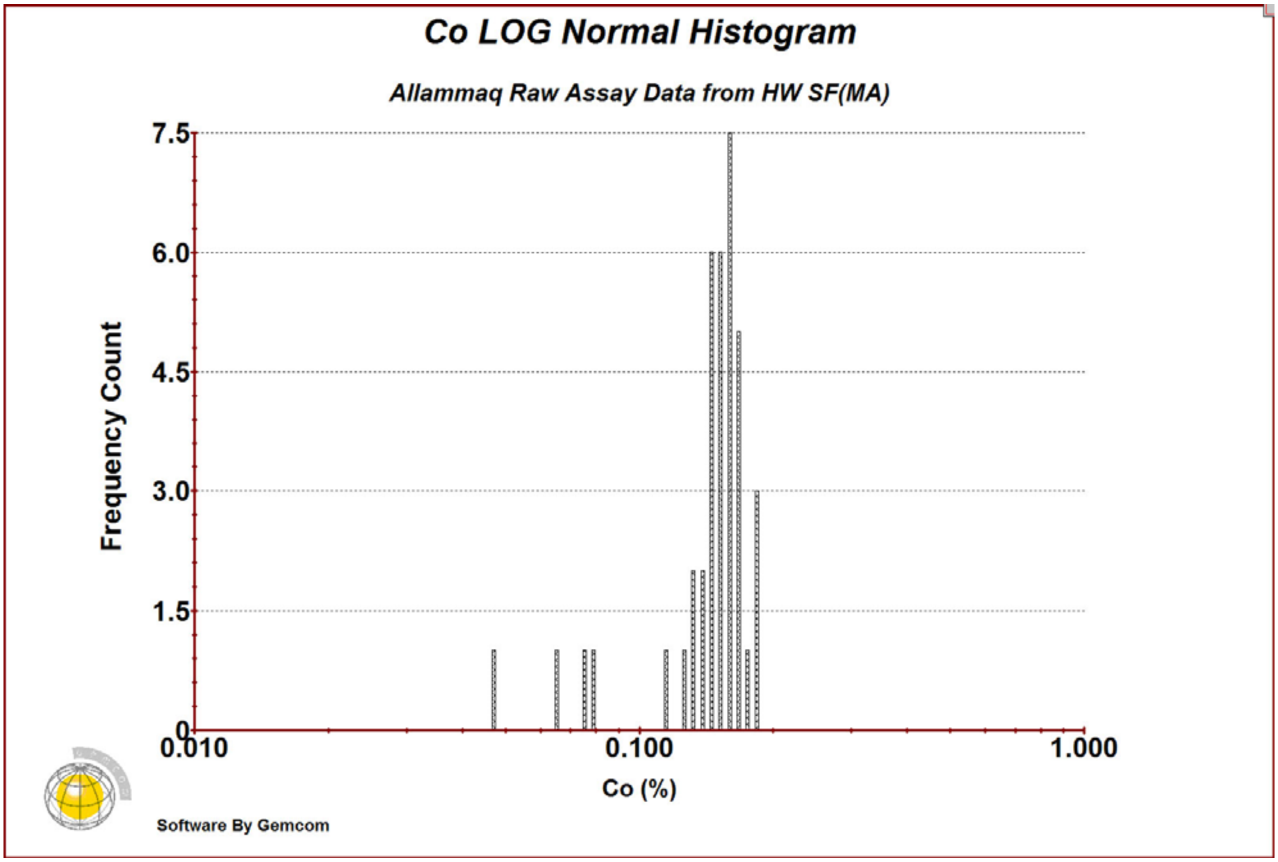
1.000
10.000
Cu (%)
Software By Gemcom



Co LOG Normal Histogram
Allammaq Raw Assay Data from HW SF(MA)
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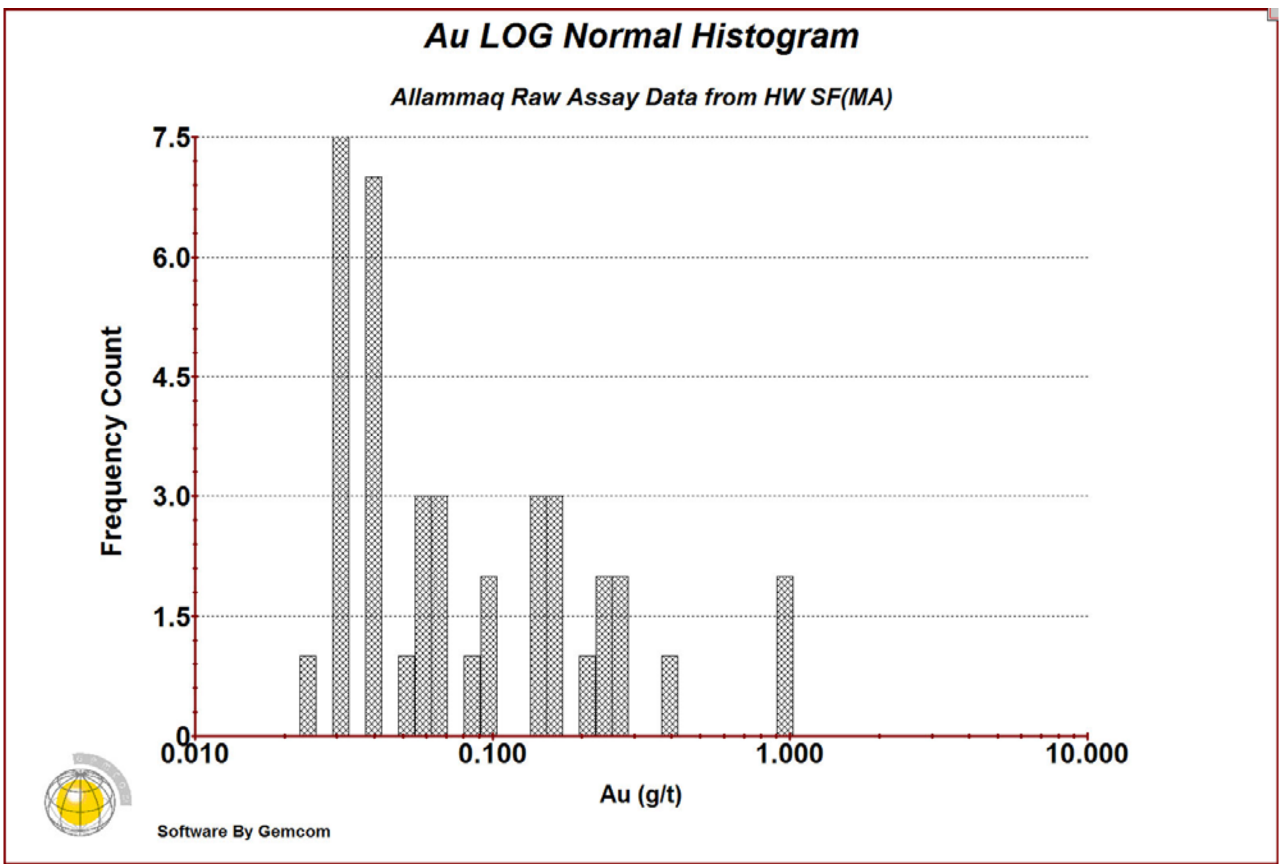
0.010
0.100
1.000
Co (%)
Software By Gemcom



Au LOG Normal Histogram
Allammaq Raw Assay Data from HW SF(MA)
Frequency Count
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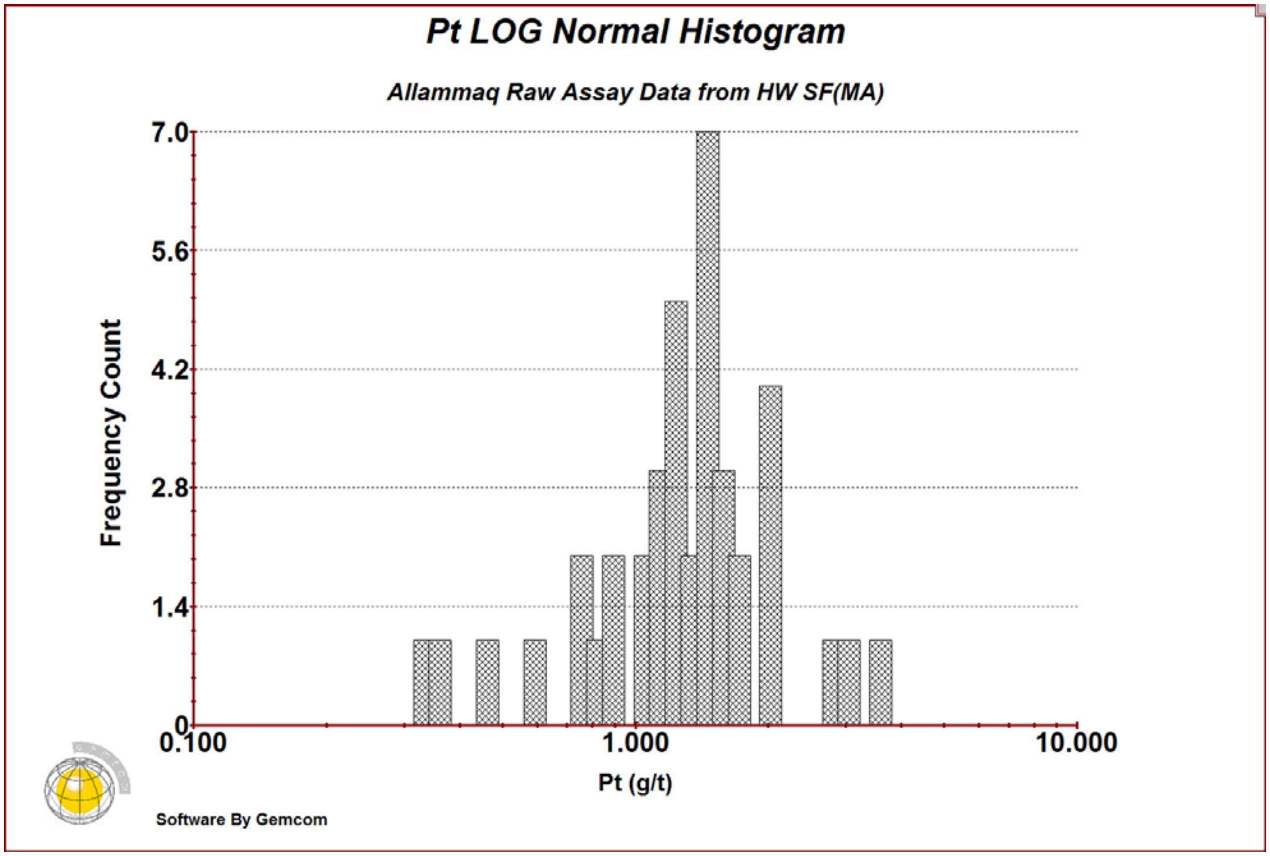
10.000
Au (g/t)
Software By Gemcom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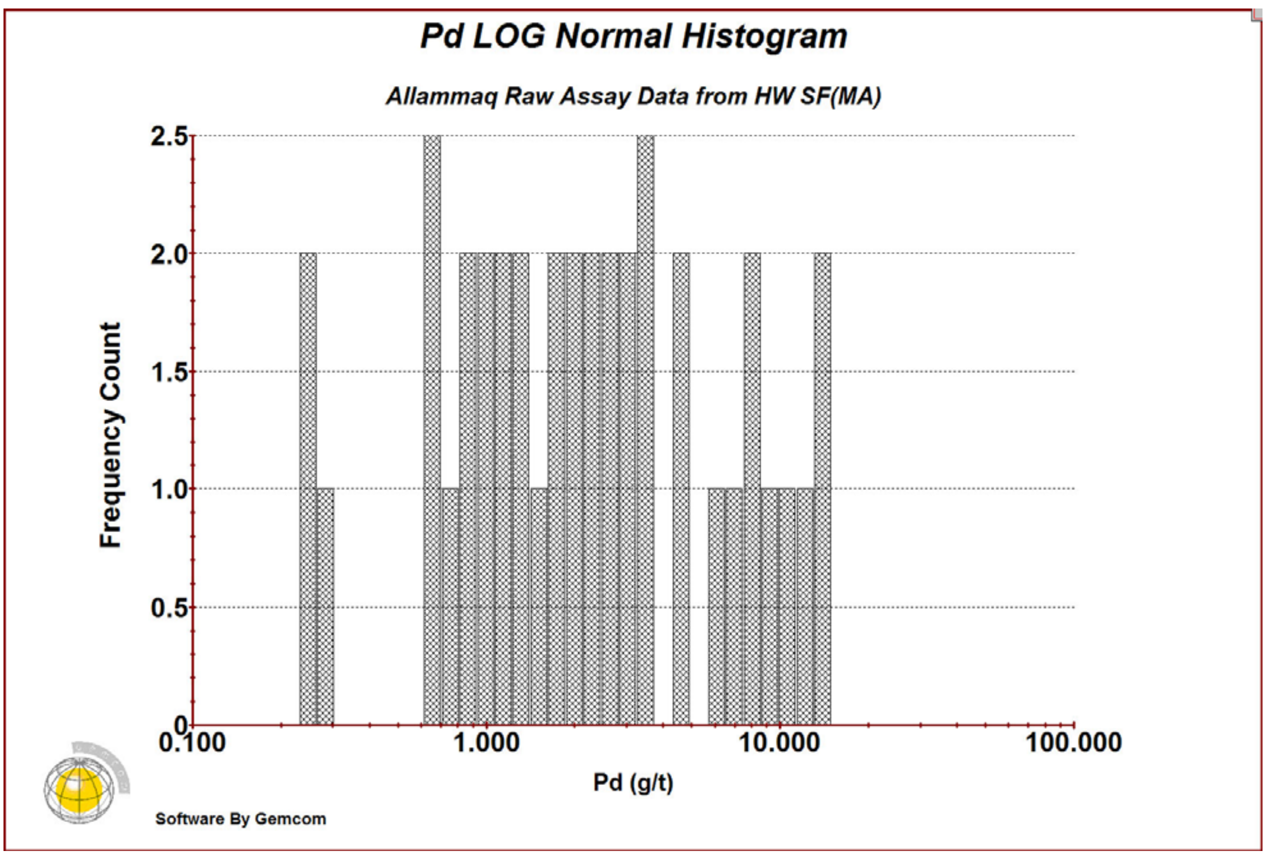
10.000
Pt (g/t)
Software By Gemcom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0
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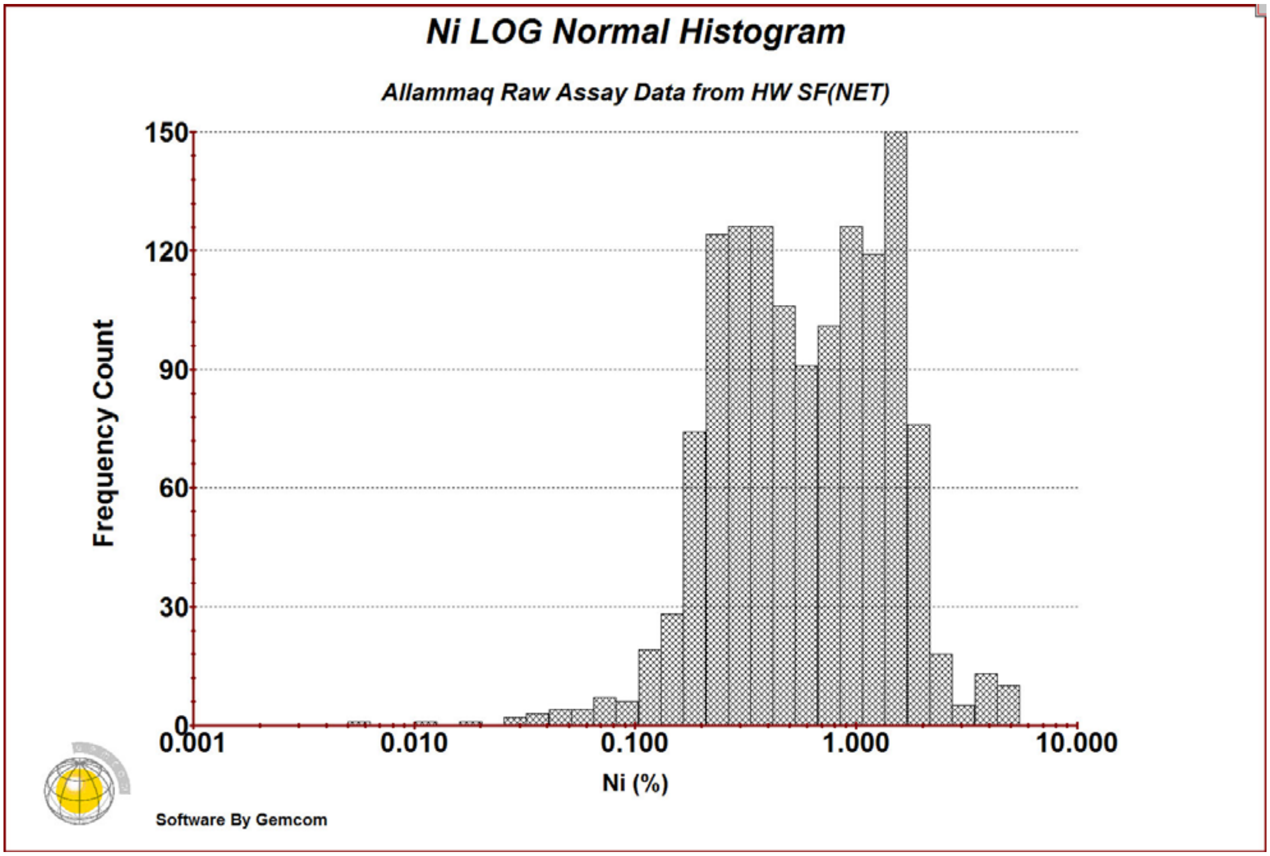
1.000
10.000
100.000
Pd (g/t)
Software By Gemcom


Ni LOG Normal Histogram
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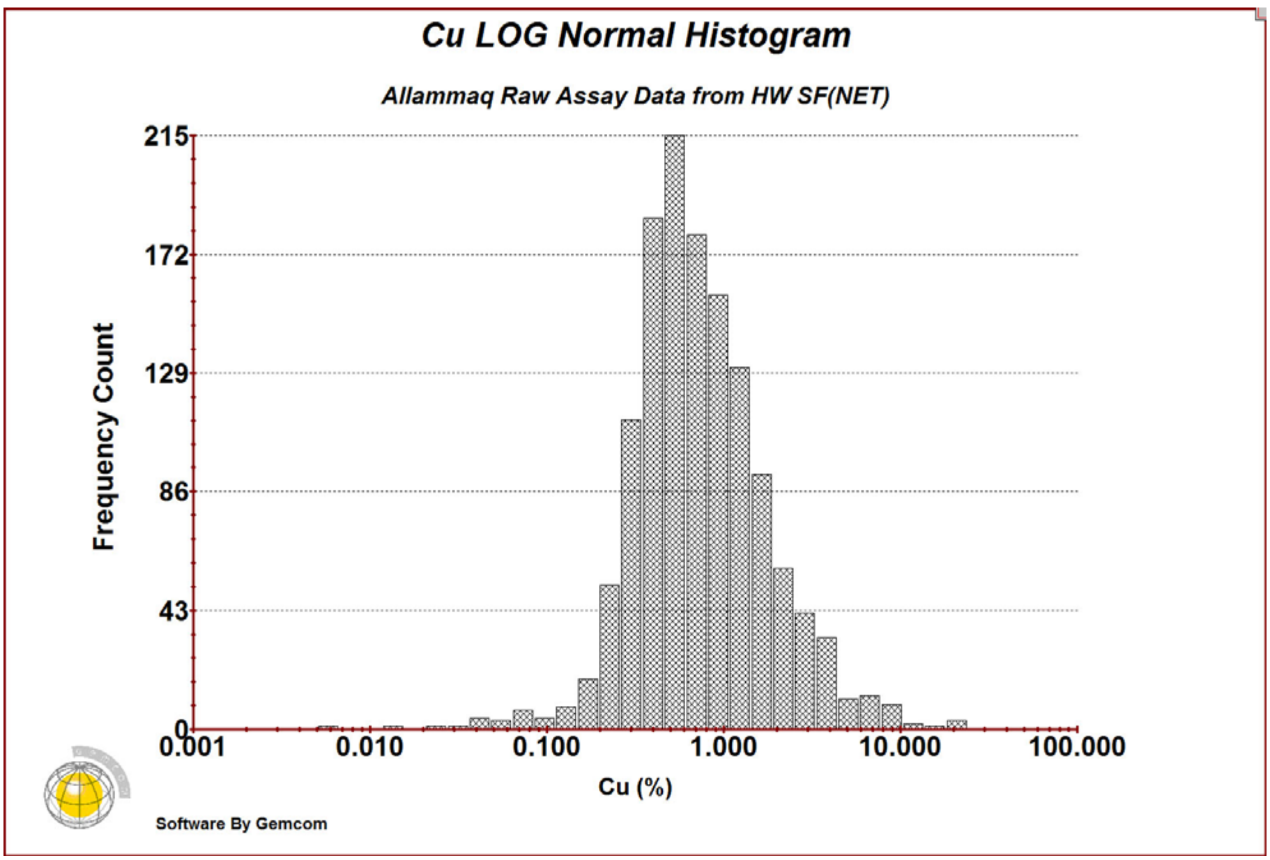
1.000
10.000
Ni (%)
Software By Gemcom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86
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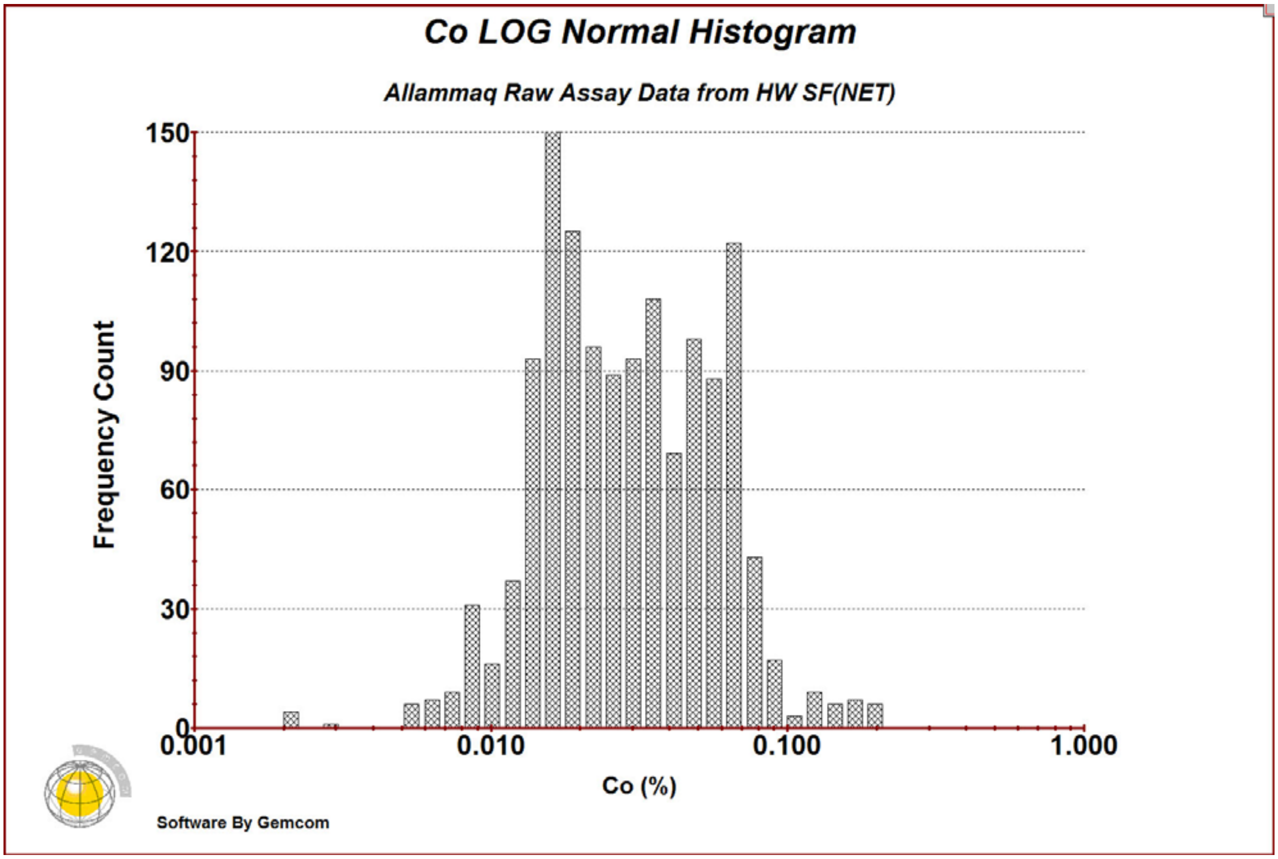
10.000
100.000
Cu (%)
Software By Gemcom


Co LOG Normal Histogram
Allammaq Raw Assay Data from HW SF(NET)
Frequency Count
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0.001
0.010
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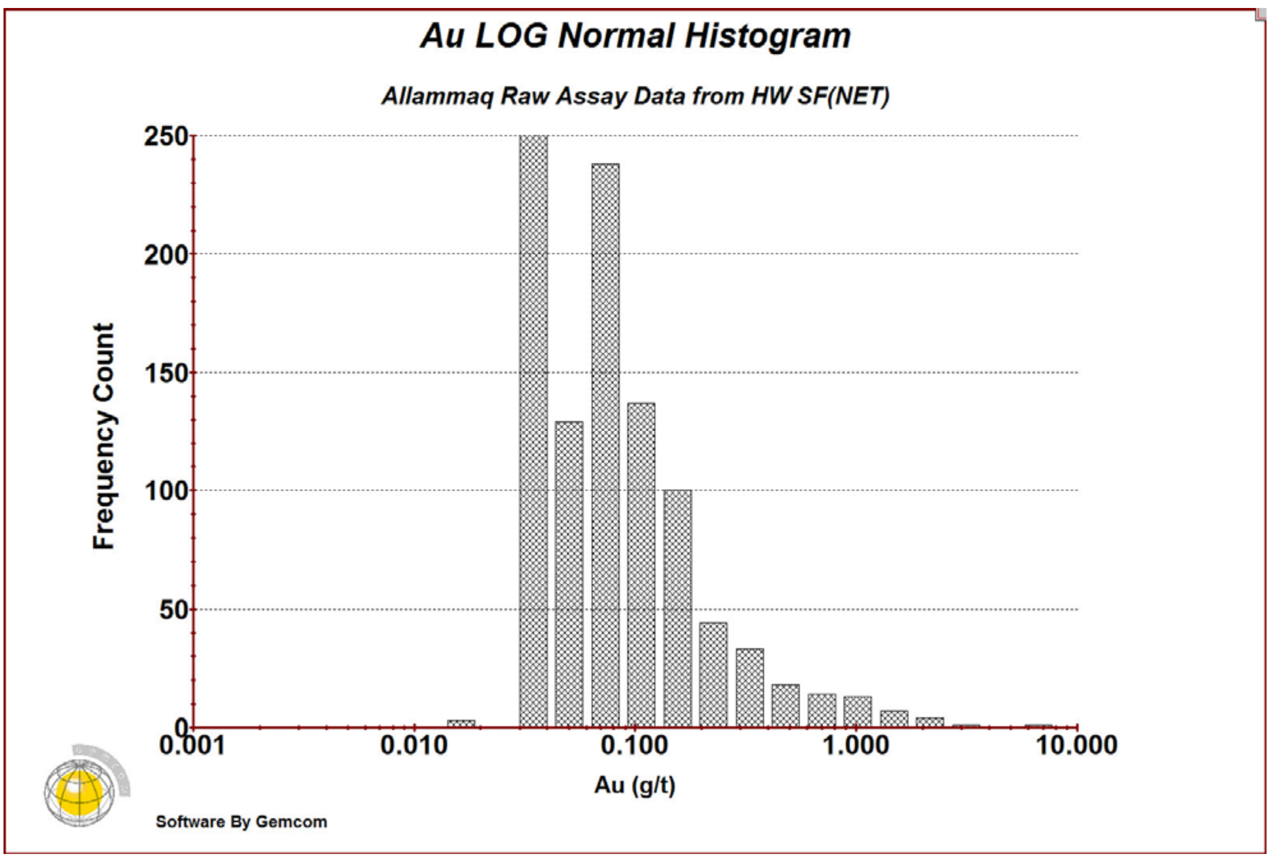
1.000
Co (%)
Software By Gemcom


Au LOG Normal Histogram
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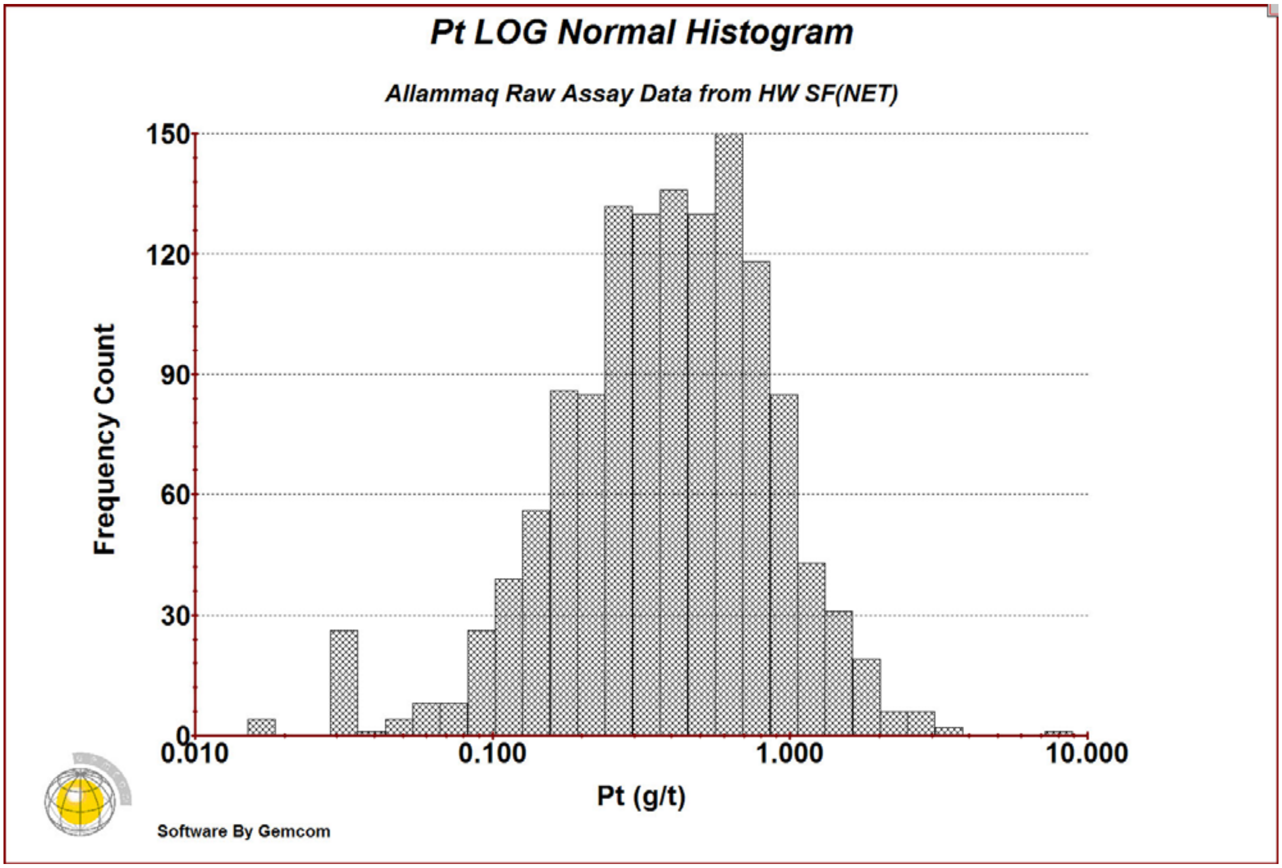
10.000
Au (g/t)
Software By Gemcom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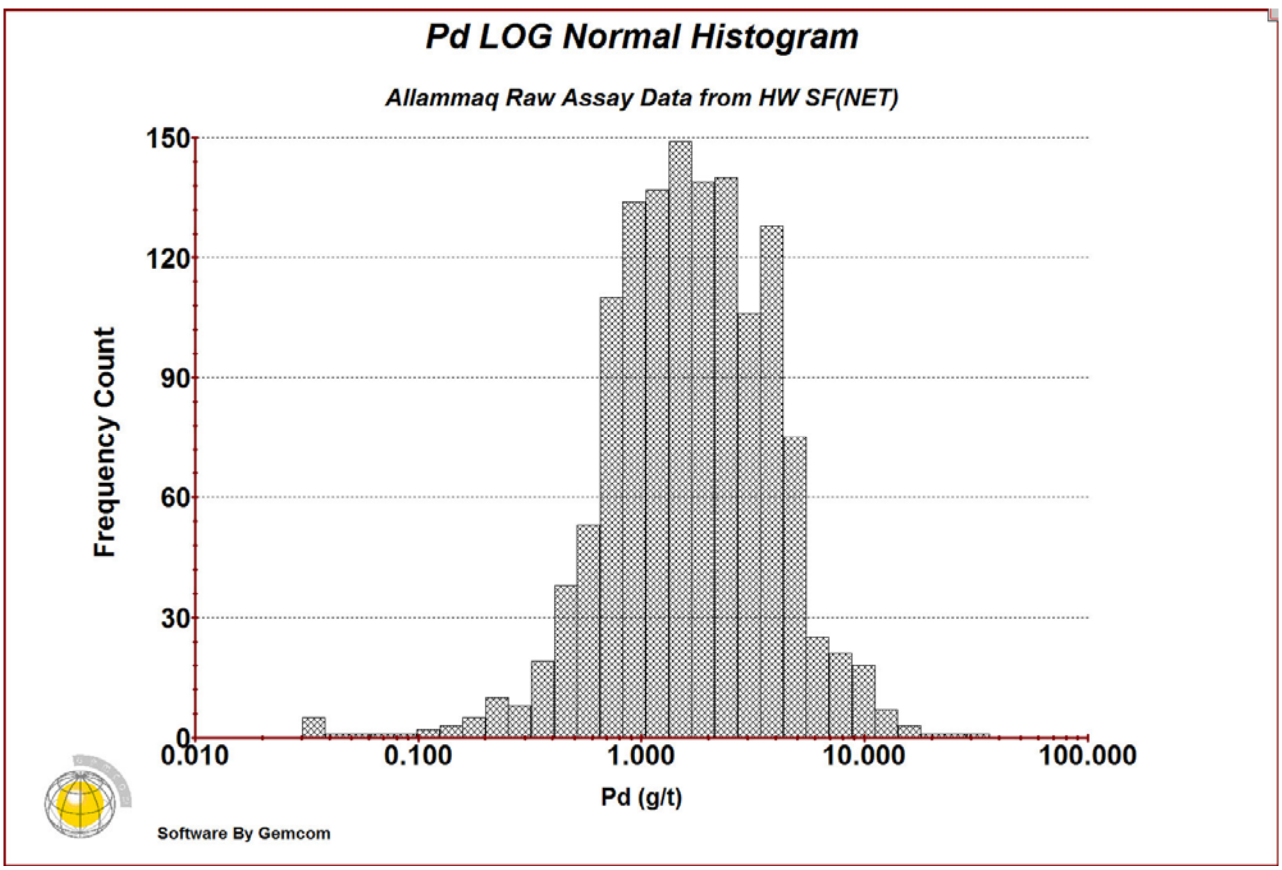
10.000
Pt (g/t)
Software By Gemcom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60
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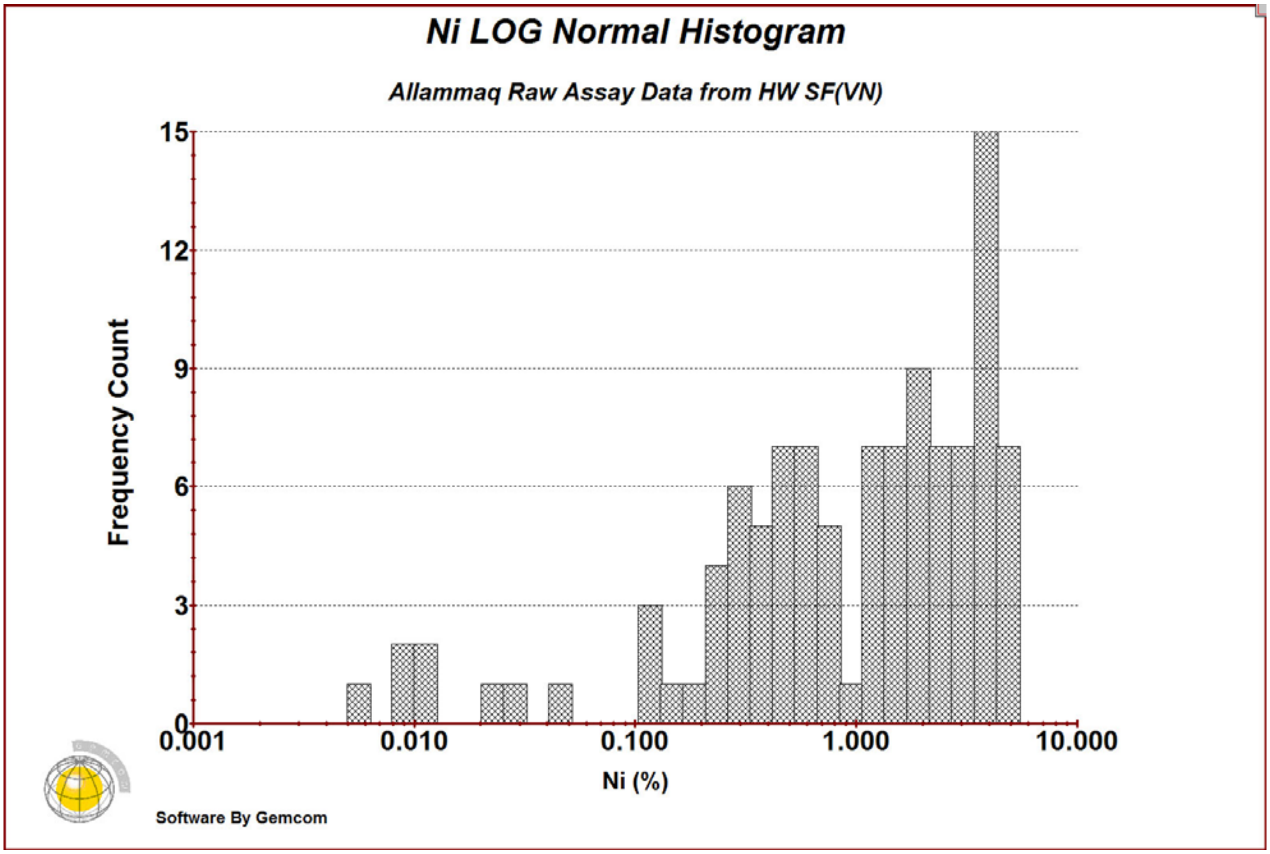
10.000
100.000
Pd (g/t)
Software By Gemcom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6
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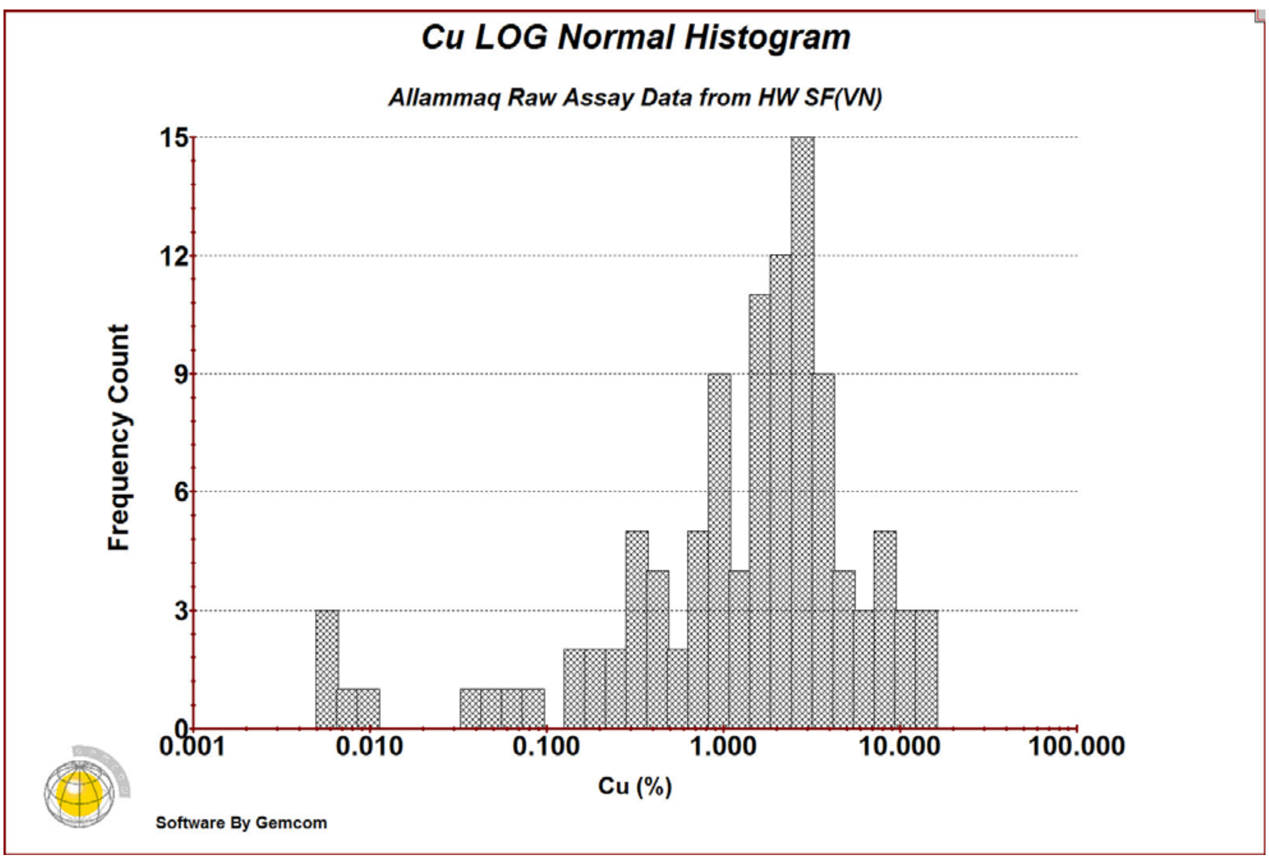
0.010
0.100
1.000
10.000
Ni (%)
Software By Gemcom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6
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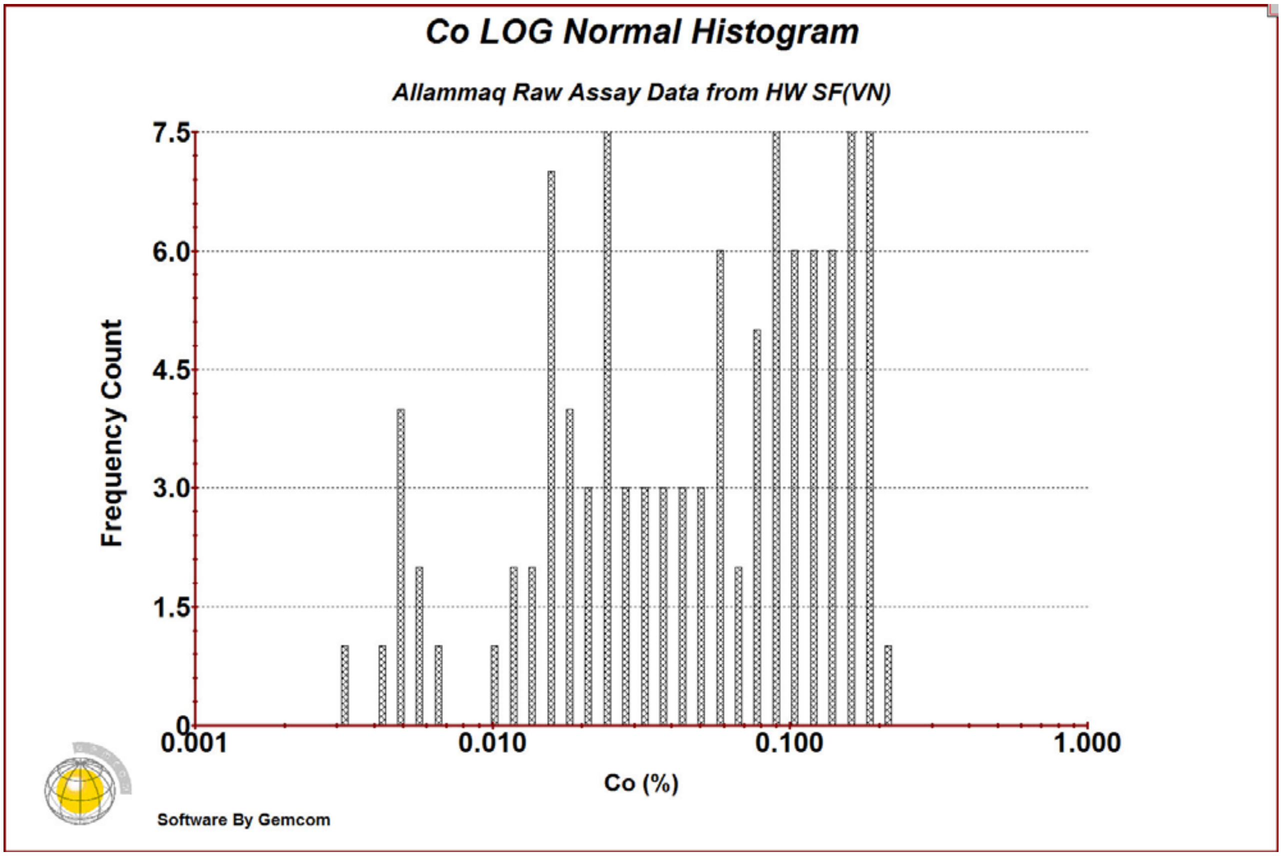
0.010
0.100
1.000
10.000
100.000
Cu (%)
Software By Gemcom



Co LOG Normal Histogram
Allammaq Raw Assay Data from HW SF(VN)
Frequency Count
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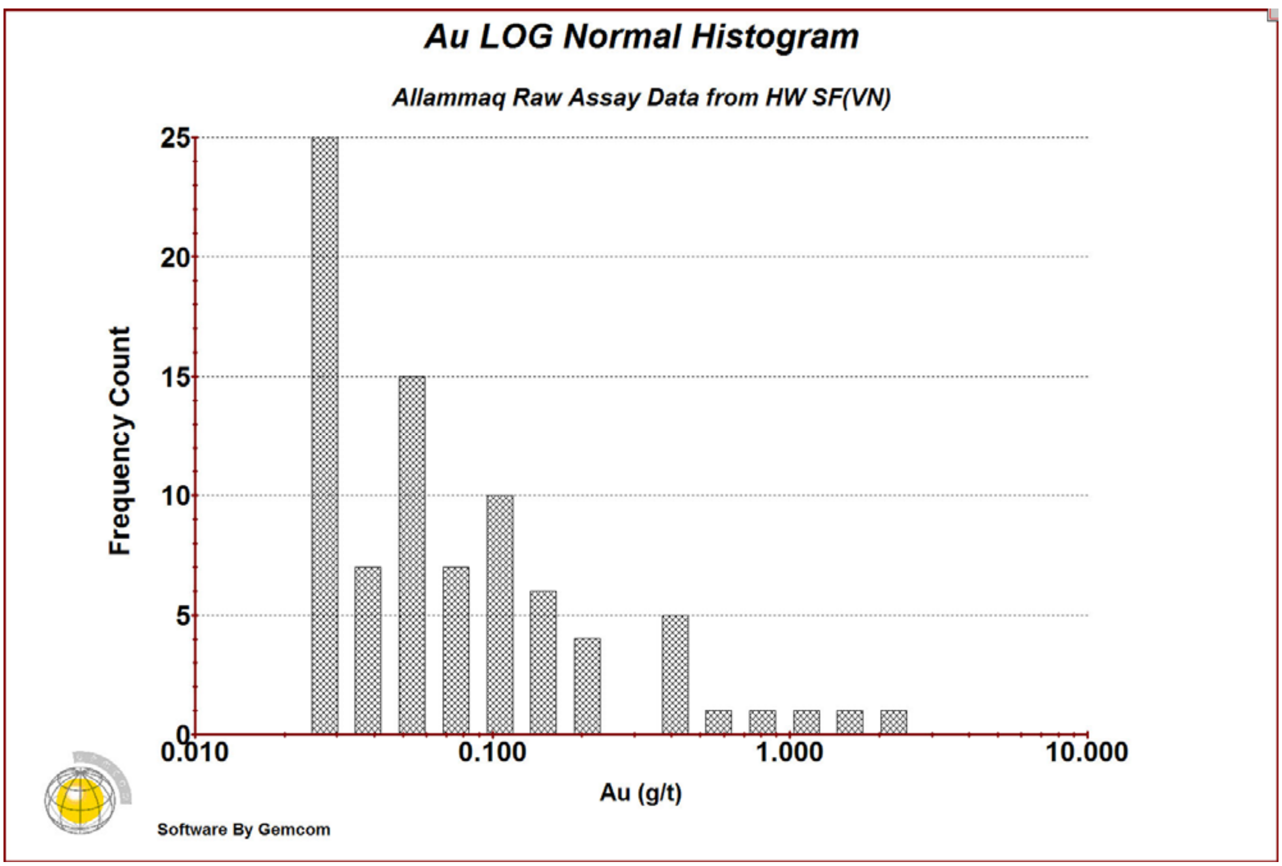
4.5
3.0
1.5
0
0.001
0.010
0.100
1.000
Co (%)
Software By Gemcom



Au LOG Normal Histogram
Allammaq Raw Assay Data from HW SF(VN)
Frequency Count
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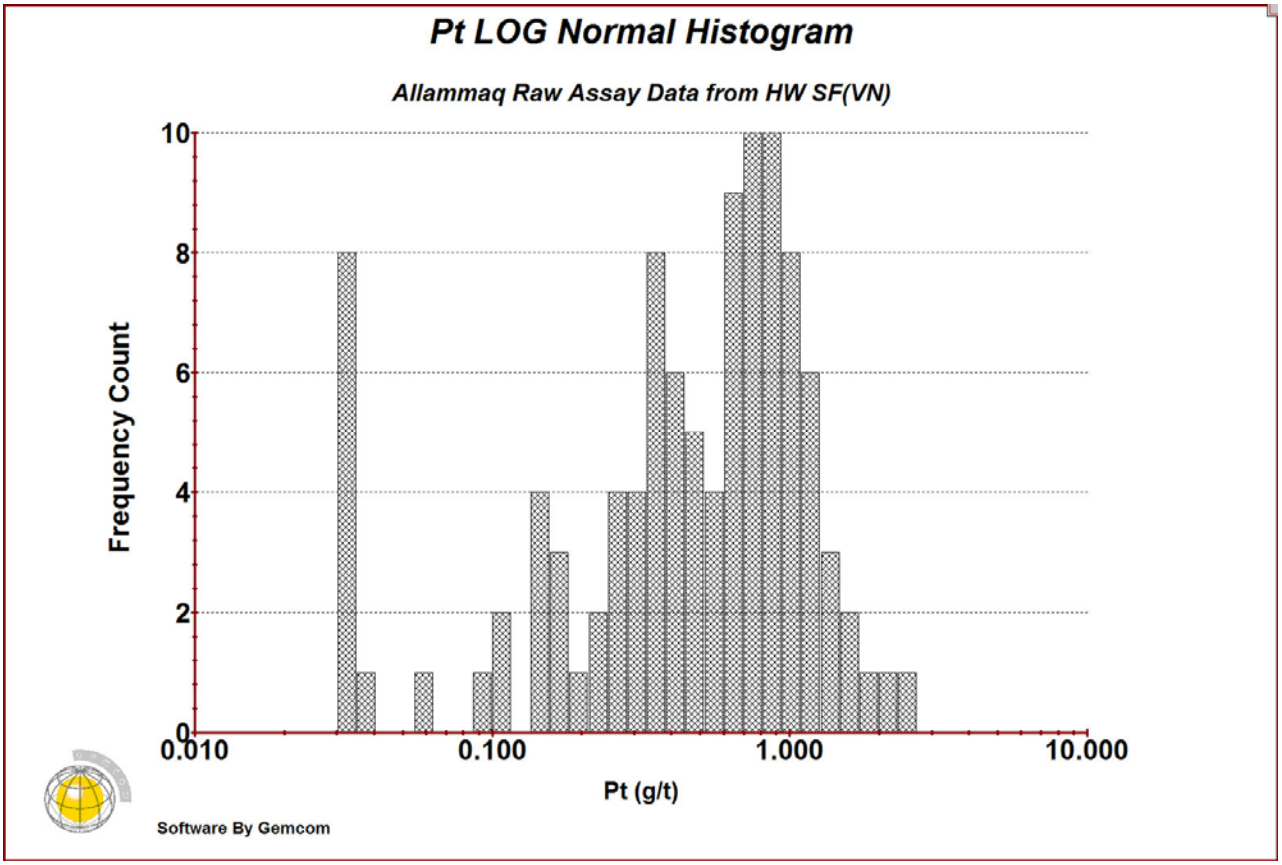
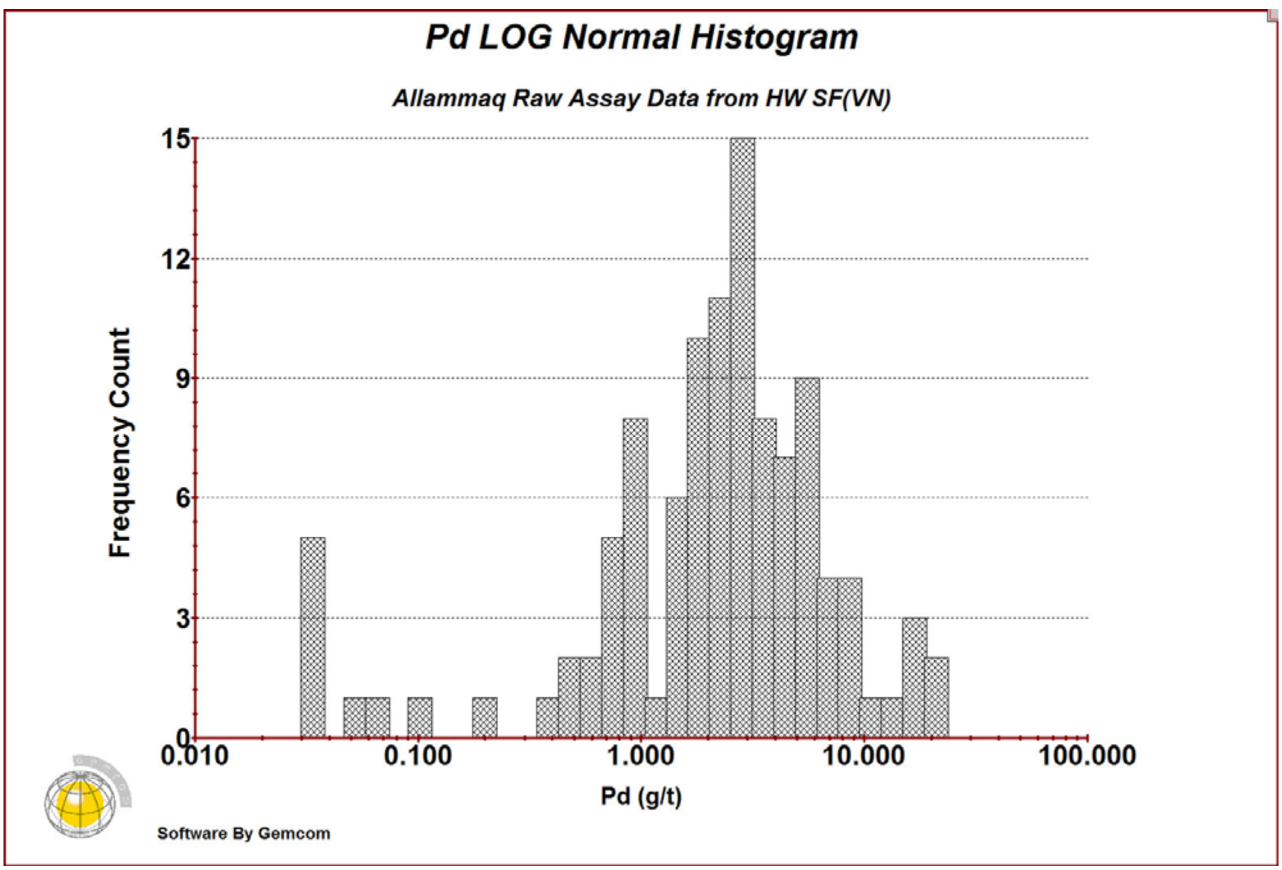
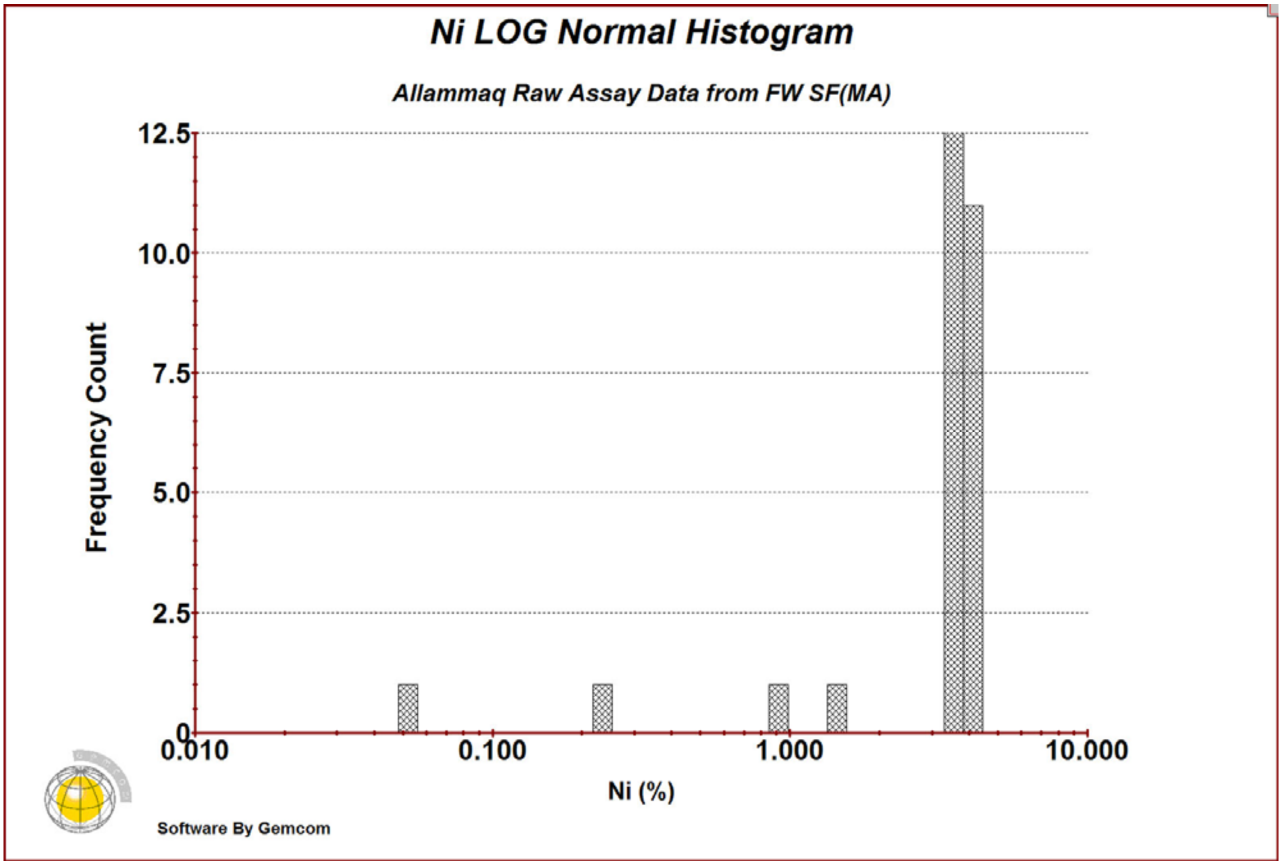
20
15
10
5
0
0.010
0.100
1.000
10.000
Au (g/t)
Software By Gemcom

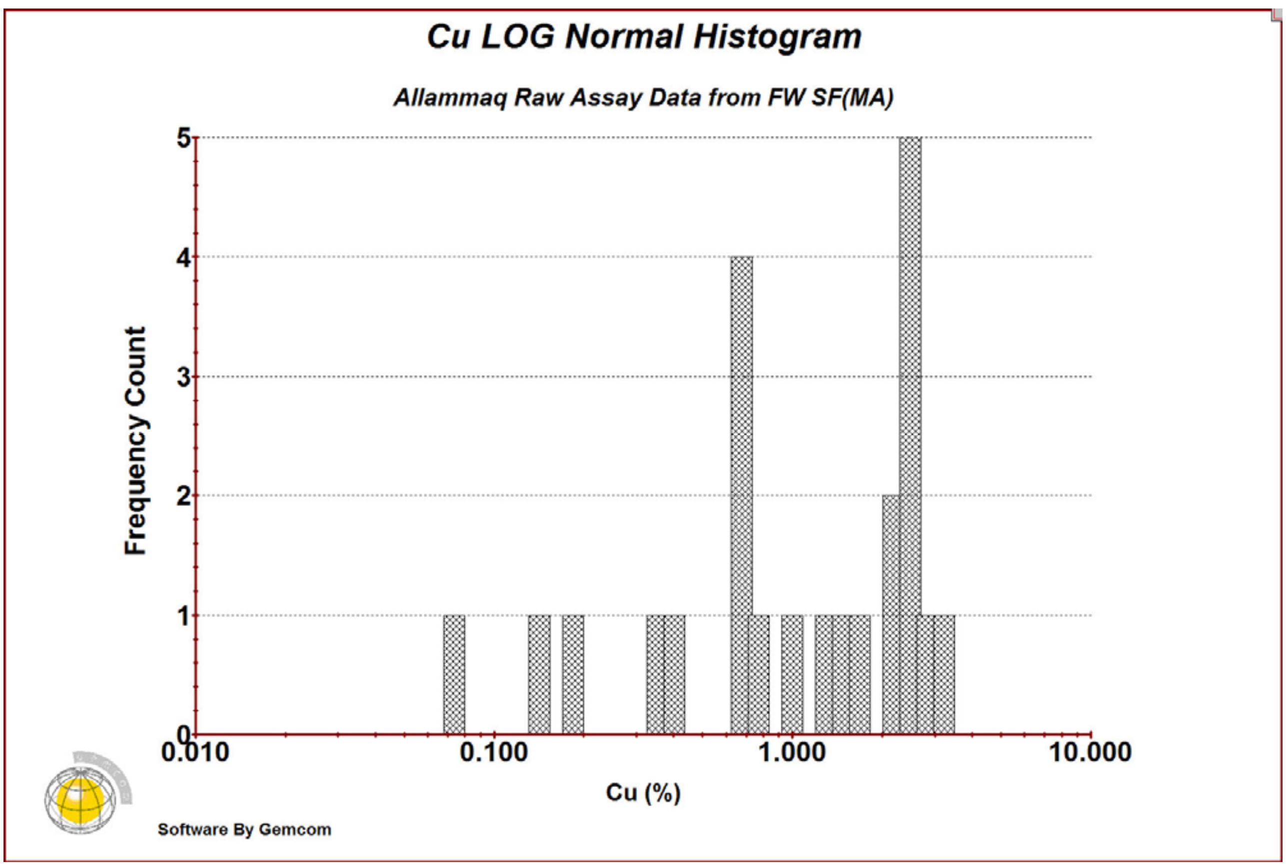


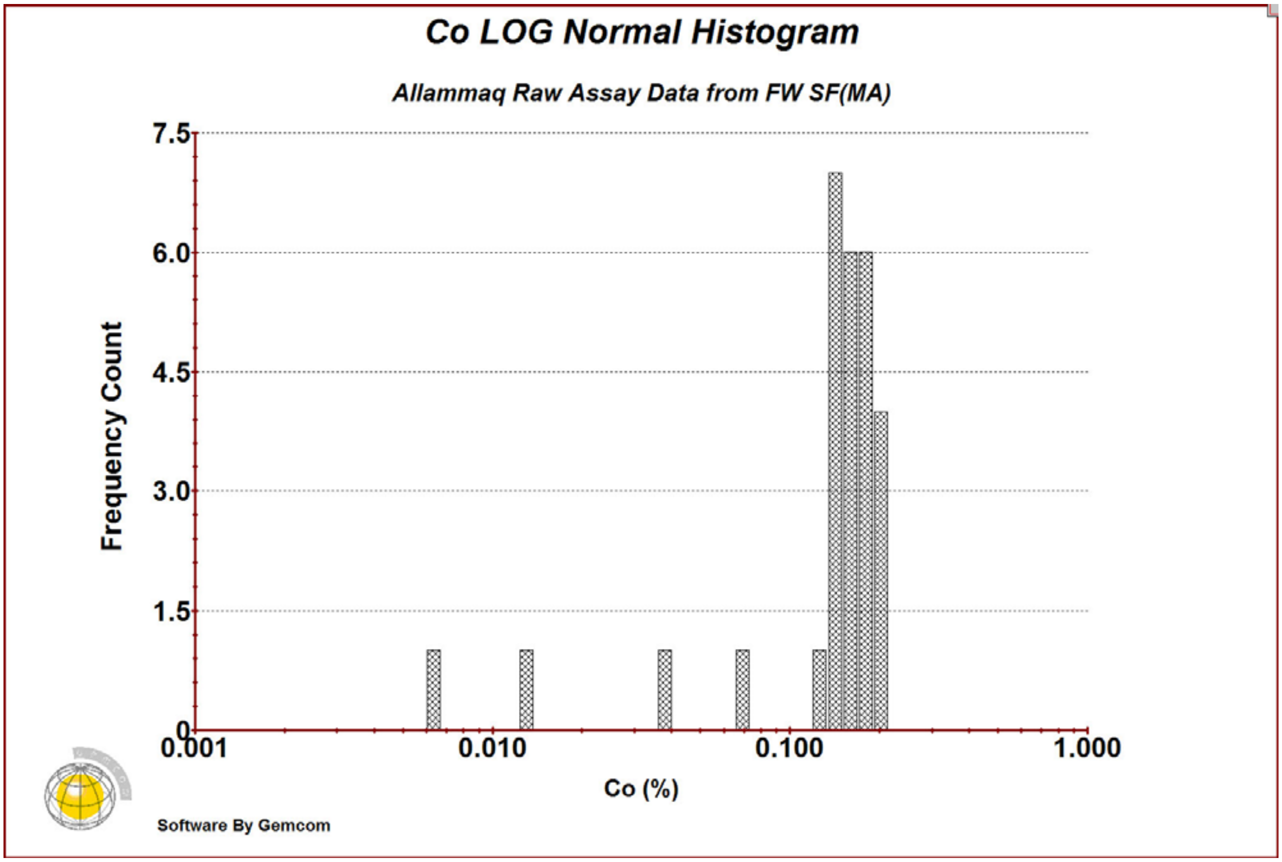
Pt LOG Normal Histogram
Allammaq Raw Assay Data from HW SF(VN)
Frequency Count
0
2
4
6
8
10
0.010
0.100
1.000
10.000
Pt (g/t)
Software By Gemcom

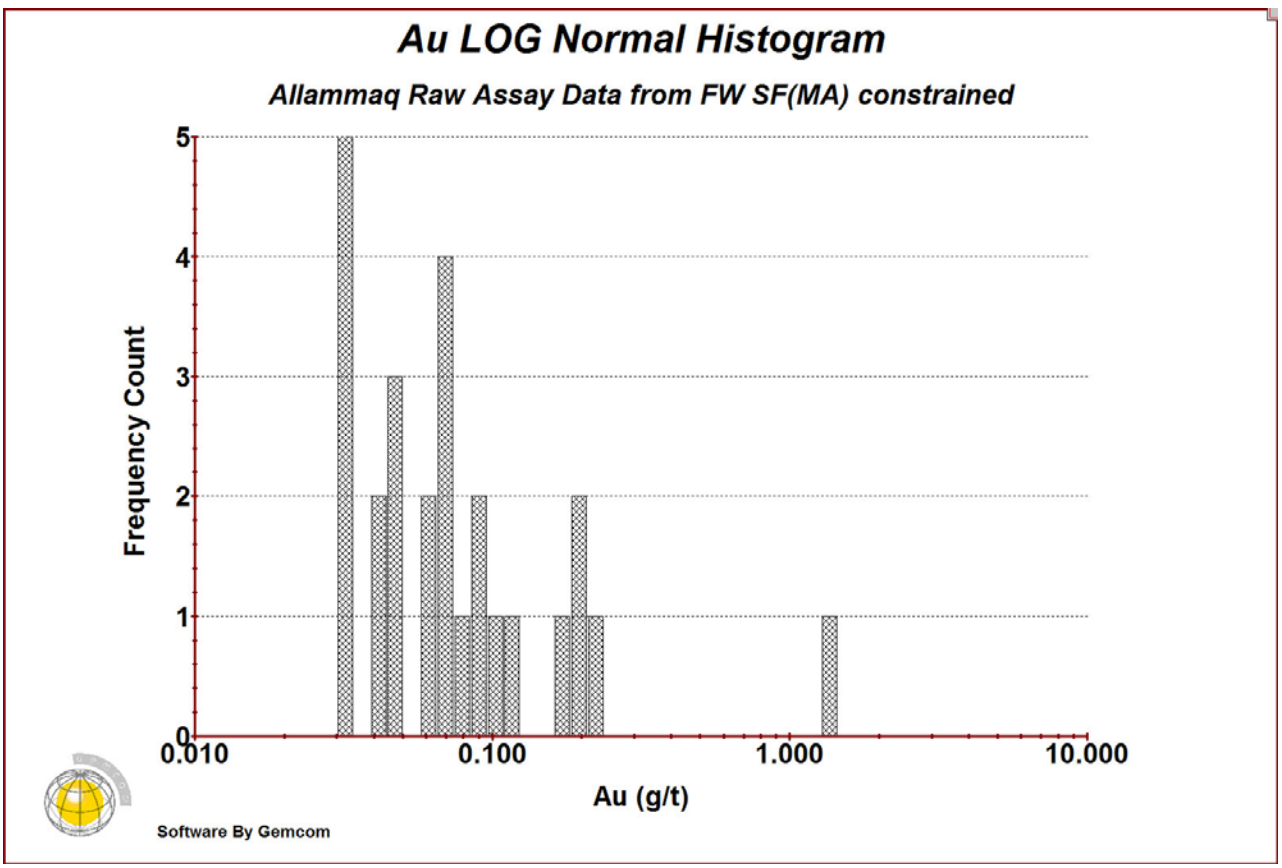


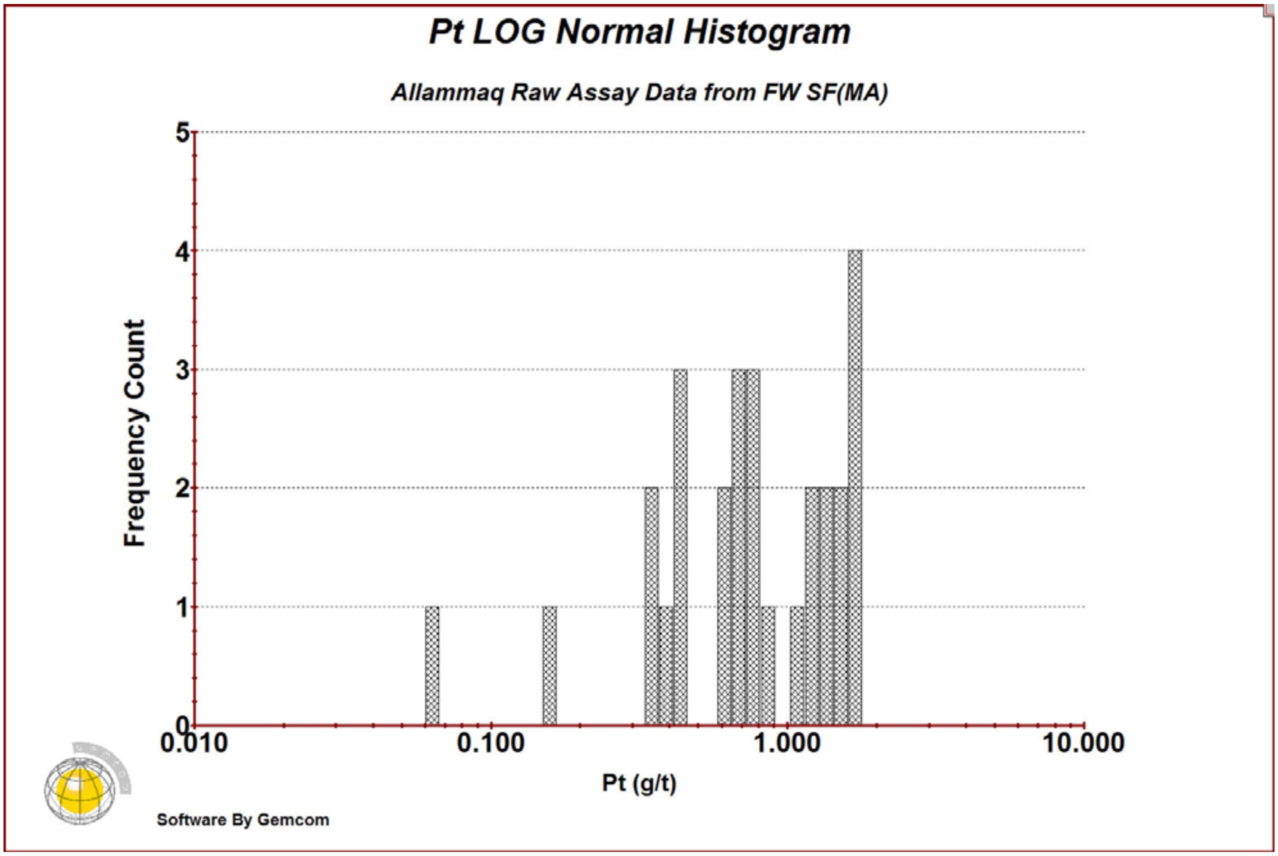
Pd LOG Normal Histogram
Allammaq Raw Assay Data from HW SF(VN)
Frequency Count
0
3
6
9
12
15
0.010
0.100
1.000
10.000
100.000
Pd (g/t)
Software By Gemcom

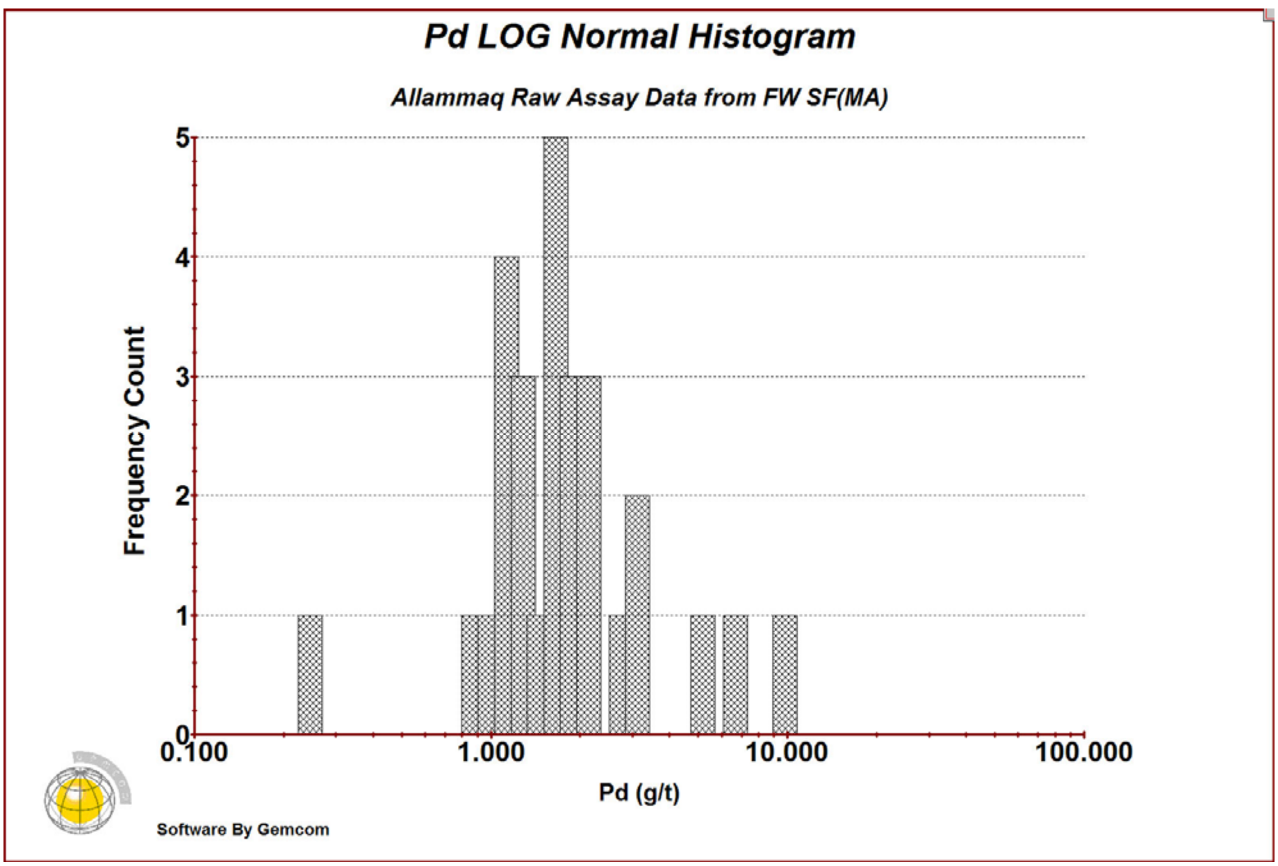

Ni LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(MA)
Frequency Count
12.5
10.0
7.5
5.0
2.5
0
0.010
0.100
1.000
10.000
Ni (%)
Software By Gemcom

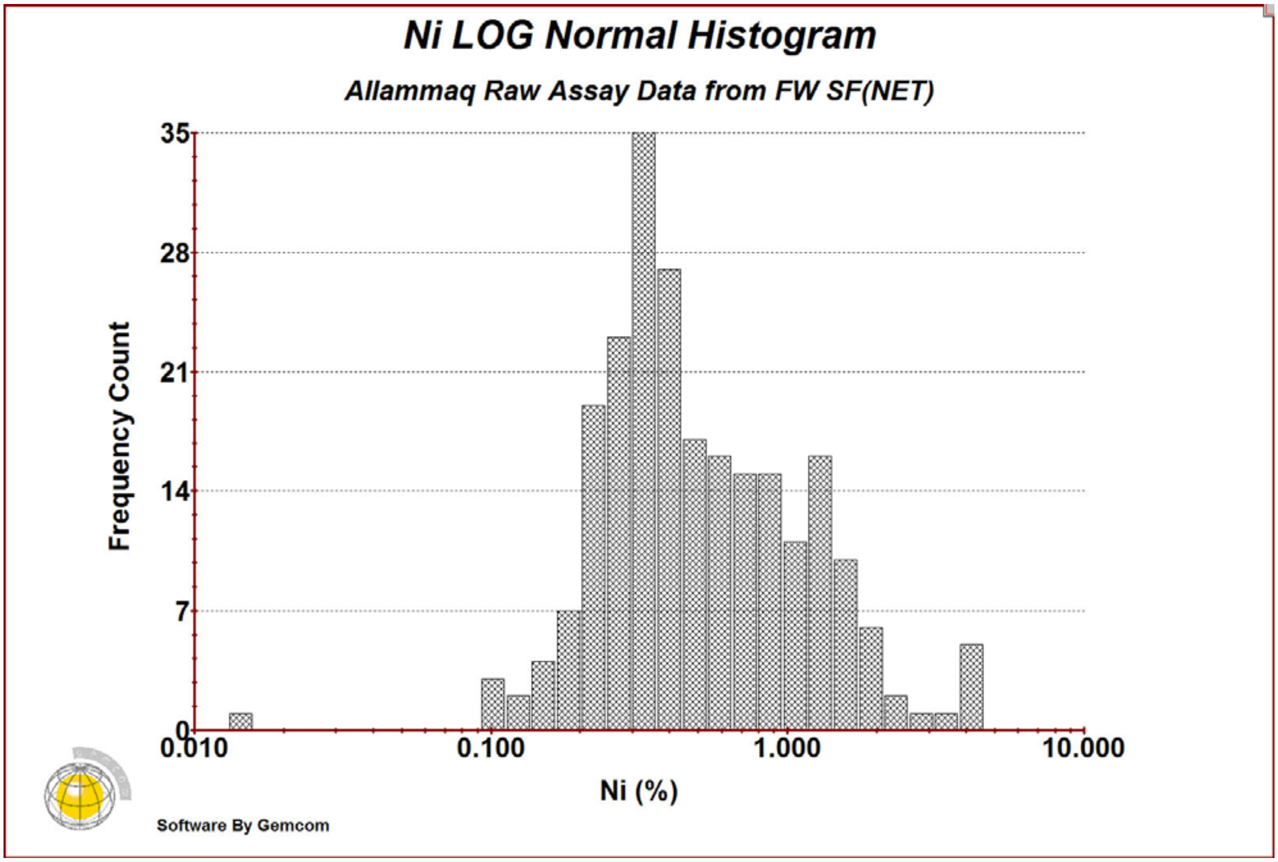

Cu LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(MA)
Frequency Count
5
4
3
2
1
0
0.010
0.100
1.000
10.000
Cu (%)
Software By Gemcom

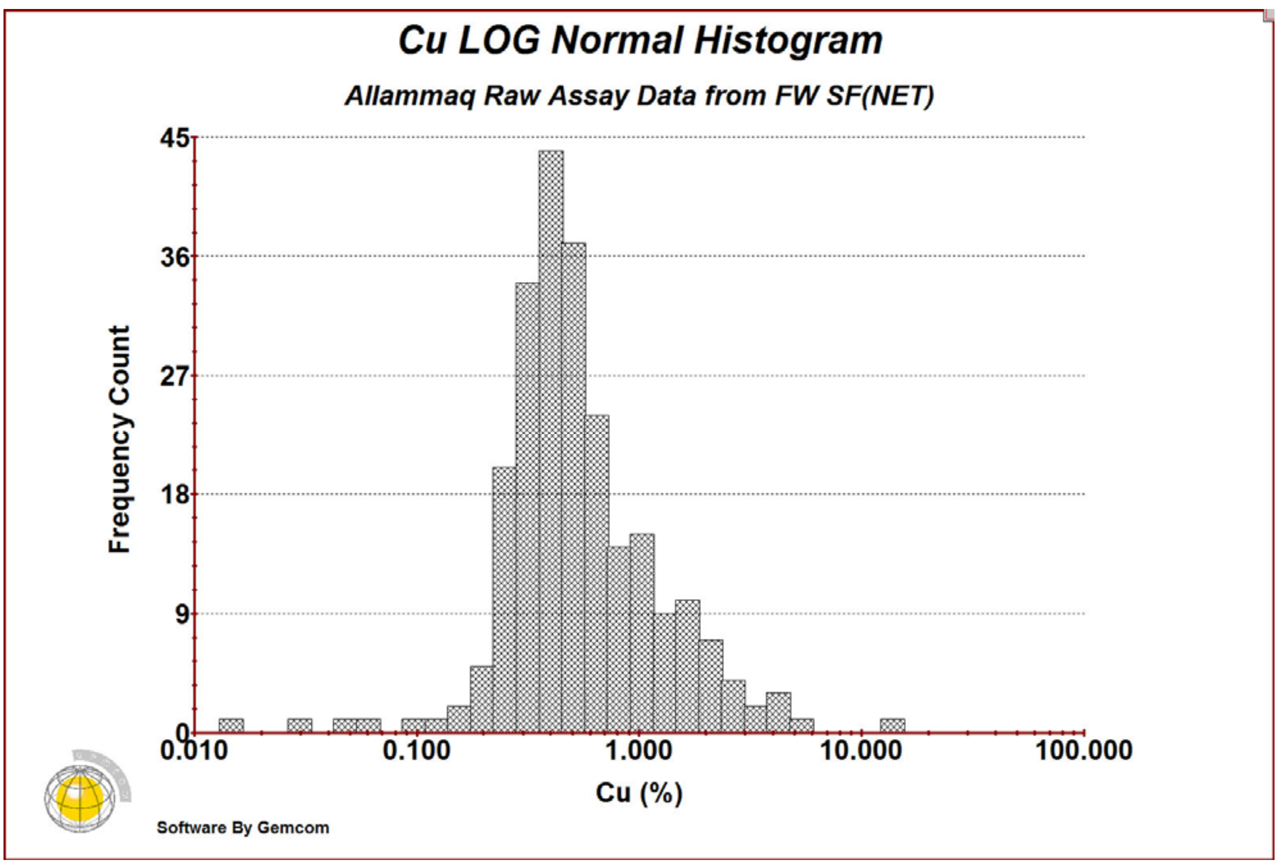

Co LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(MA)
Frequency Count
7.5
6.0
4.5
3.0
1.5
0
0.001
0.010
0.100
1.000
Co (%)
Software By Gemcom

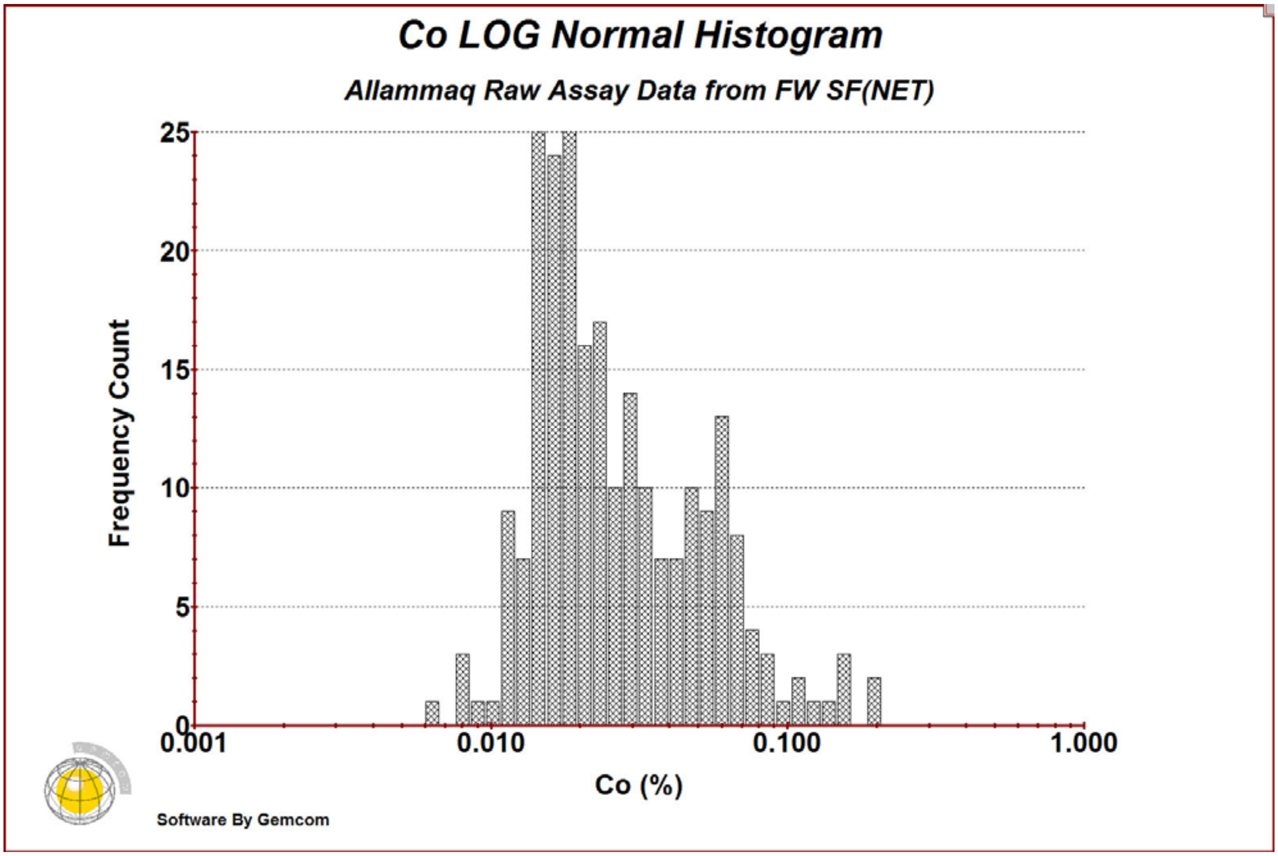

Au LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(MA) constrained
Frequency Count
5
4
3
2
1
0
0.010
0.100
1.000
10.000
Au (g/t)
Software By Gemcom

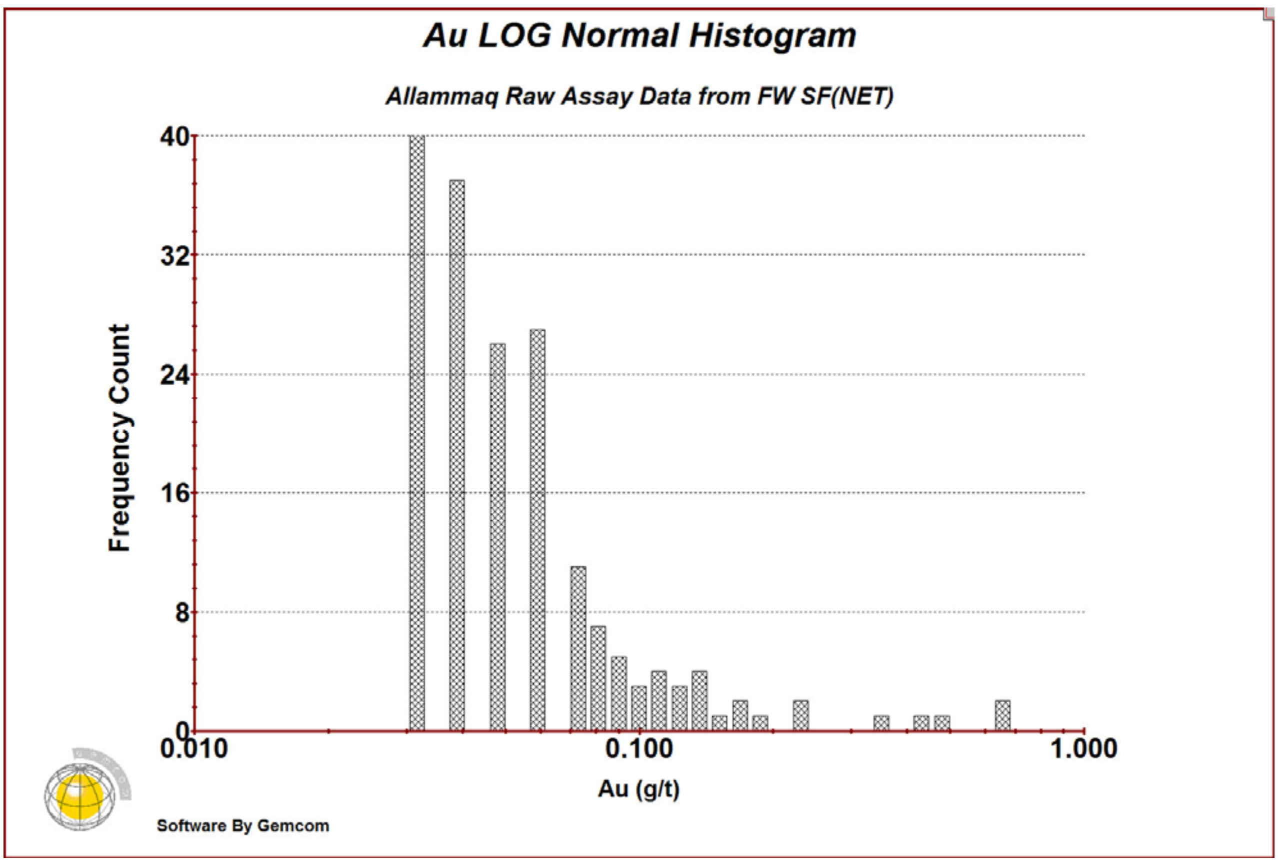

Pt LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(MA)
Frequency Count
0
1
2
3
4
5
0.010
0.100
1.000
10.000
Pt (g/t)
Software By Gemcom

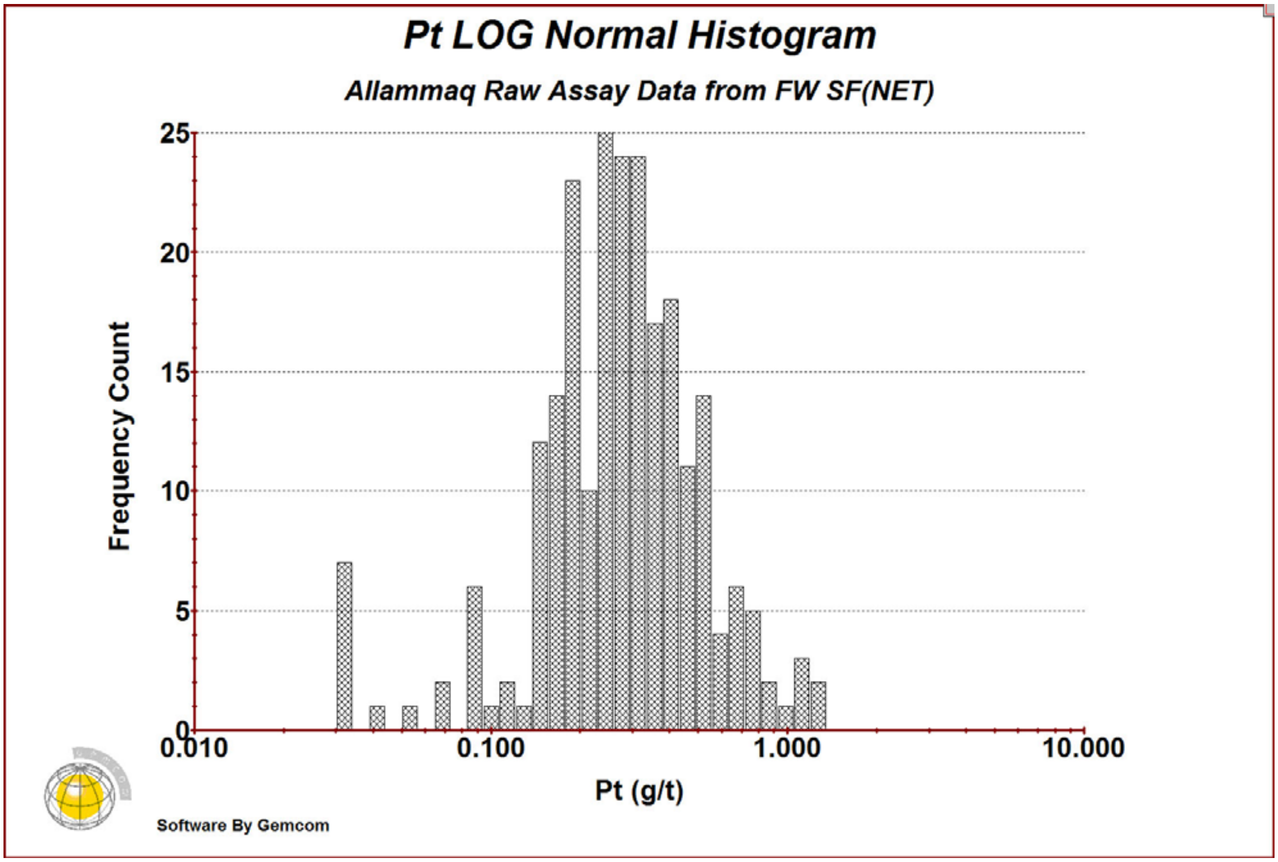

Pd LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(MA)
Frequency Count
0
1
2
3
4
5
0.100
1.000
10.000
100.000
Pd (g/t)
Software By Gemcom

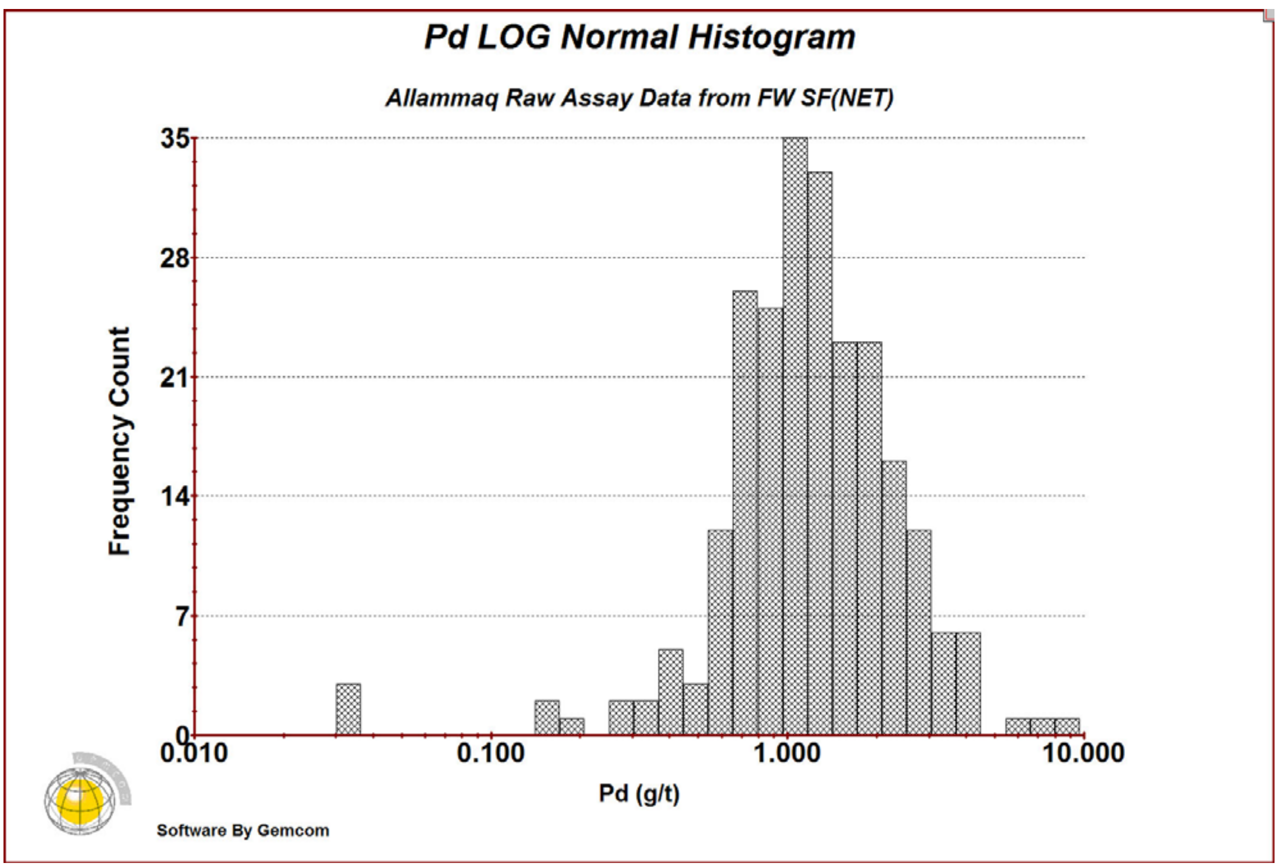

Ni LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(NET)
Frequency Count
35
28
21
14
7
0
0.010
0.100
1.000
10.000
Ni (%)
Software By Gemcom

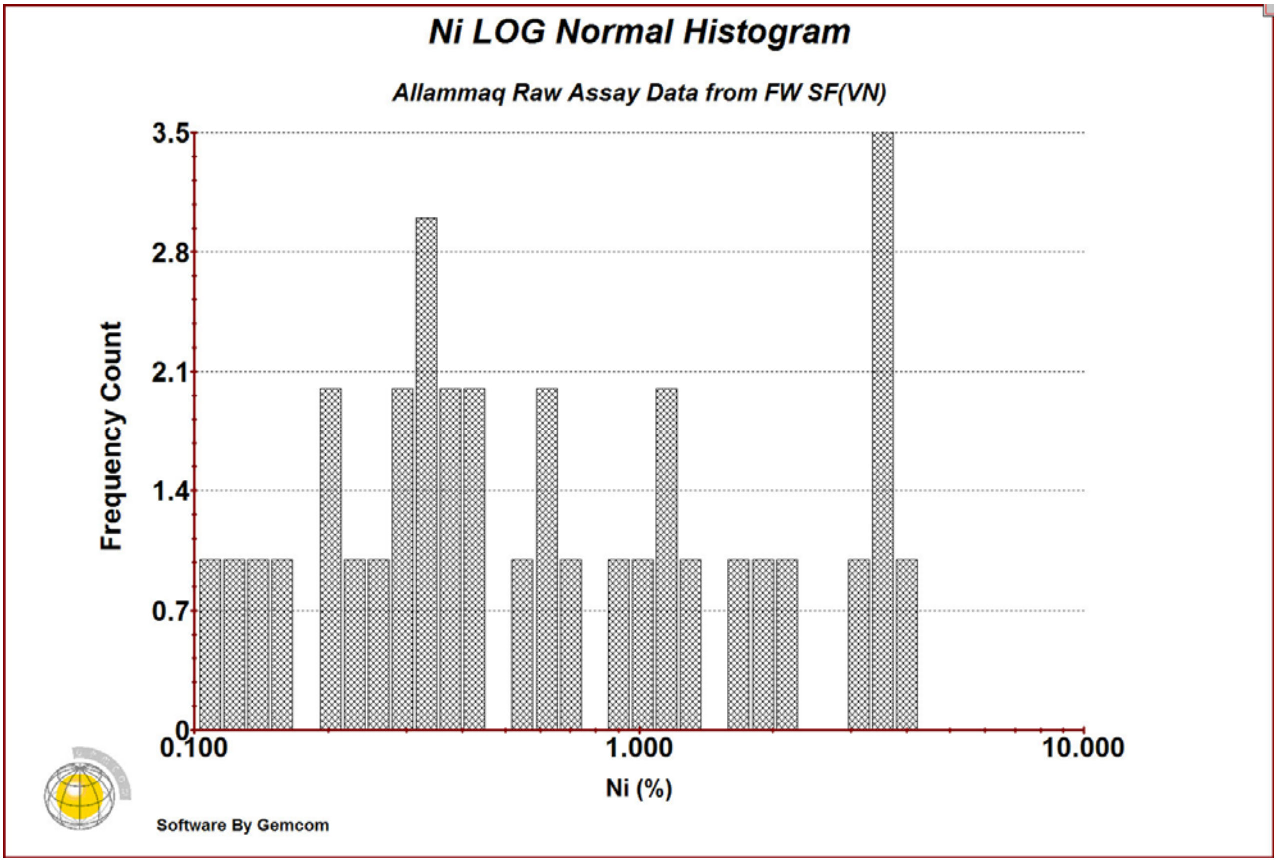

Cu LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(NET)
Frequency Count
45
36
27
18
9
0
0.010
0.100
1.000
10.000
100.000
Cu (%)
Software By Gemcom

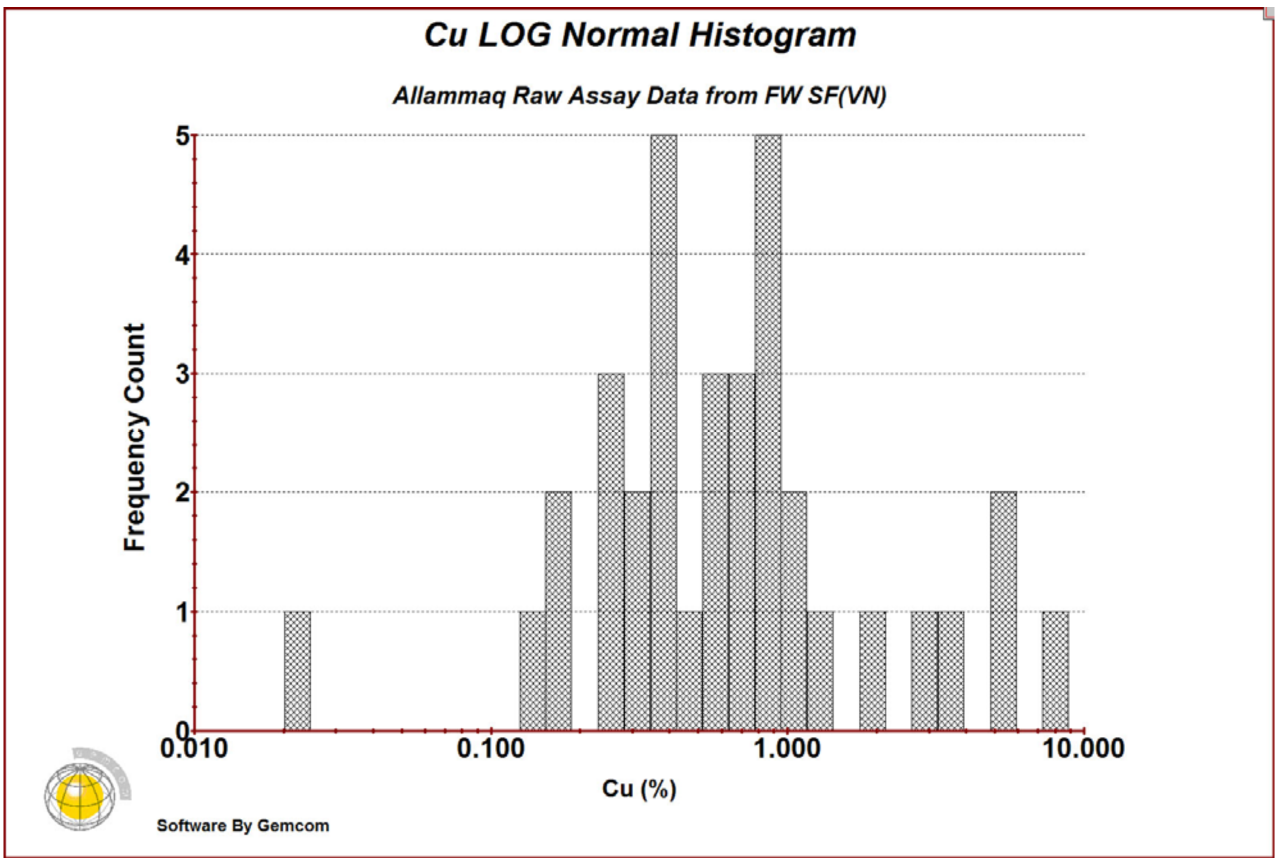

Co LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(NET)
Frequency Count
25
20
15
10
5
0
0.001
0.010
0.100
1.000
Co (%)
Software By Gemcom

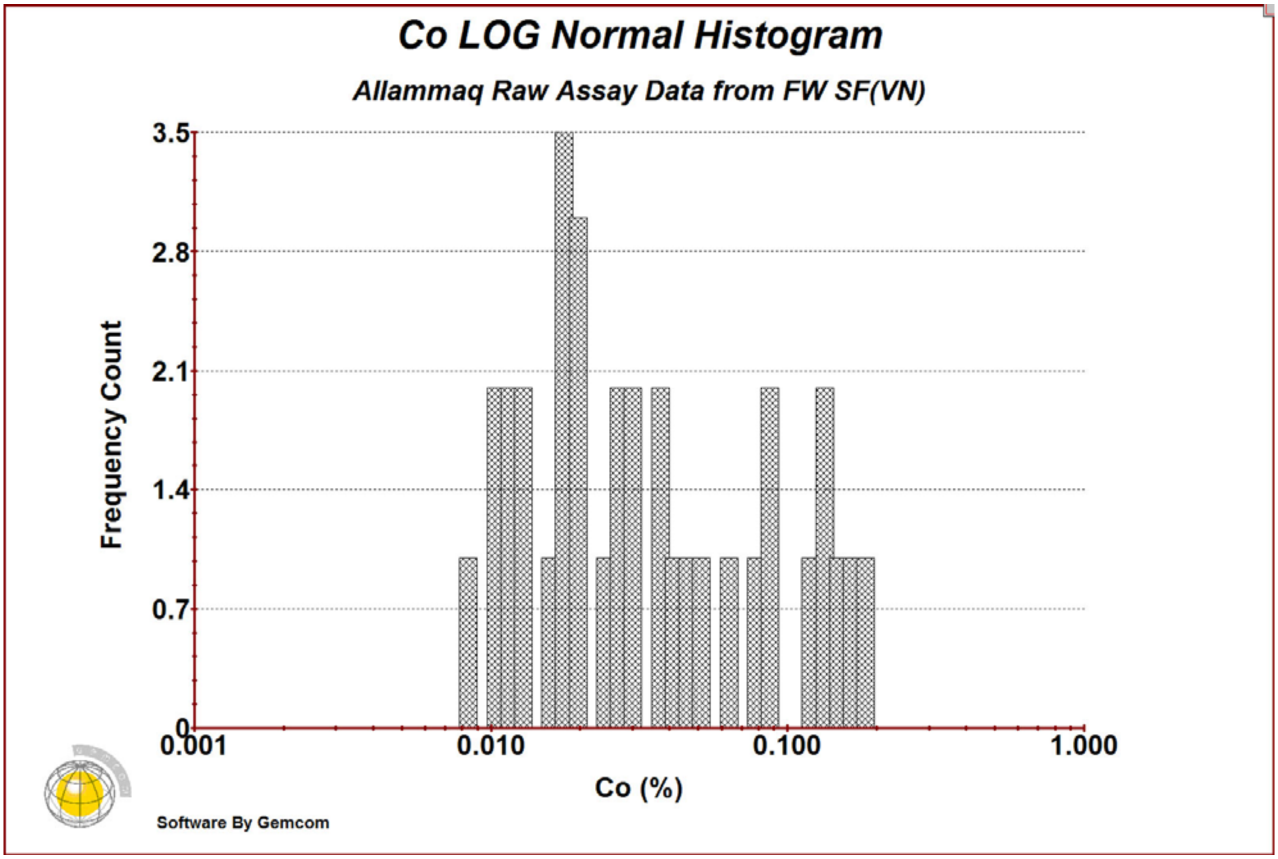

Au LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(NET)
Frequency Count
40
32
24
16
8
0
0.010
0.100
1.000
Au (g/t)
Software By Gemcom

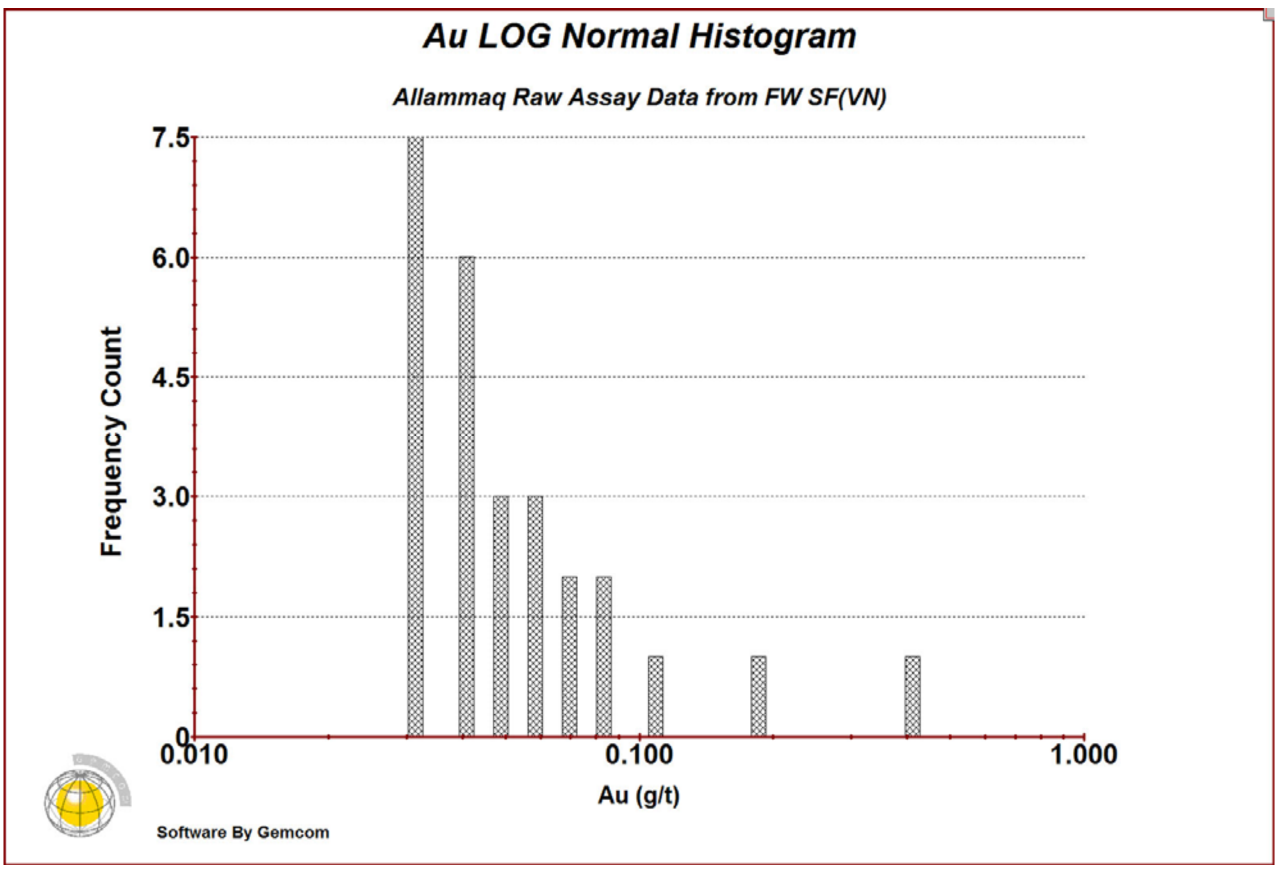

Pt LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(NET)
Frequency Count
25
20
15
10
5
0
0.010
0.100
1.000
10.000
Pt (g/t)
Software By Gemcom

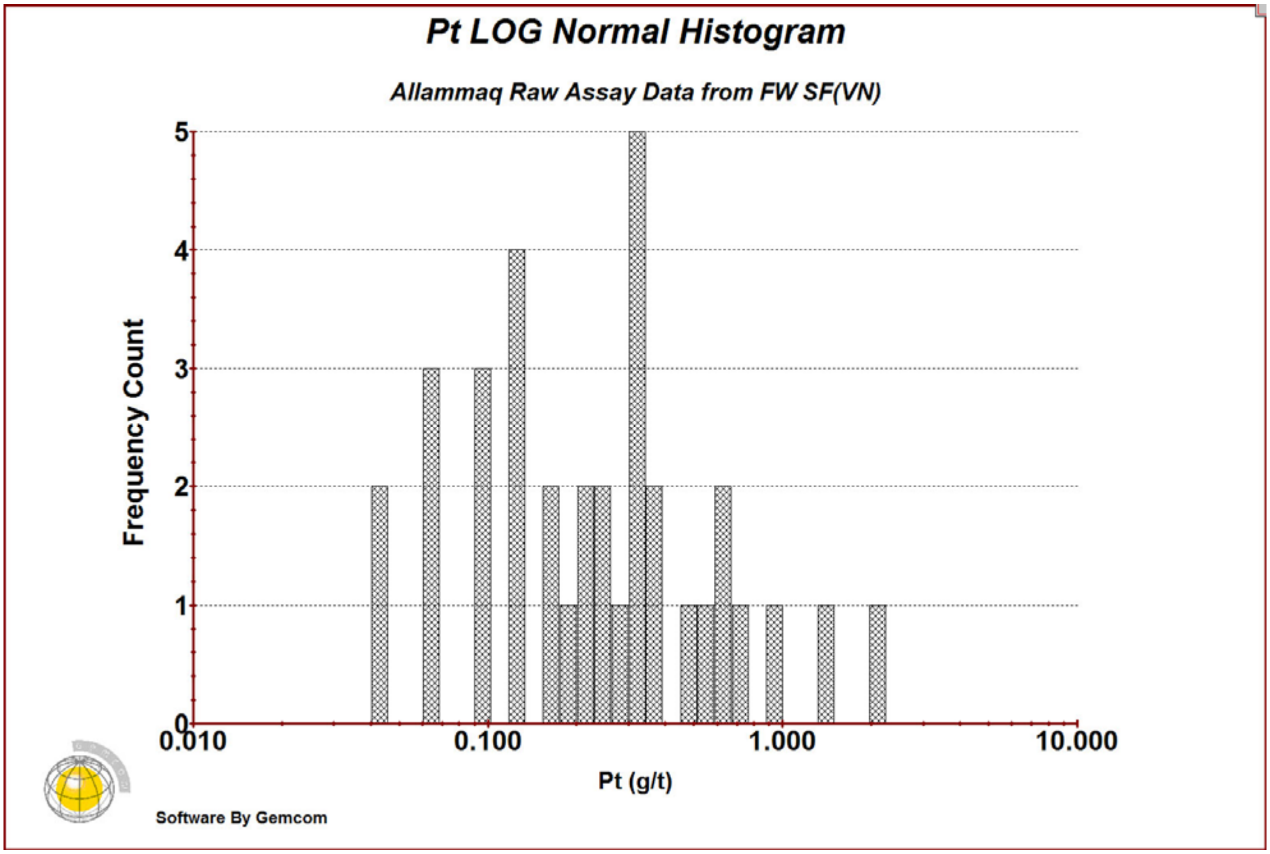

Pd LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(NET)
Frequency Count
35
28
21
14
7
0
0.010
0.100
1.000
10.000
Pd (g/t)
Software By Gemcom

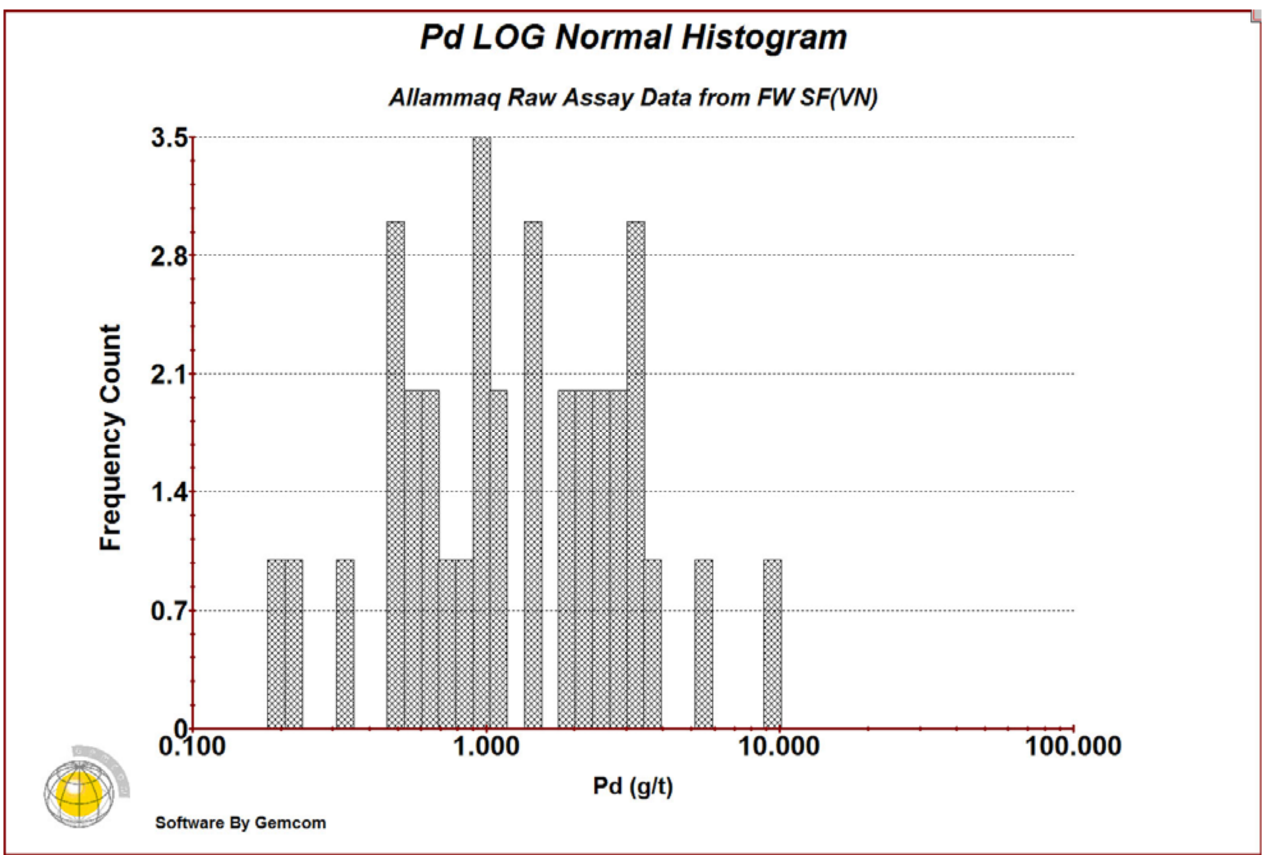

Ni LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(VN)
Frequency Count
3.5
2.8
2.1
1.4
0.7
0
0.100
1.000
10.000
Ni (%)
Software By Gemcom

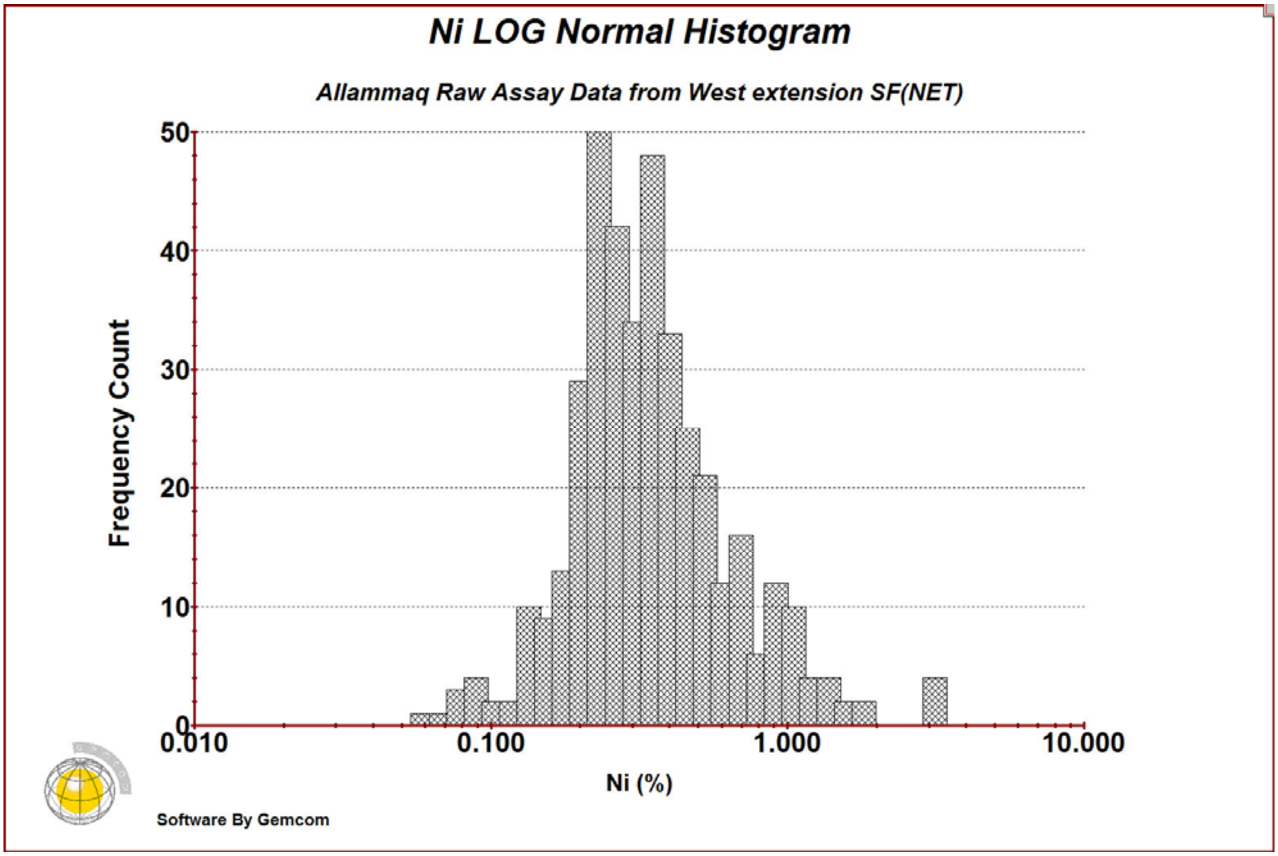

Cu LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(VN)
Frequency Count
5
4
3
2
1
0
0.010
0.100
1.000
10.000
Cu (%)
Software By Gemcom


Co LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(VN)
Frequency Count
3.5
2.8
2.1
1.4
0.7
0
0.001
0.010
0.100
1.000
Co (%)
Software By Gemcom

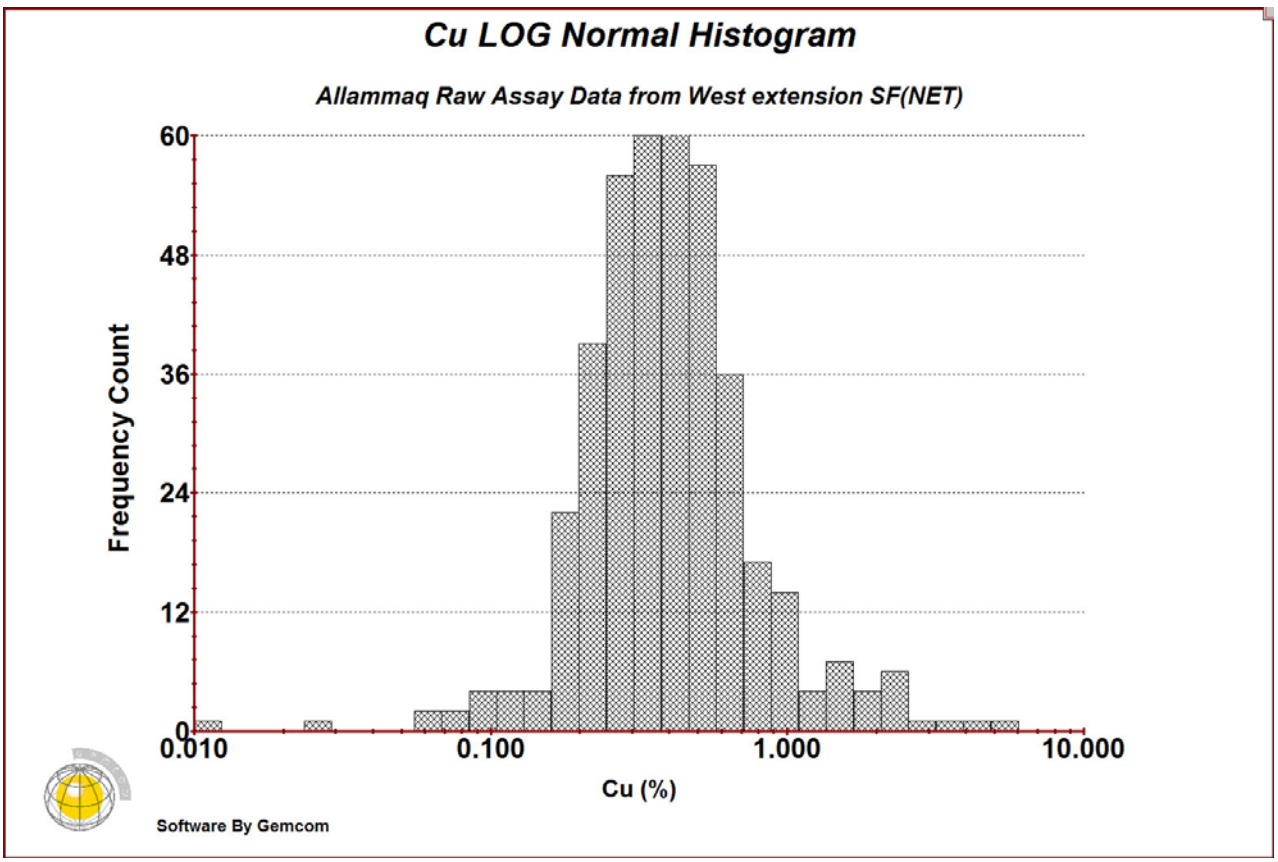

Au LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(VN)
Frequency Count
7.5
6.0
4.5
3.0
1.5
0
0.010
0.100
1.000
Au (g/t)
Software By Gemcom


Pt LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(VN)
Frequency Count
5
4
3
2
1
0
0.010
0.100
1.000
10.000
Pt (g/t)
Software By Gemcom

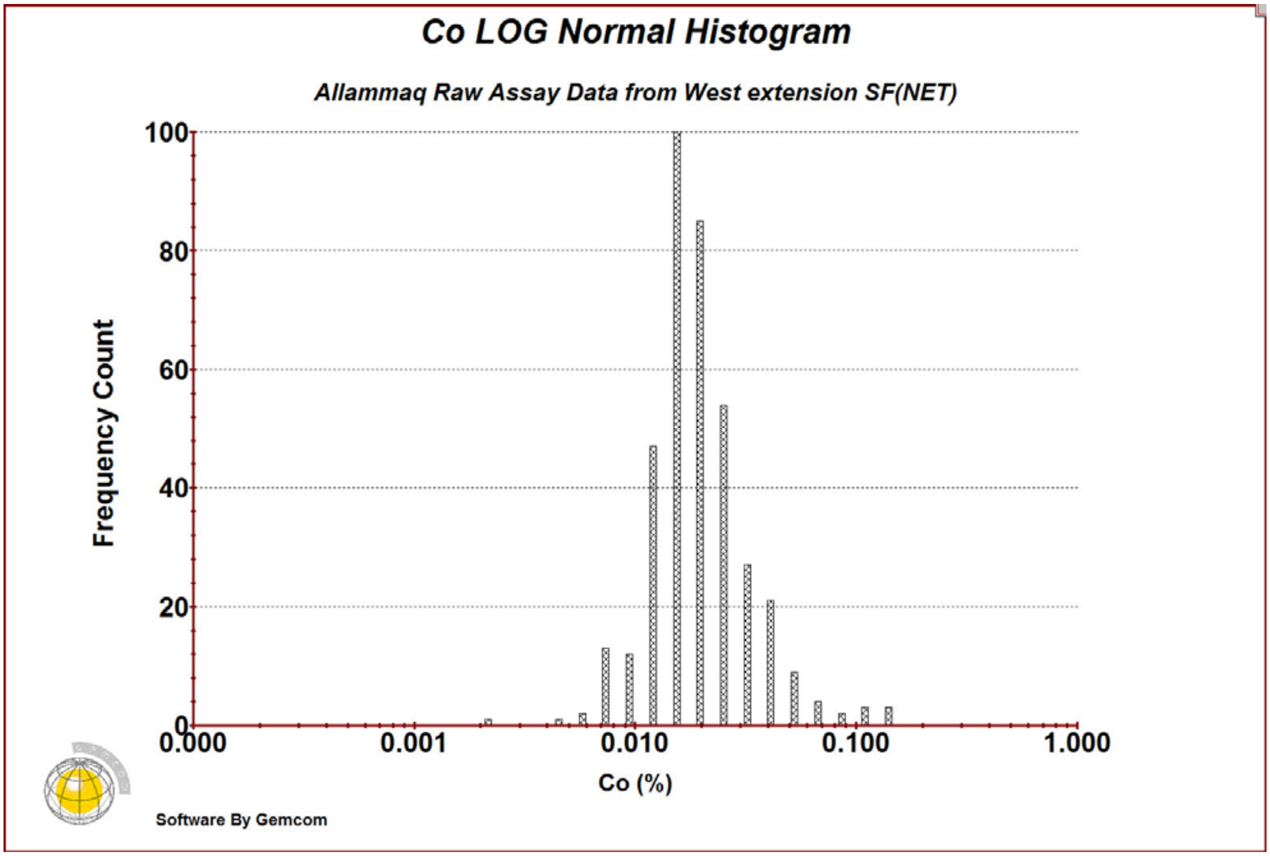

Pd LOG Normal Histogram
Allammaq Raw Assay Data from FW SF(VN)
Frequency Count
3.5
2.8
2.1
1.4
0.7
0
0.100
1.000
10.000
100.000
Pd (g/t)
Software By Gemcom



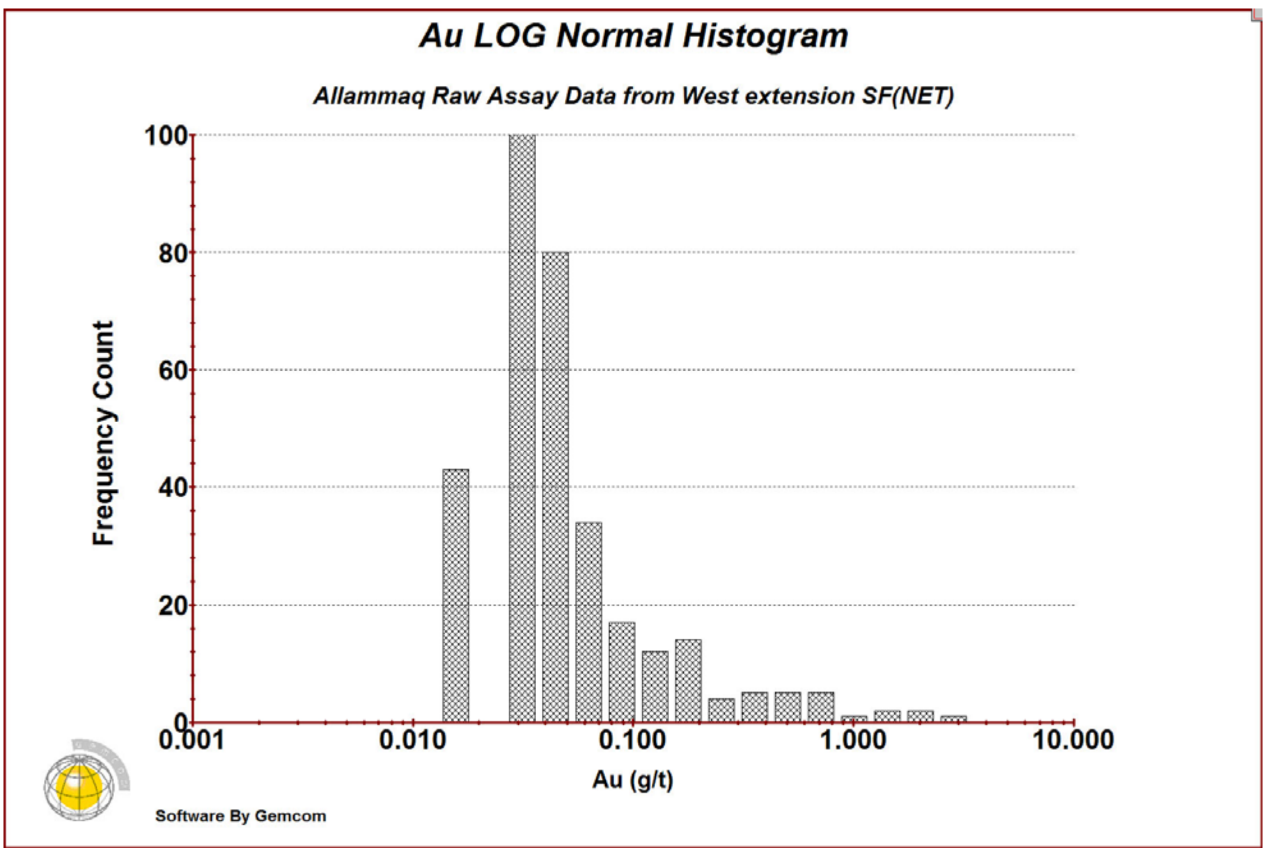
Ni LOG Normal Histogram
Allammaq Raw Assay Data from West extension SF(NET)
Frequency Count
50
40
30
20
10
0
0.010
0.100
1.000
10.000
Ni (%)
Software By Gemcom



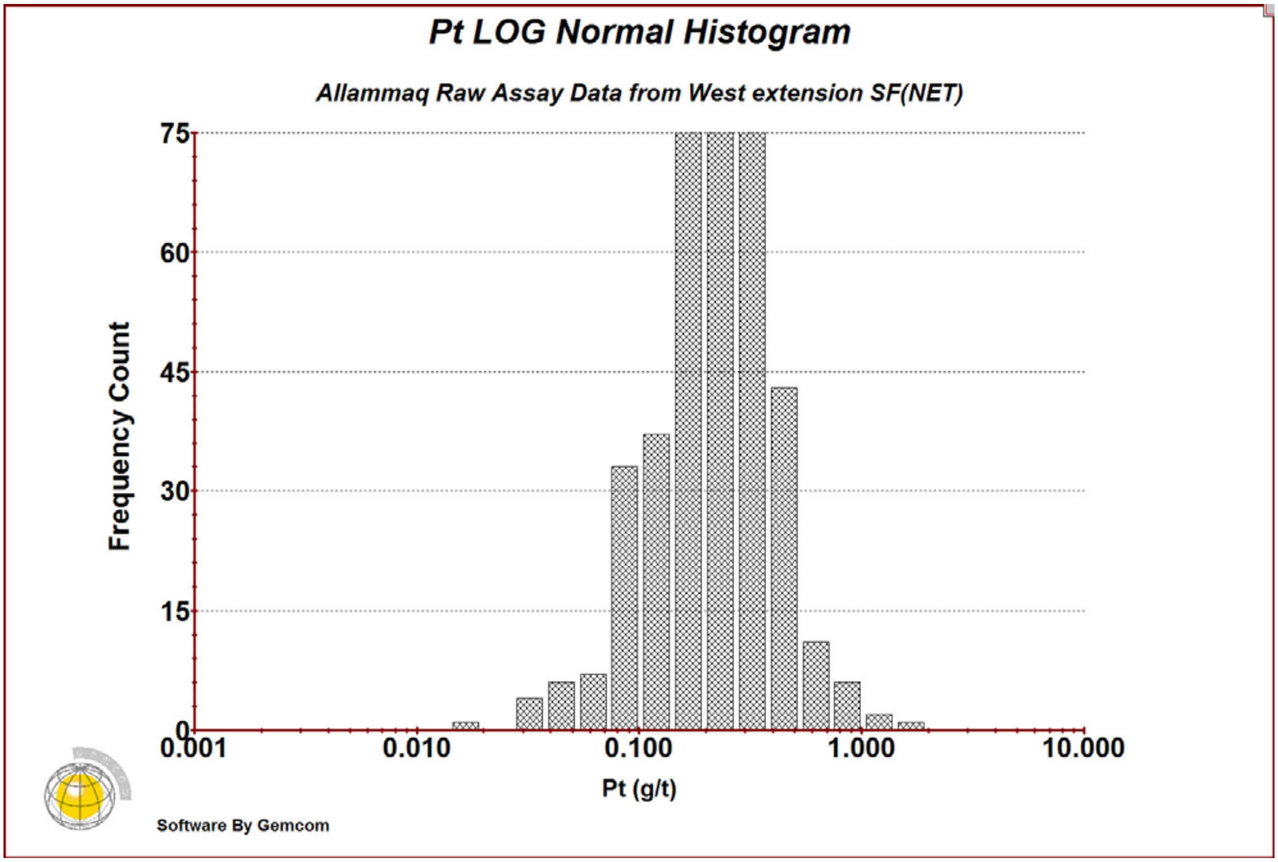
Cu LOG Normal Histogram
Allammaq Raw Assay Data from West extension SF(NET)
Frequency Count
60
48
36
24
12
0
0.010
0.100
1.000
10.000
Cu (%)
Software By Gemcom

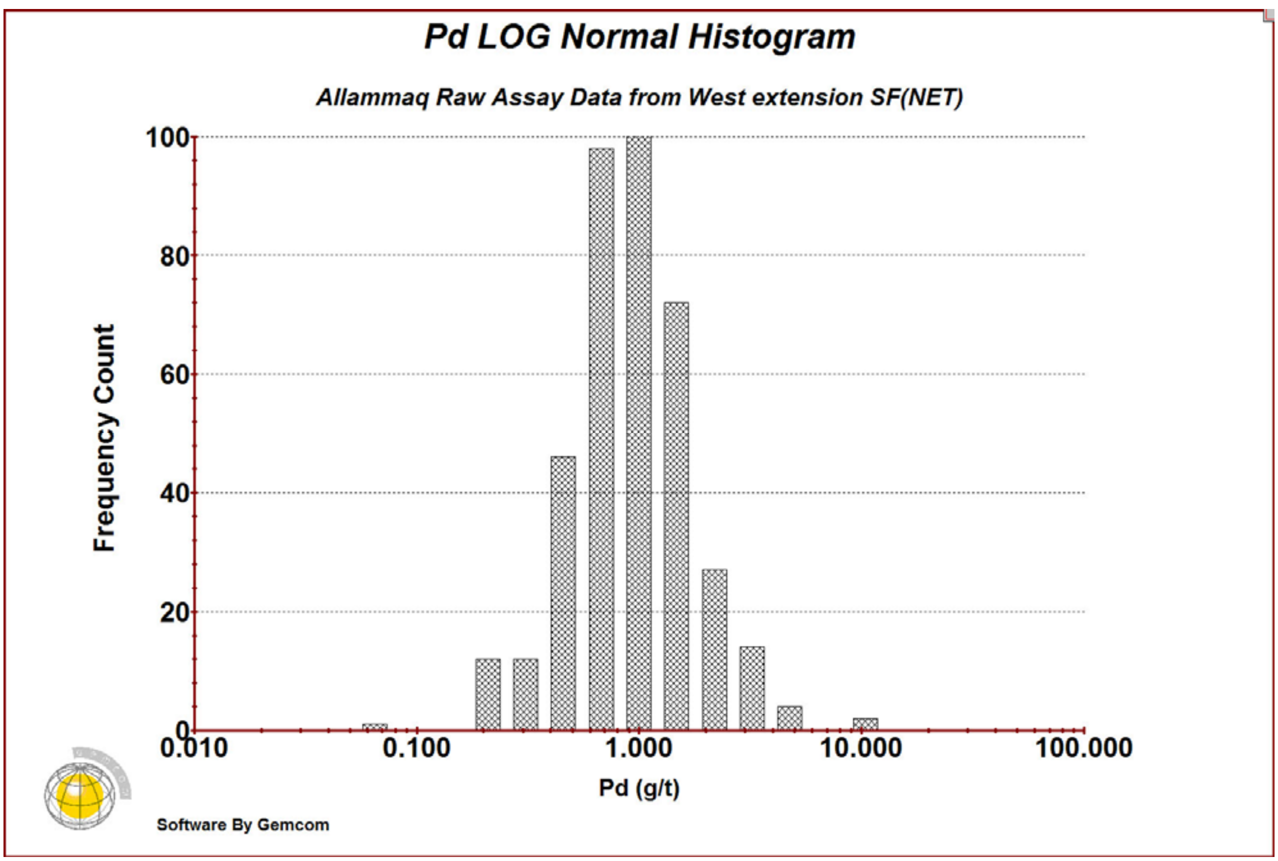


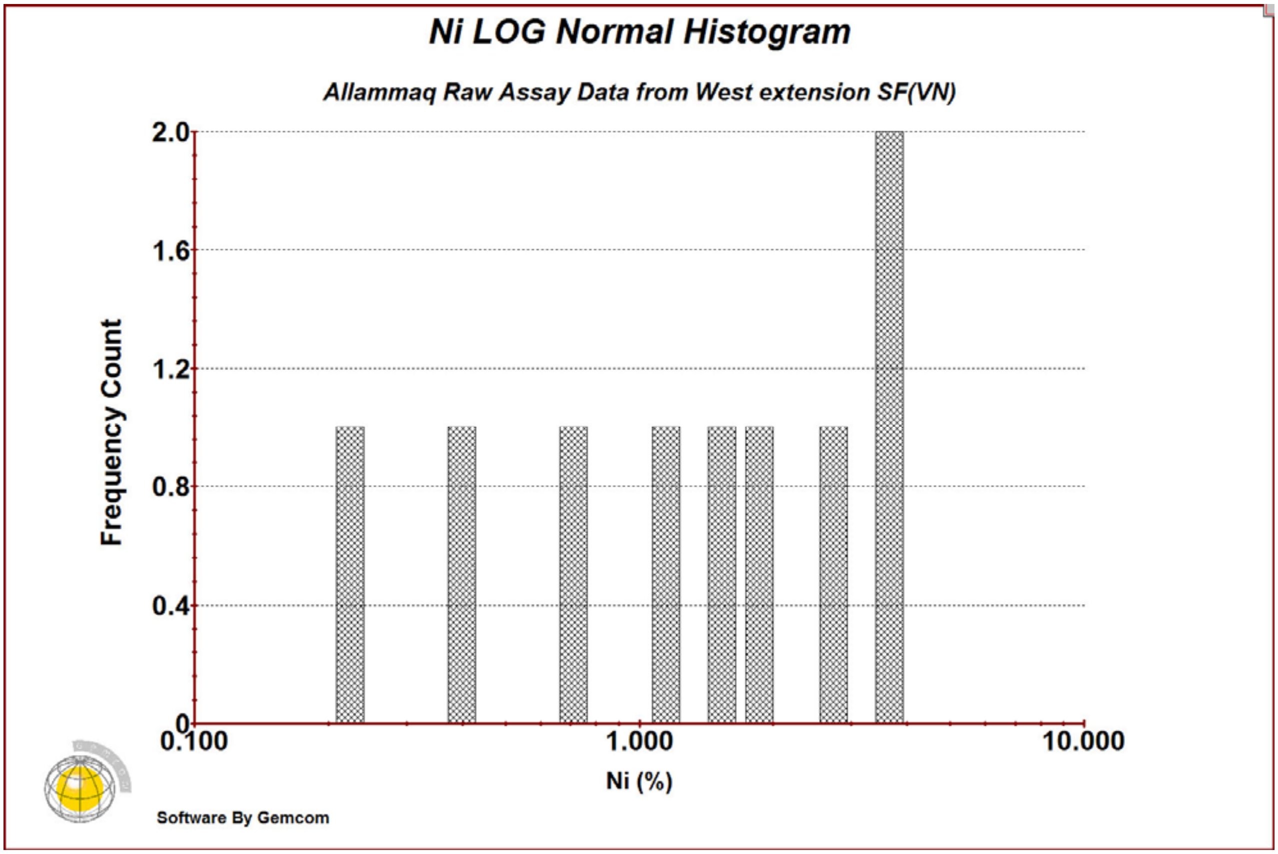
Co LOG Normal Histogram
Allammaq Raw Assay Data from West extension SF(NET)
Frequency Count
100
80
60
40
20
0
0.000
0.001
0.010
0.100
1.000
Co (%)
Software By Gemcom

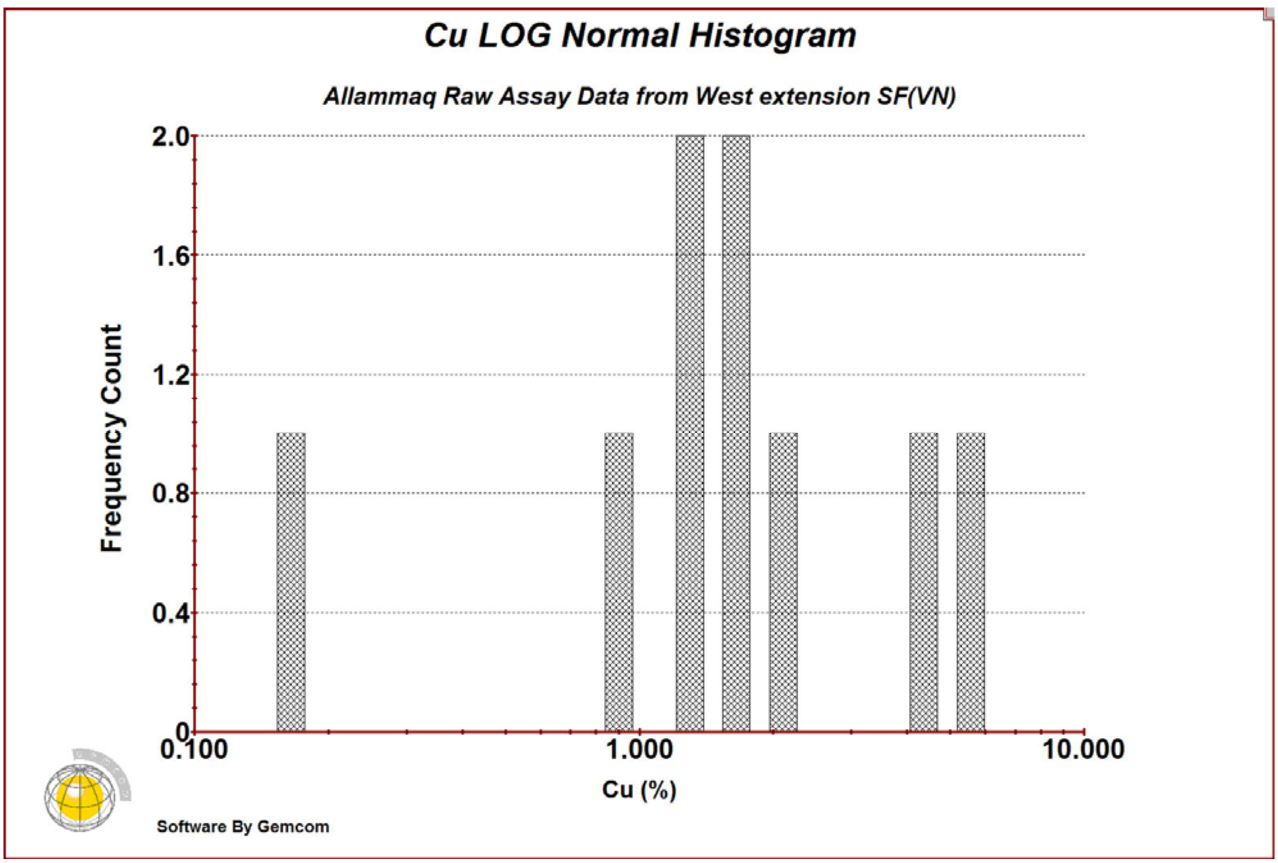


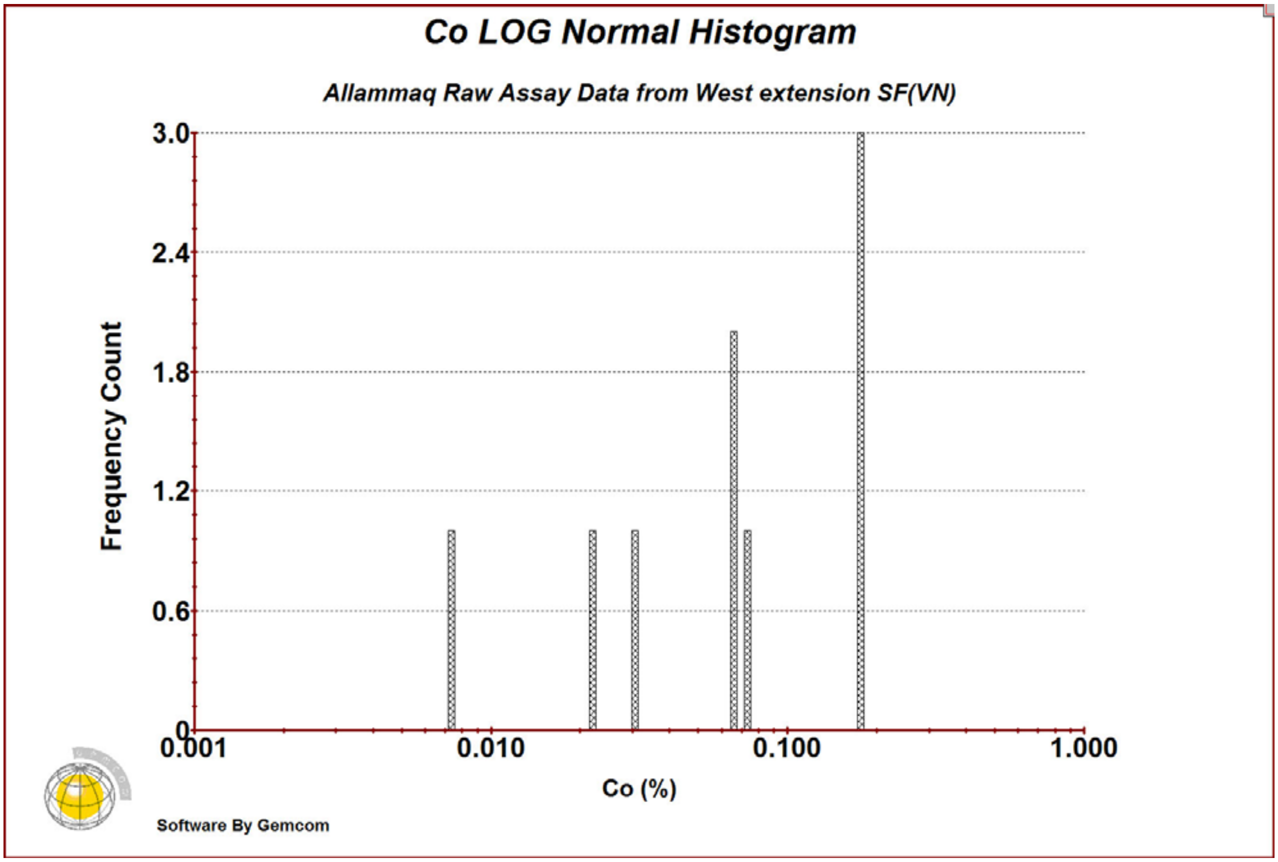
Au LOG Normal Histogram
Allammaq Raw Assay Data from West extension SF(NET)
Frequency Count
100
80
60
40
20
0
0.001
0.010
0.100
1.000
10.000
Au (g/t)
Software By Gemcom

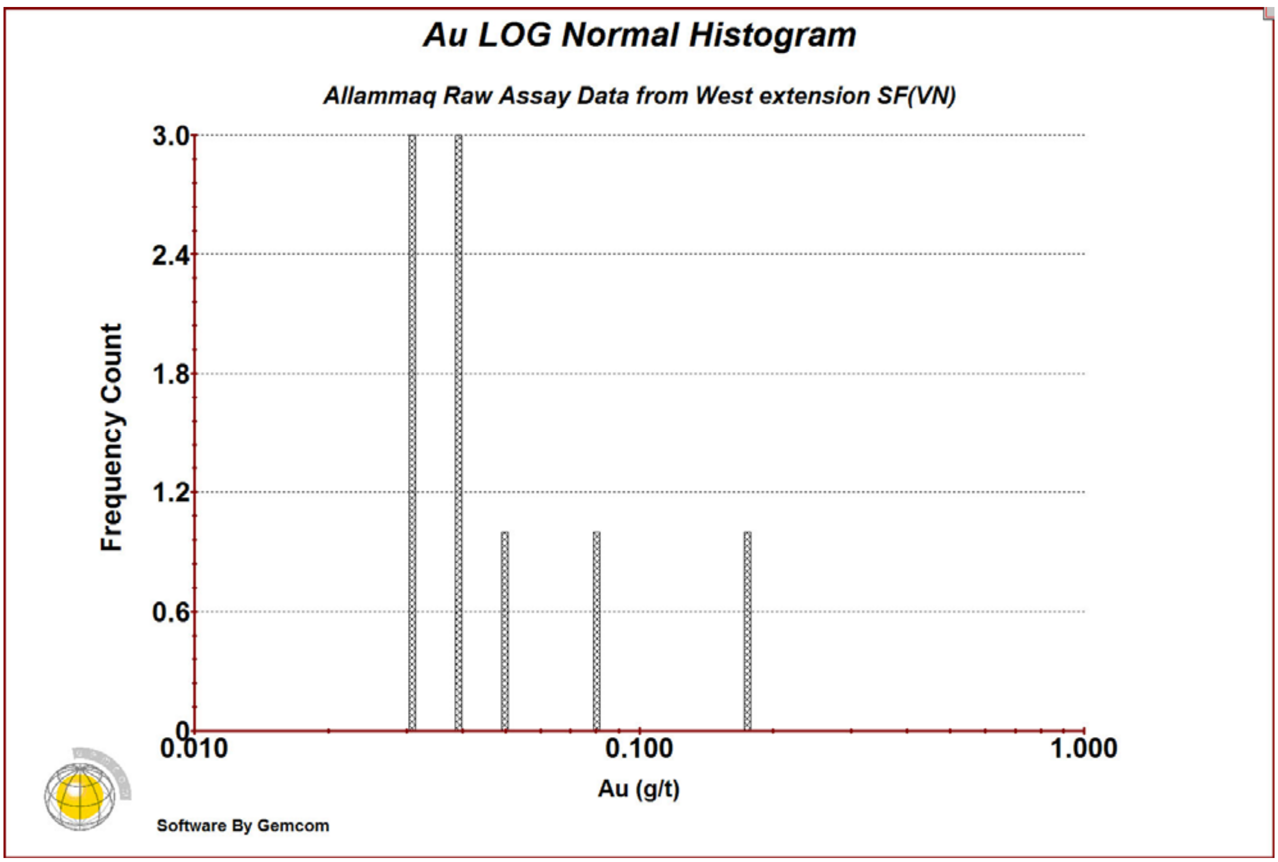

Pt LOG Normal Histogram
Allammaq Raw Assay Data from West extension SF(NET)
Frequency Count
75
60
45
30
15
0
0.001
0.010
0.100
1.000
10.000
Pt (g/t)
Software By Gemcom

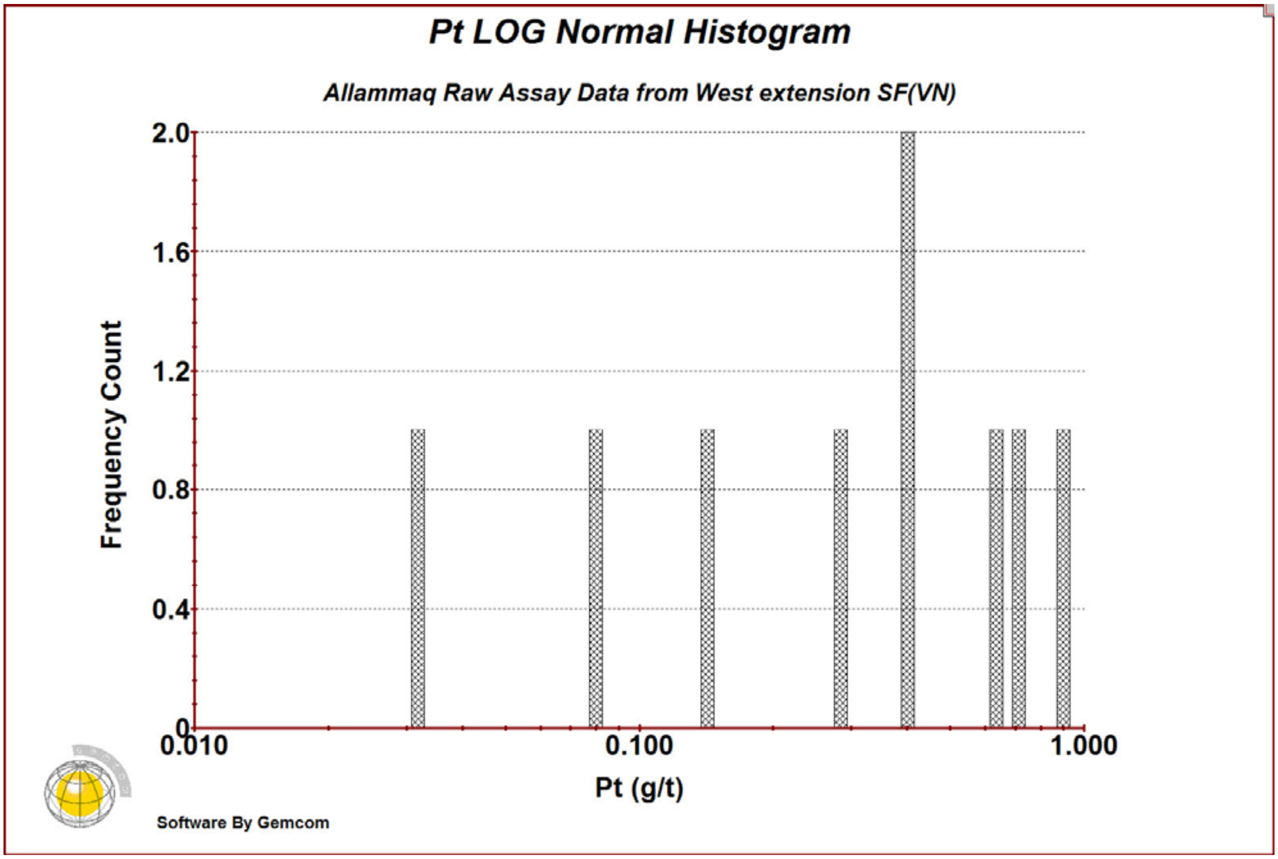

Pd LOG Normal Histogram
Allammaq Raw Assay Data from West extension SF(NET)
Frequency Count
100
80
60
40
20
0
0.010
0.100
1.000
10.000
100.000
Pd (g/t)
Software By Gemcom


Ni LOG Normal Histogram
Allammaq Raw Assay Data from West extension SF(VN)
2.0
1.6
1.2
0.8
0.4
0
Frequency Count
0.100
1.000
10.000
Ni (%)
Software By Gemcom

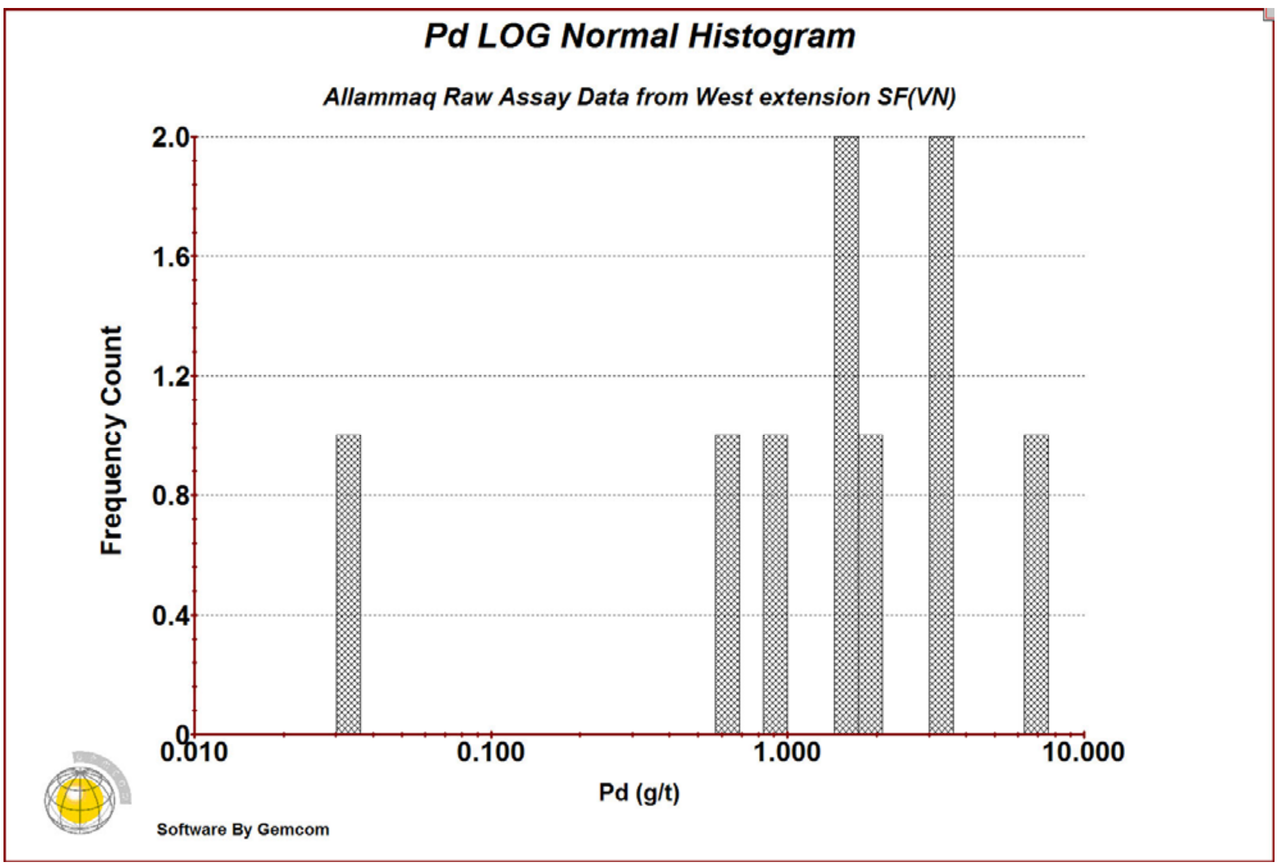

Cu LOG Normal Histogram
Allammaq Raw Assay Data from West extension SF(VN)
2.0
1.6
1.2
0.8
0.4
0
Frequency Count
0.100
1.000
10.000
Cu (%)
Software By Gemcom


Co LOG Normal Histogram
Allammaq Raw Assay Data from West extension SF(VN)
Frequency Count
3.0
2.4
1.8
1.2
0.6
0
0.001
0.010
0.100
1.000
Co (%)
Software By Gemcom


Au LOG Normal Histogram
Allammaq Raw Assay Data from West extension SF(VN)
Frequency Count
3.0
2.4
1.8
1.2
0.6
0
0.010
0.100
1.000
Au (g/t)
Software By Gemcom



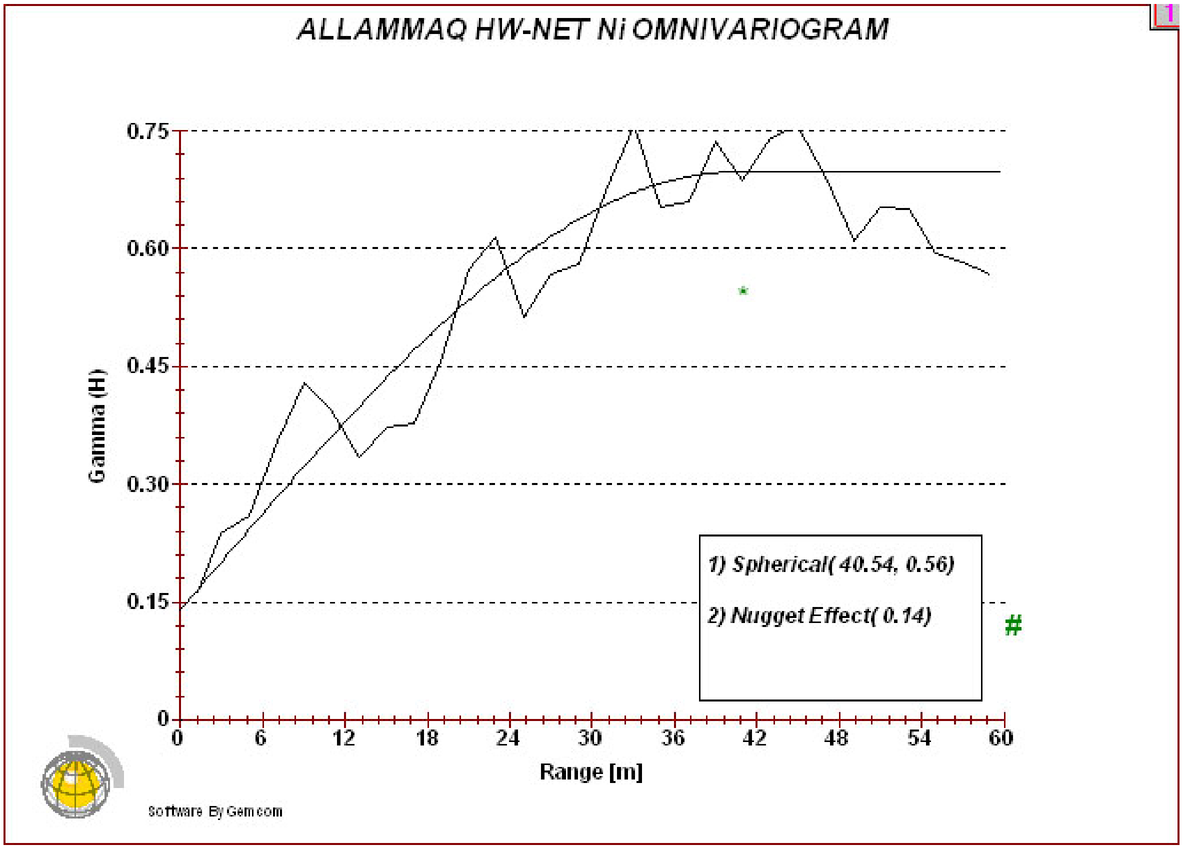
Pt LOG Normal Histogram
Allammaq Raw Assay Data from West extension SF(VN)
Frequency Count
2.0
1.6
1.2
0.8
0.4
0
0.010
0.100
1.000
Pt (g/t)
Software By Gemcom

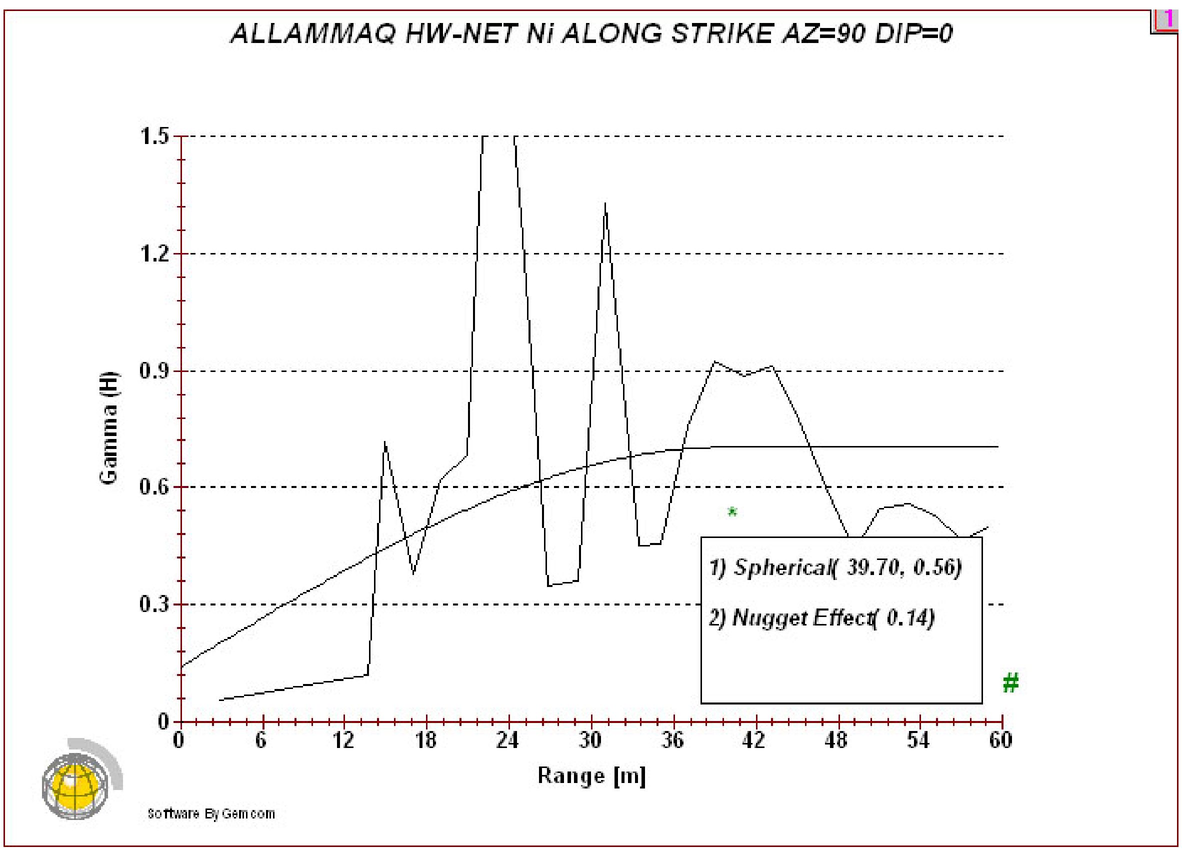


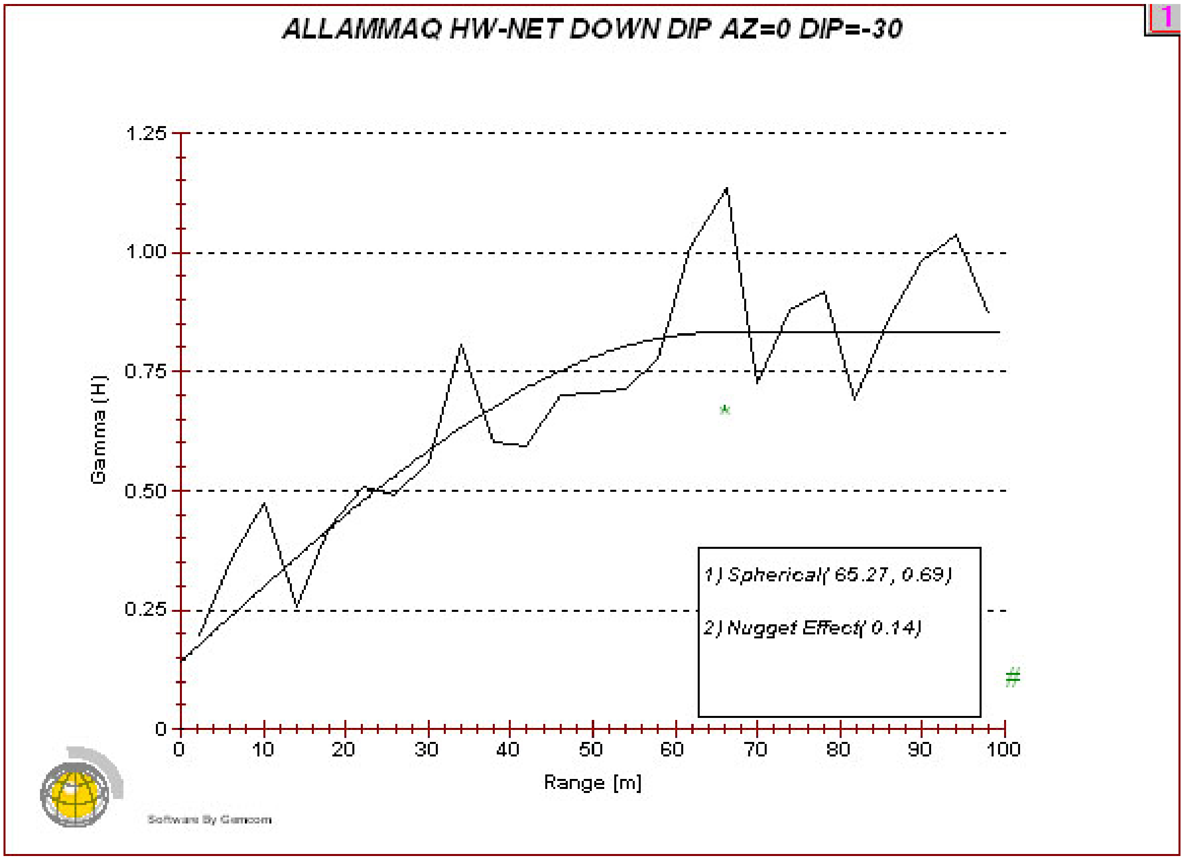
Pd LOG Normal Histogram
Allammaq Raw Assay Data from West extension SF(VN)
Frequency Count
2.0
1.6
1.2
0.8
0.4
0
0.010
0.100
1.000
10.000
Pd (g/t)
Software By Gemcom

APPENDIX IV

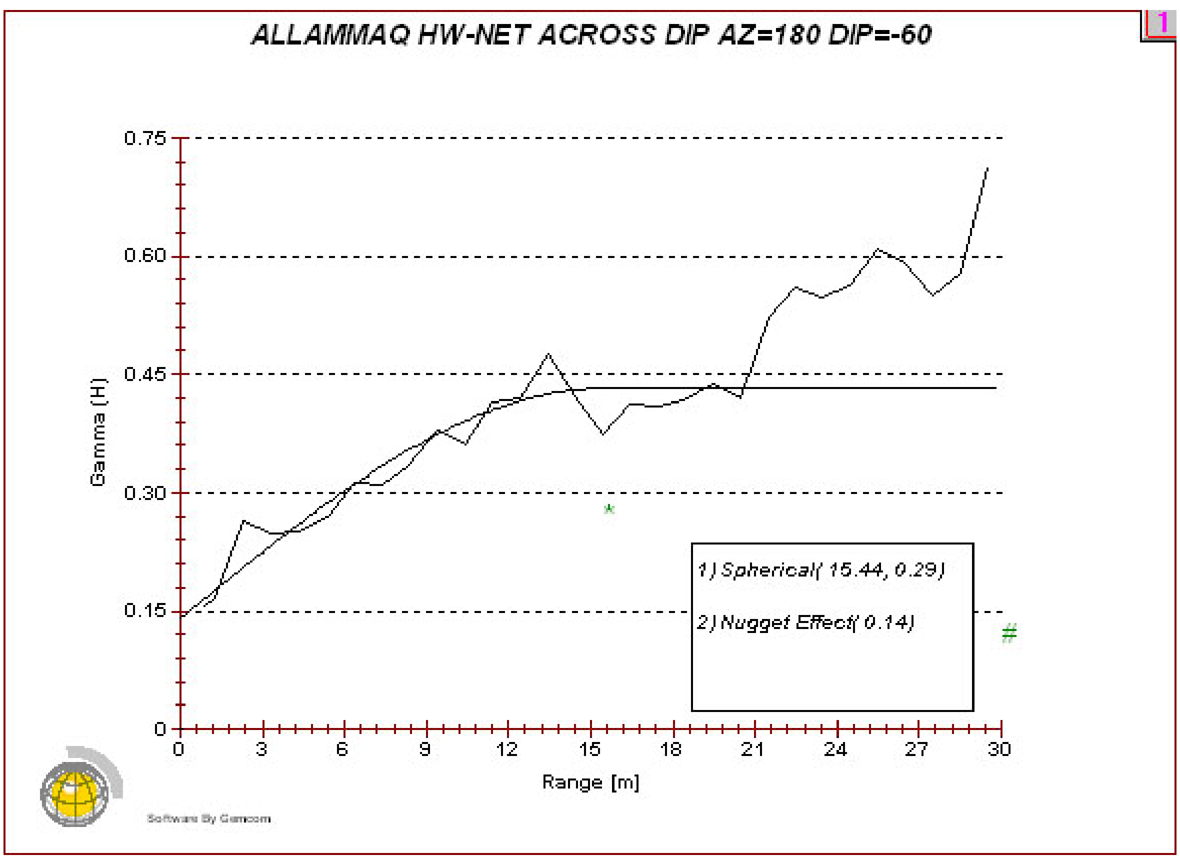
VARIOGRAMS


ALLAMMAQ HW-NET Ni OMNIVARIOGRAM
0.75
0.60
0.45
0.30
0.15
0
Gamma (H)
0
6
12
18
24
30
36
42
48
54
60
Range [m]
1) Spherical(40.54, 0.56)
2) Nugget Effect(0.14)
Software By Gemcom

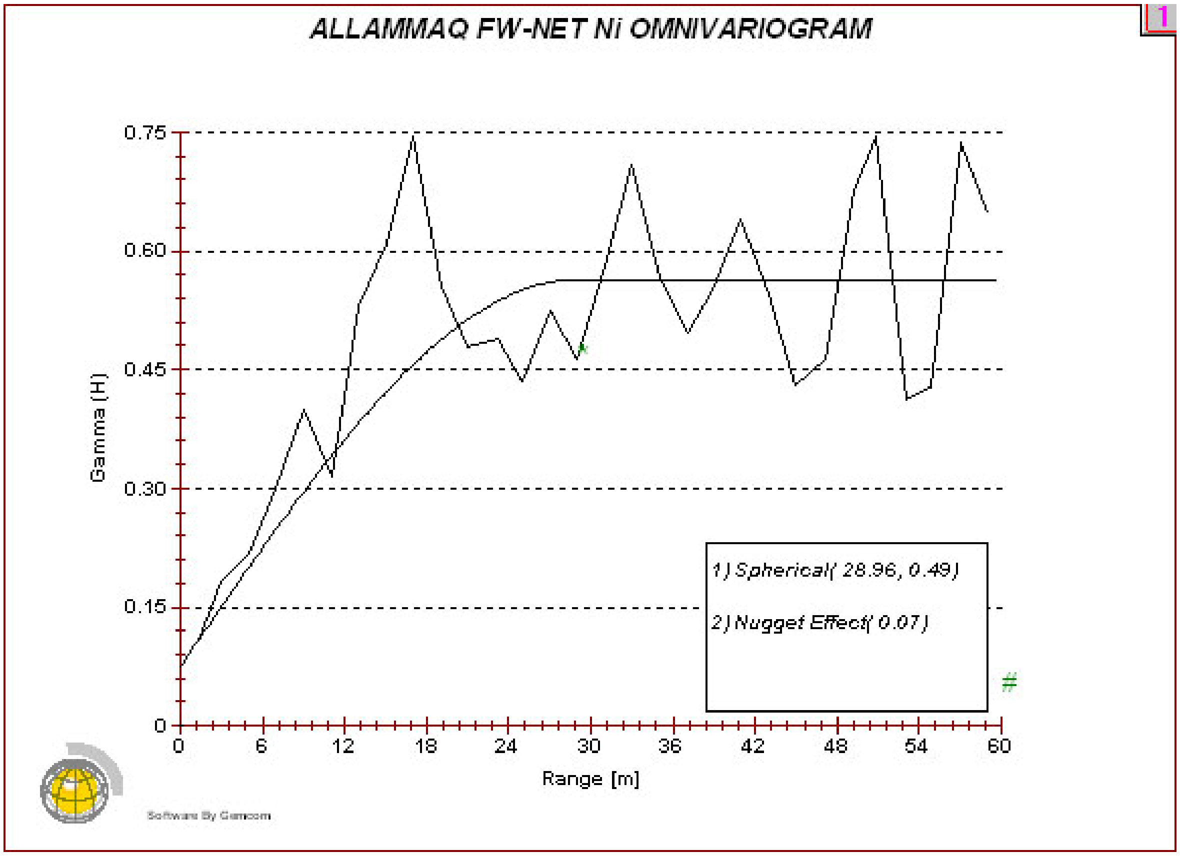

ALLAMMAQ HW-NET Ni ALONG STRIKE AZ=90 DIP=0
1.5
1.2
0.9
0.6
0.3
0
Gamma (H)
0
6
12
18
24
30
36
42
48
54
60
Range [m]
1) Spherical(39.70, 0.56)
2) Nugget Effect(0.14)
Software By Gemcom

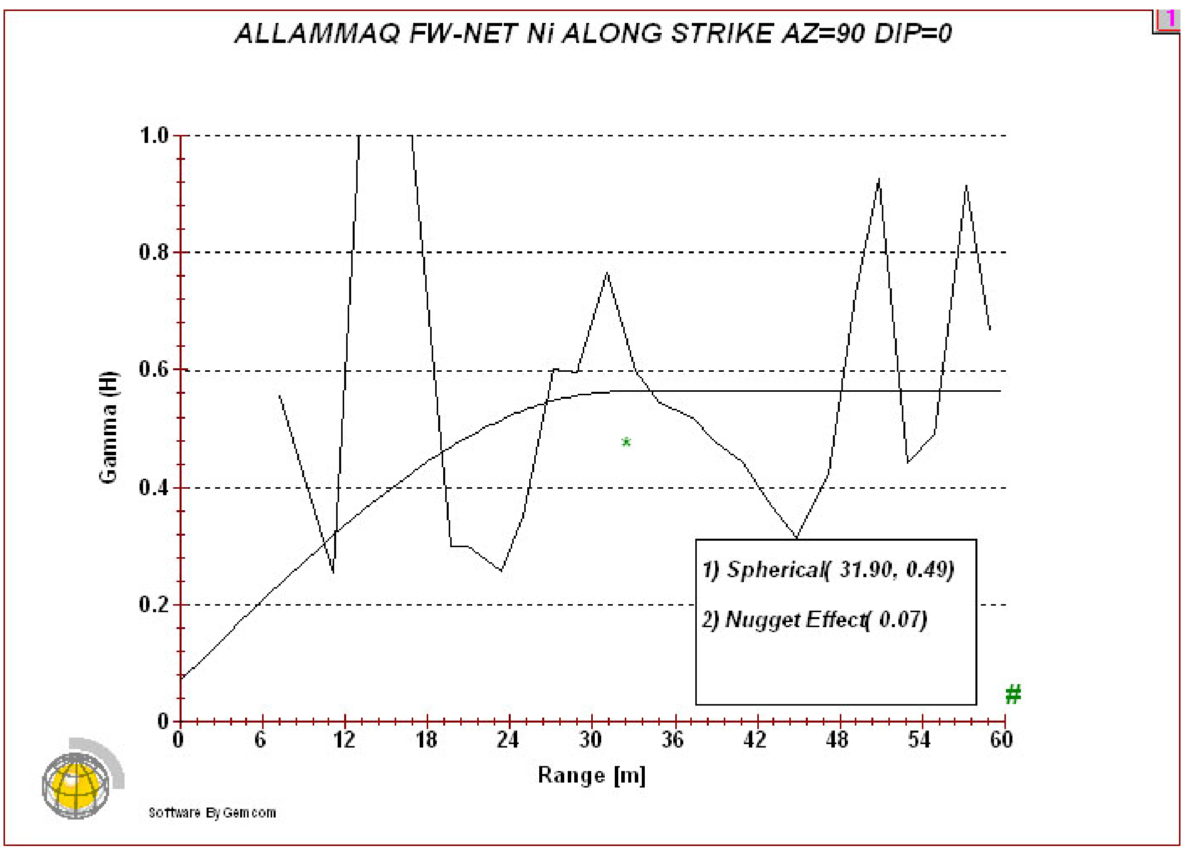


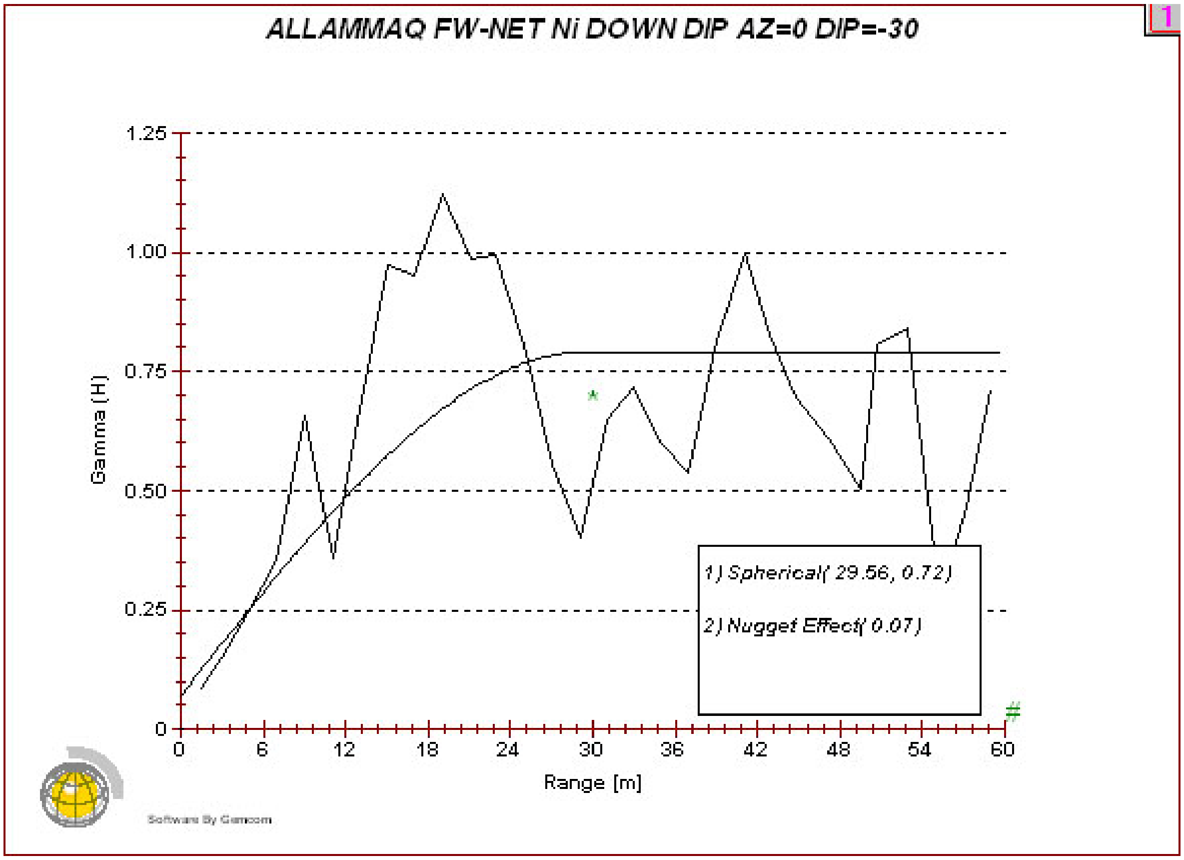
ALLAMMAQ HW-NET DOWN DIP AZ=0 DIP=-30
1.25
1.00
0.75
0.50
0.25
0
Gamma (H)
0
10
20
30
40
50
60
70
80
90
100
Range [m]
1) Spherical(65.27, 0.69)
2) Nugget Effect(0.14)
Software By Gemcom



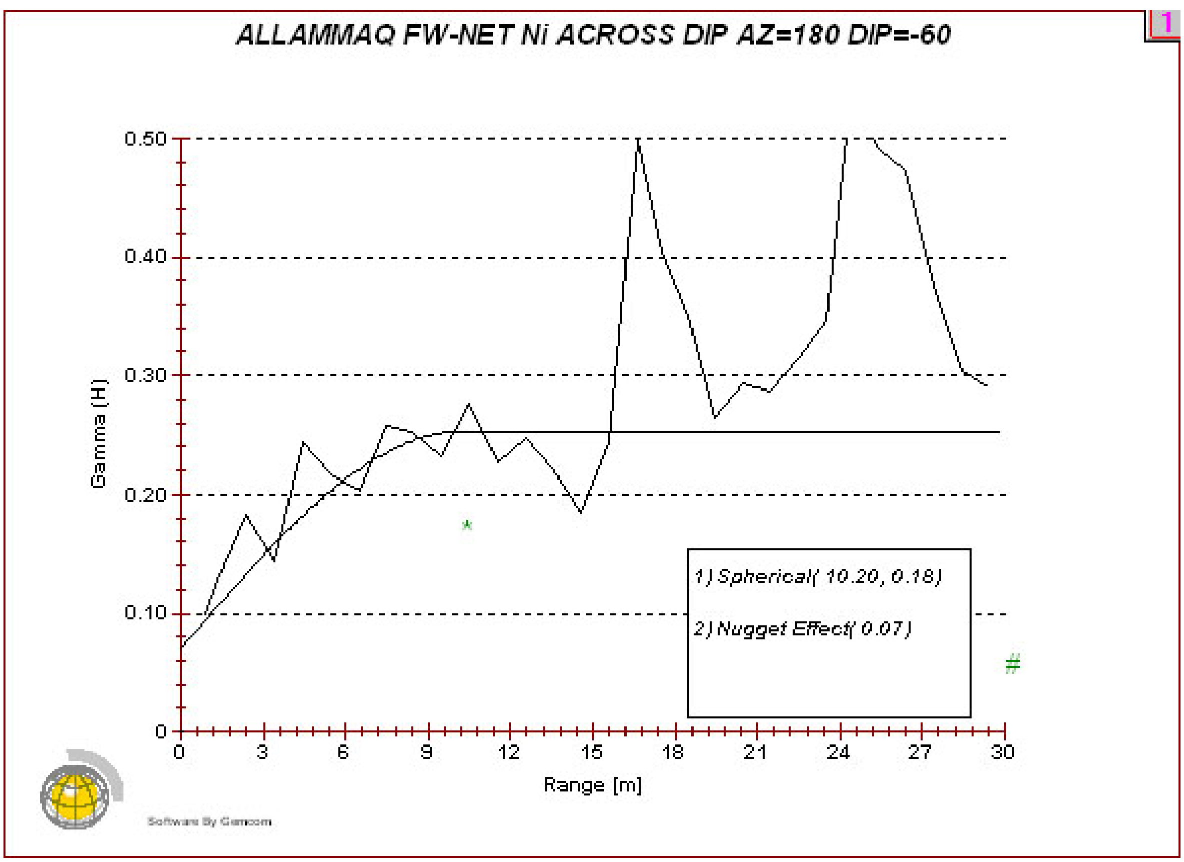
ALLAMMAQ HW-NET ACROSS DIP AZ=180 DIP=-60
0.75
0.60
0.45
0.30
0.15
0
Gamma (H)
0
3
6
9
12
15
18
21
24
27
30
Range [m]
1) Spherical(15.44, 0.29)
2) Nugget Effect(0.14)
Software By Gemcom


ALLAMMAQ FW-NET Ni OMNIVARIOGRAM
Gamma (H)
0.75
0.60
0.45
0.30
0.15
0
0 6 12 18 24 30 36 42 48 54 60
Range [m]
1) Spherical(28.96, 0.49)
2) Nugget Effect(0.07)
Software By Gemcom

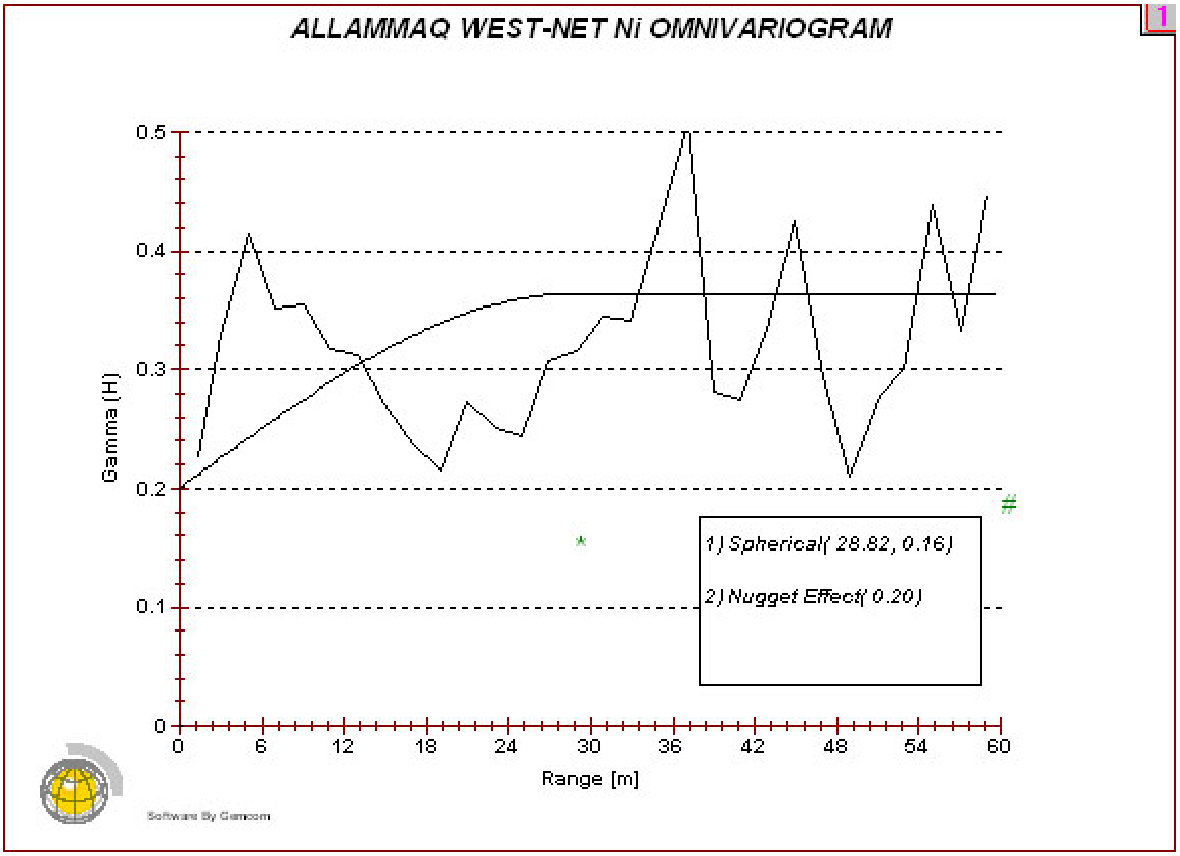

ALLAMMAQ FW-NET Ni ALONG STRIKE AZ=90 DIP=0
Gamma (H)
1.0
0.8
0.6
0.4
0.2
0
0 6 12 18 24 30 36 42 48 54 60
Range [m]
1) Spherical(31.90, 0.49)
2) Nugget Effect(0.07)
Software By Gemcom



ALLAMMAQ FW-NET Ni DOWN DIP AZ=0 DIP=-30
1.25
1.00
0.75
0.50
0.25
0
Gamma (H)
0
6
12
18
24
30
36
42
48
54
60
Range [m]
1) Spherical(29.56, 0.72)
2) Nugget Effect(0.07)
Software By Gemcom



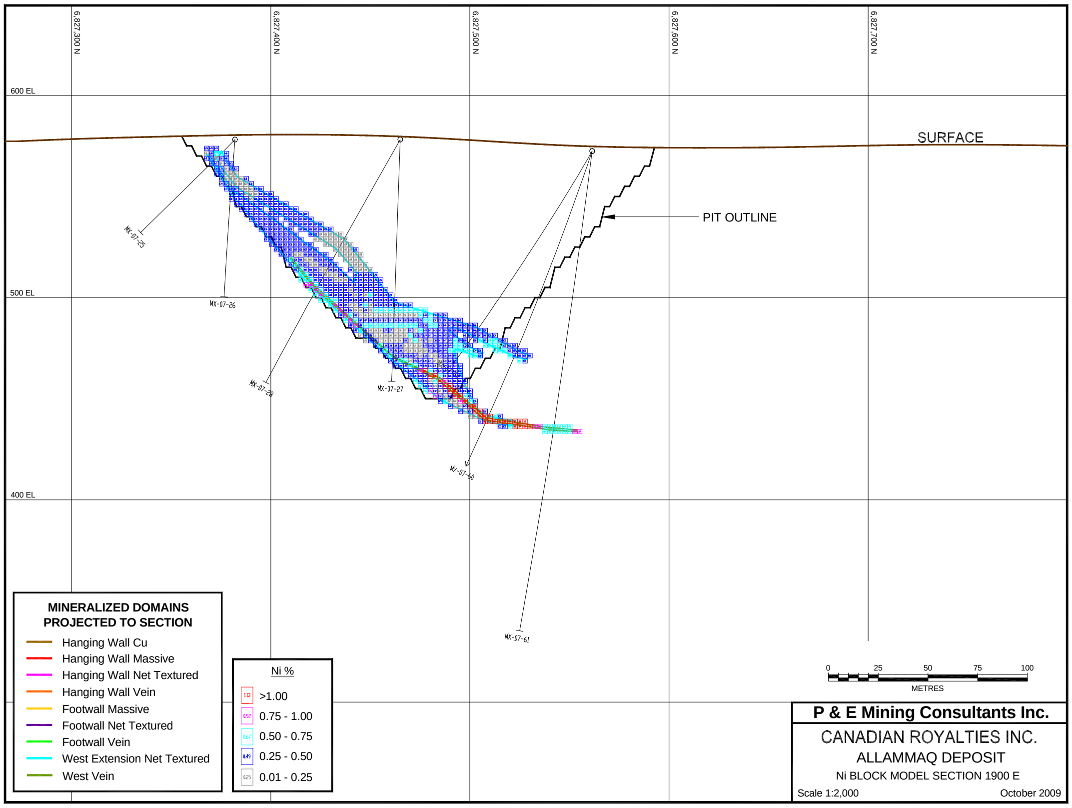
ALLAMMAQ FW-NET Ni ACROSS DIP AZ=180 DIP=-60
0.50
0.40
0.30
0.20
0.10
0
Gamma (H)
0
3
6
9
12
15
18
21
24
27
30
Range [m]
1) Spherical(10.20, 0.18)
2) Nugget Effect(0.07)
Software By Gemcom

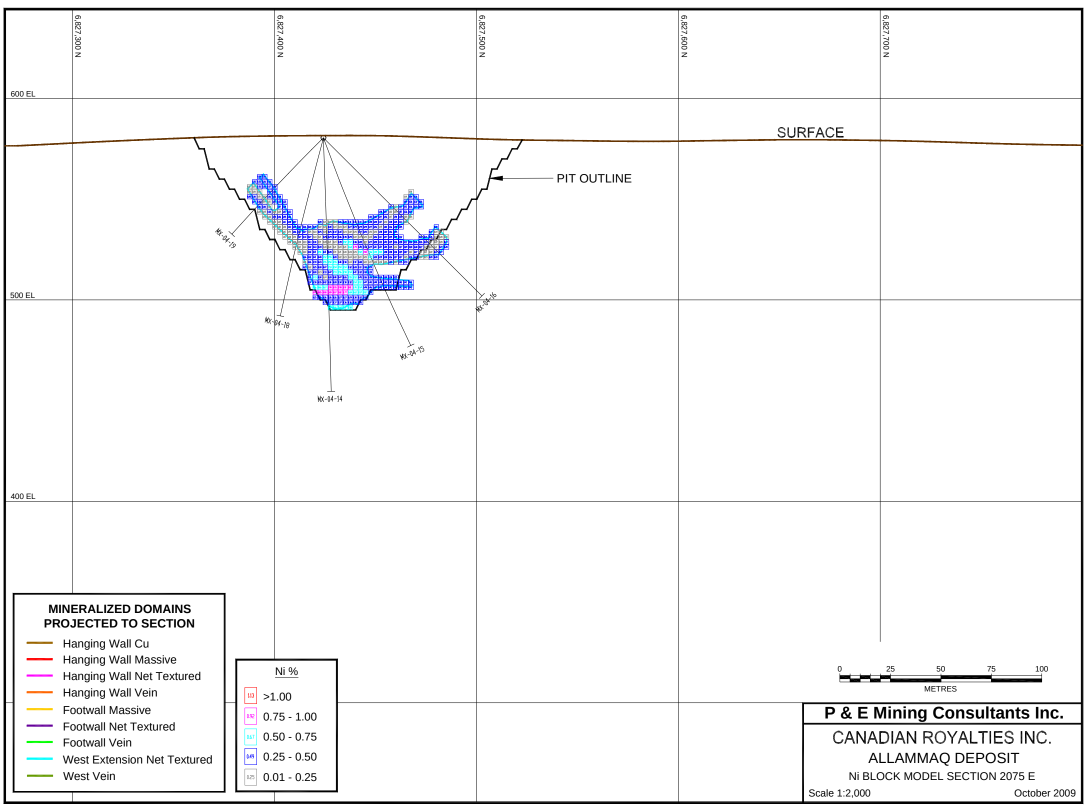


ALLAMMAQ WEST-NET Ni OMNIVARIOGRAM
Gamma (H)
Range [m]
1) Spherical(28.82, 0.16)
2) Nugget Effect(0.20)
Software By Gemcom

APPENDIX V

Ni, Cu and NSR BLOCK MODEL CROSS SECTIONS


6,827,300 N
6,827,400 N
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS
PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Ni %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0
25
50
75
100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Ni BLOCK MODEL SECTION 1900 E
Scale 1:2,000
October 2009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6,827,400 N
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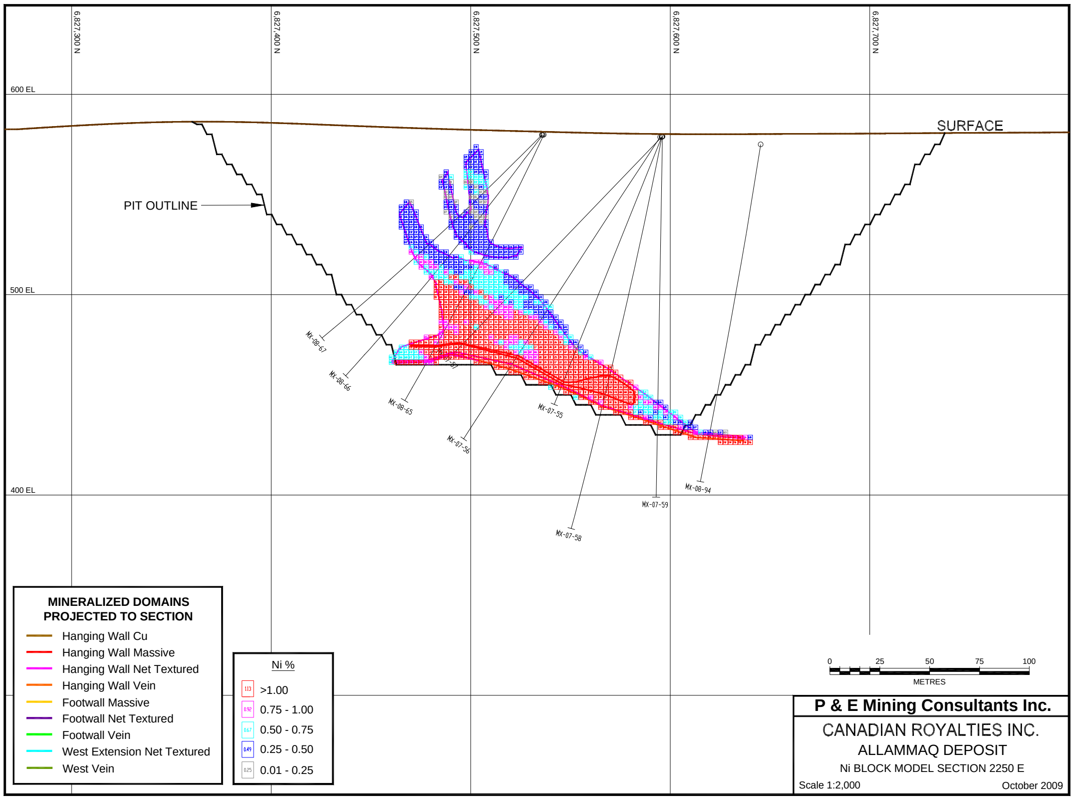
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS
PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Ni %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0
25
50
75
100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Ni BLOCK MODEL SECTION 2075 E
Scale 1:2,000
October 2009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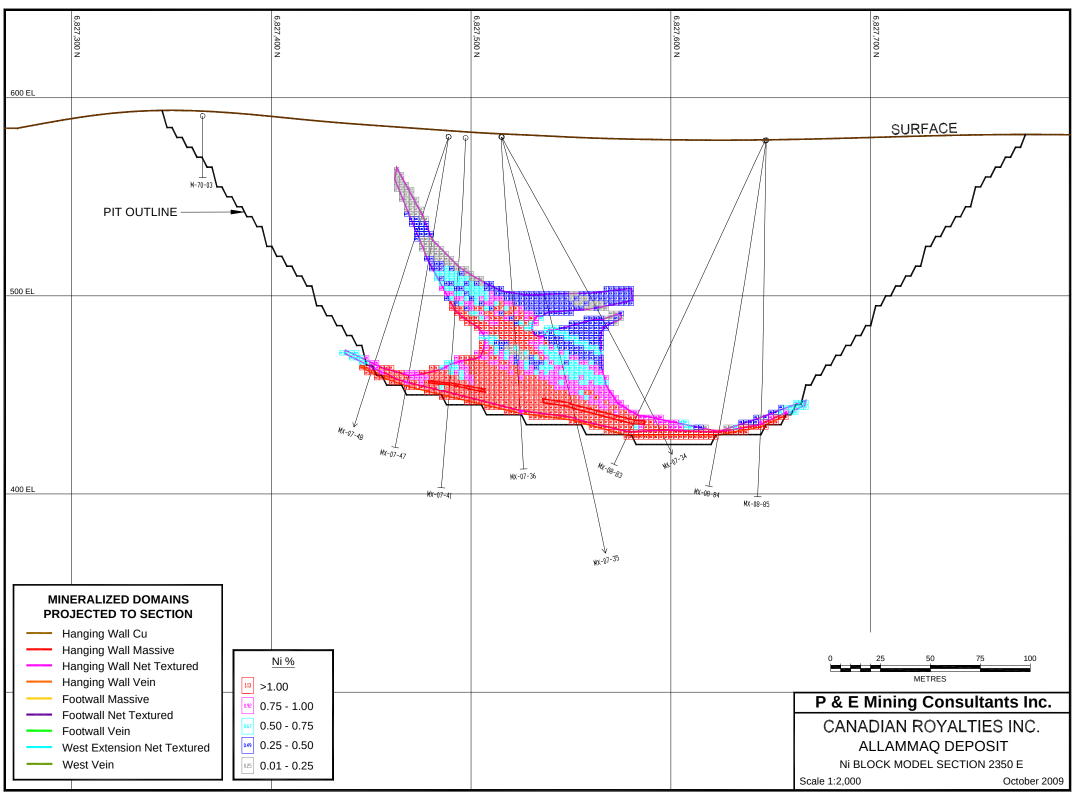
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Ni %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Ni BLOCK MODEL SECTION 2250 E
Scale 1:2,000
October 2009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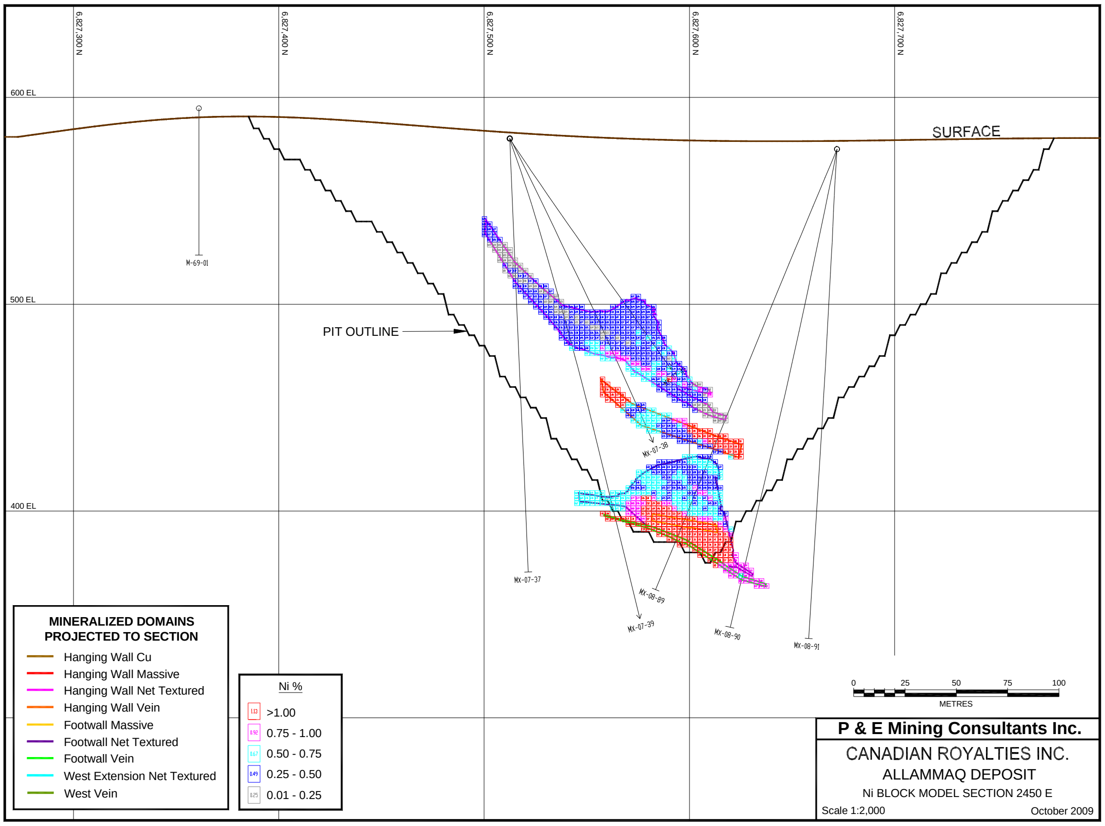
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Ni %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Ni BLOCK MODEL SECTION 2350 E
Scale 1:2,000
October 2009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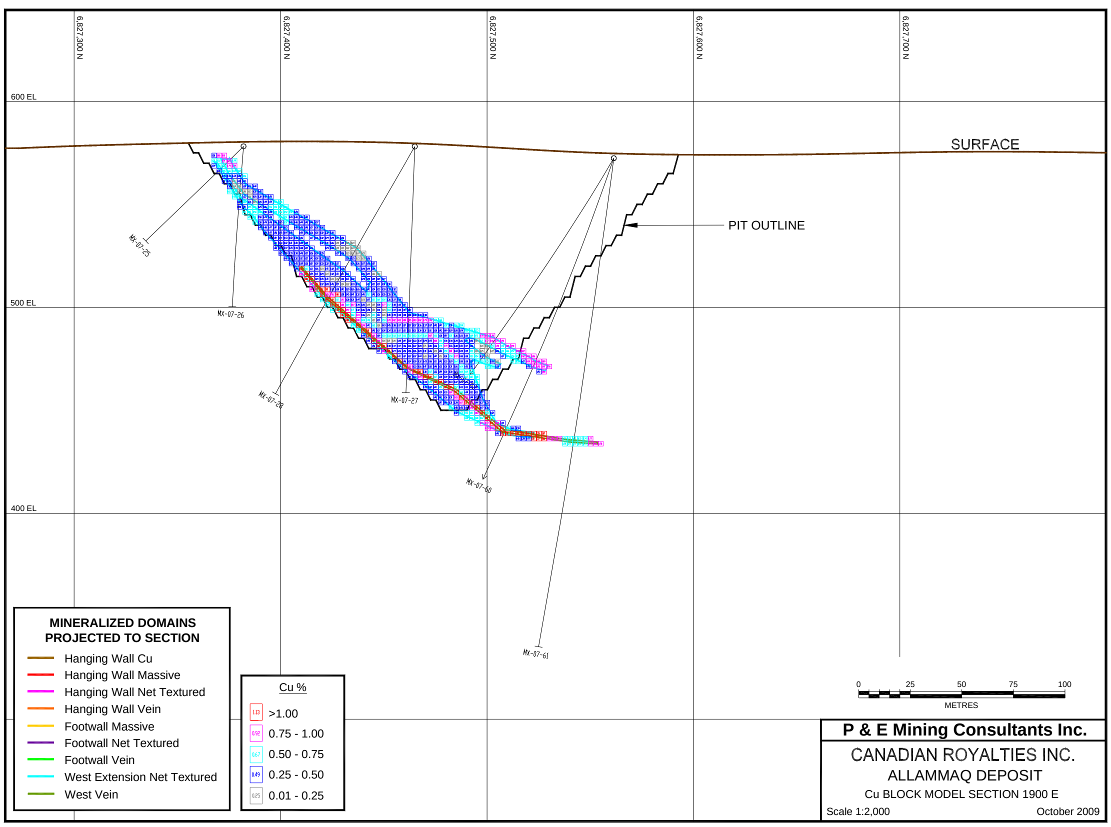
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
M-69-01
MX-07-37
MX-07-38
MX-08-89
MX-07-39
MX-08-90
MX-08-91
MINERALIZED DOMAINS
PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Ni %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0 25 50 75 100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Ni BLOCK MODEL SECTION 2450 E
Scale 1:2,000
October 2009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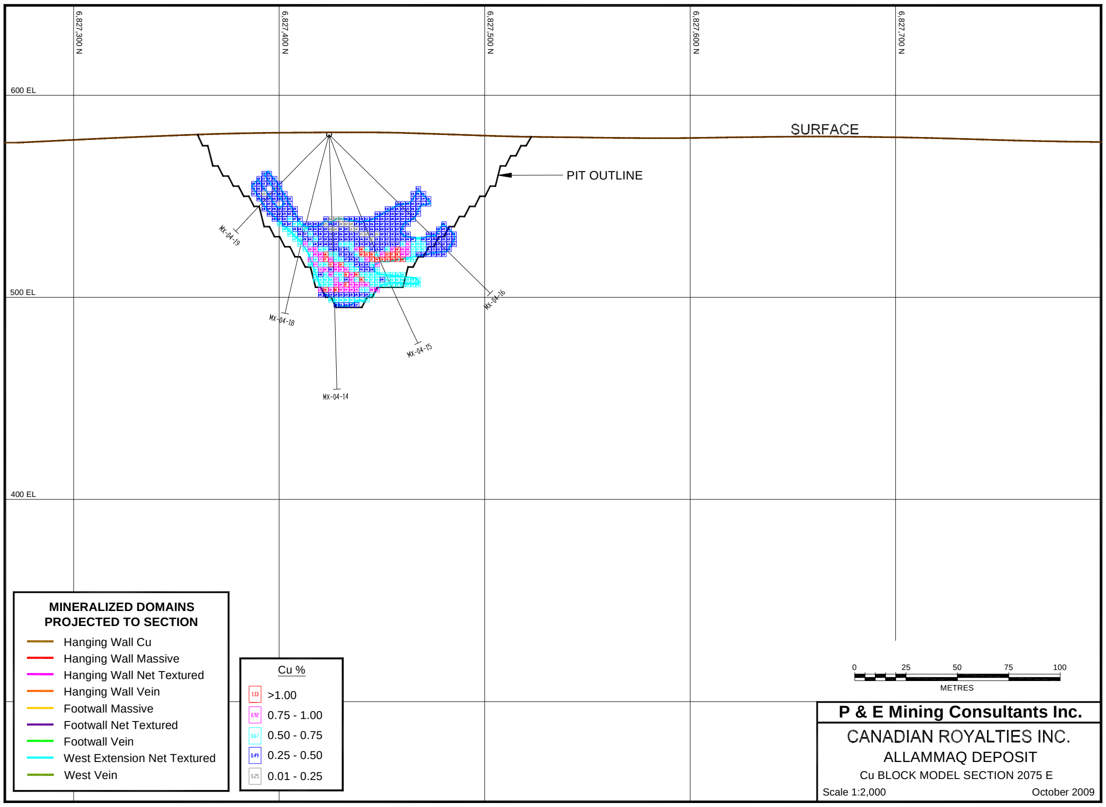
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MX-07-25
MX-07-26
MX-07-28
MX-07-27
MX-07-60
MX-07-61
MINERALIZED DOMAINS
PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Cu %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0 25 50 75 100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Cu BLOCK MODEL SECTION 1900 E
Scale 1:2,000
October 2009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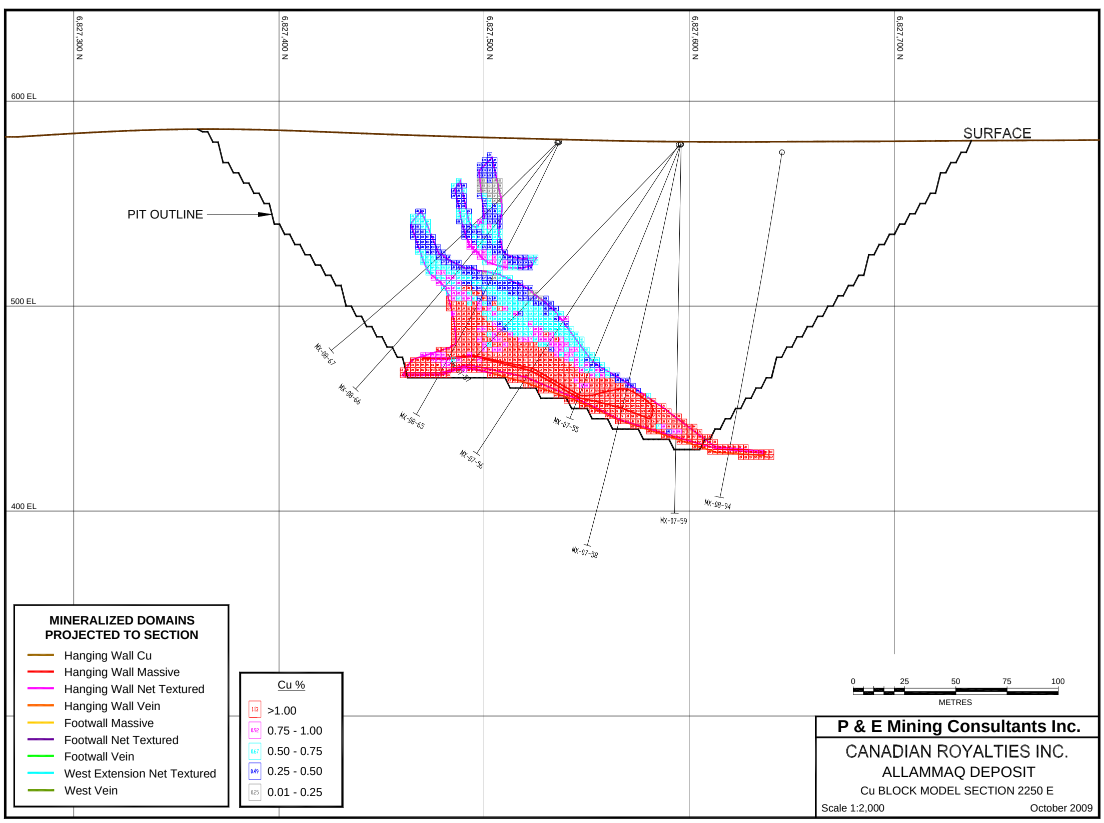
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Cu %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0
25
50
75
100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Cu BLOCK MODEL SECTION 2075 E
Scale 1:2,000
October 2009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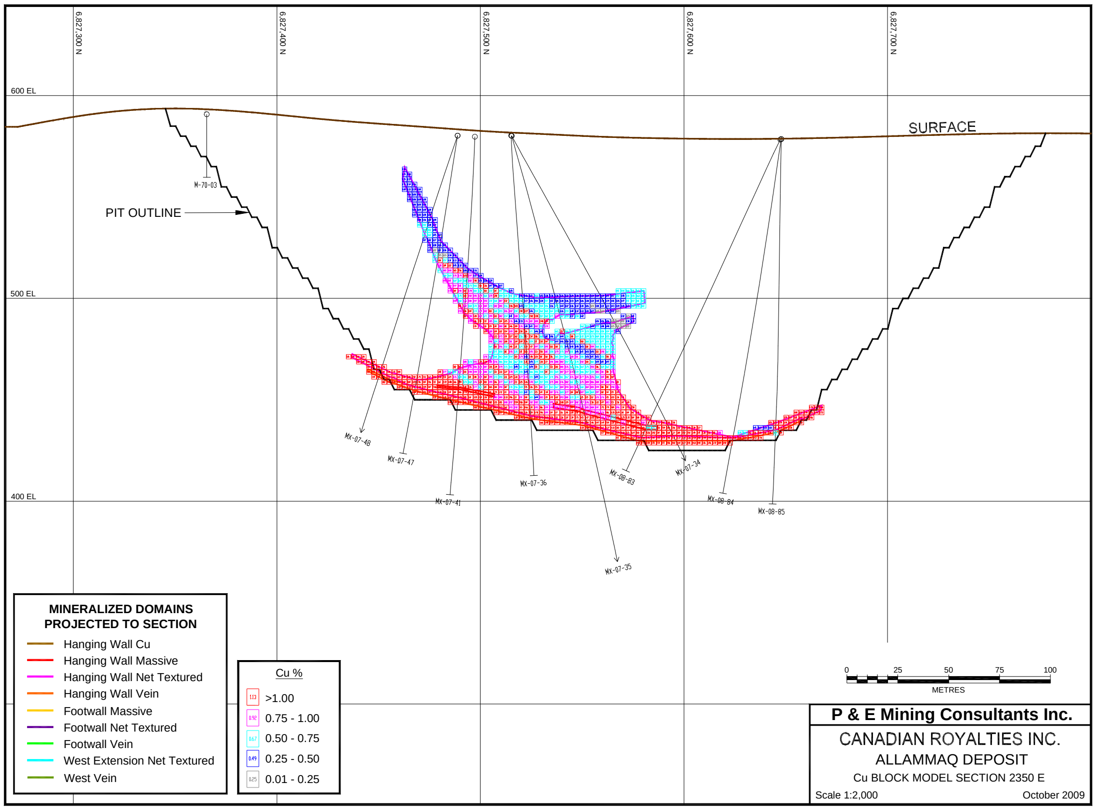
6,827,400 N
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Cu %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0
25
50
75
100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Cu BLOCK MODEL SECTION 2250 E
Scale 1:2,000
October 2009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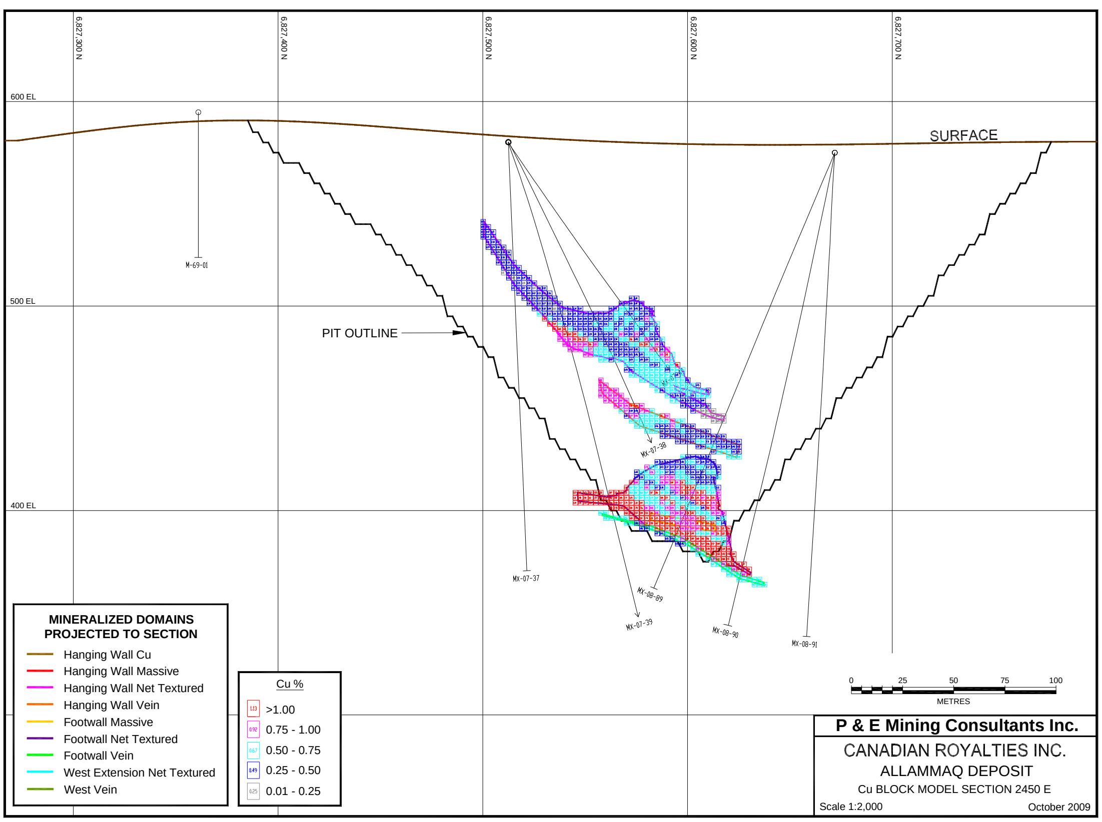
6,827,400 N
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS
PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Cu %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0
25
50
75
100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Cu BLOCK MODEL SECTION 2350 E
Scale 1:2,000
October 2009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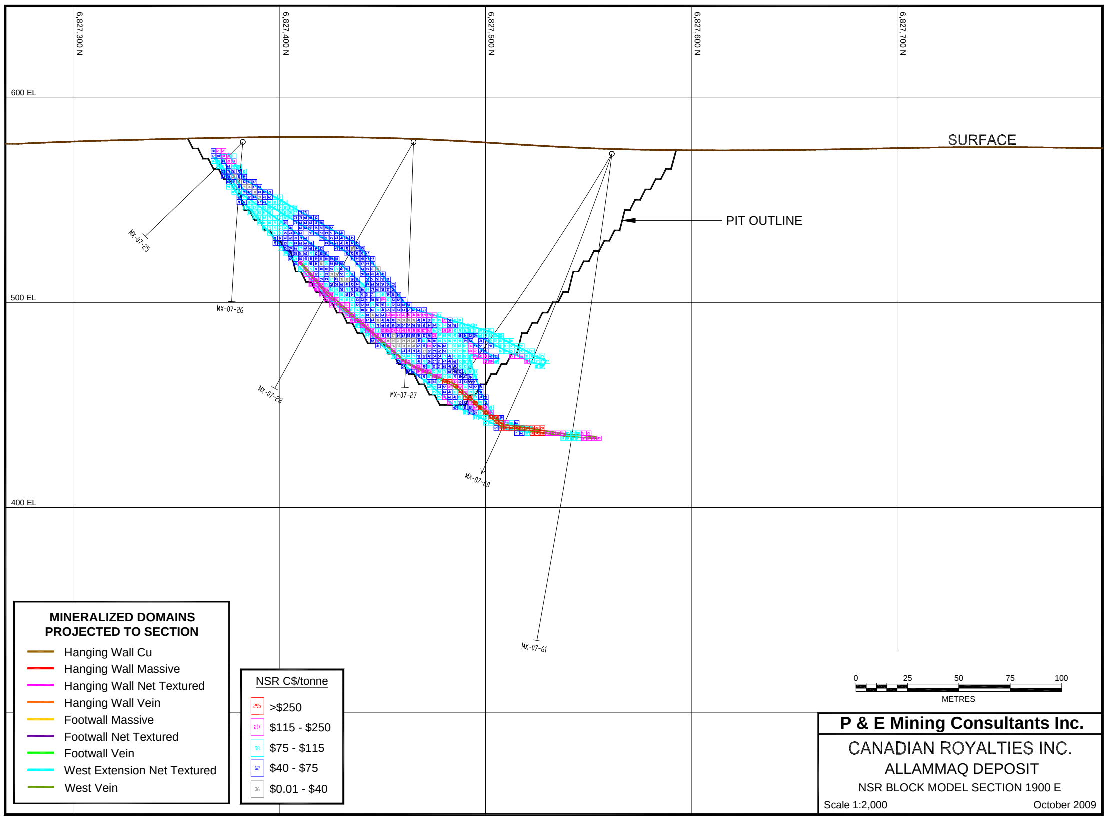
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS
PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Cu %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0
25
50
75
100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Cu BLOCK MODEL SECTION 2450 E
Scale 1:2,000
October 2009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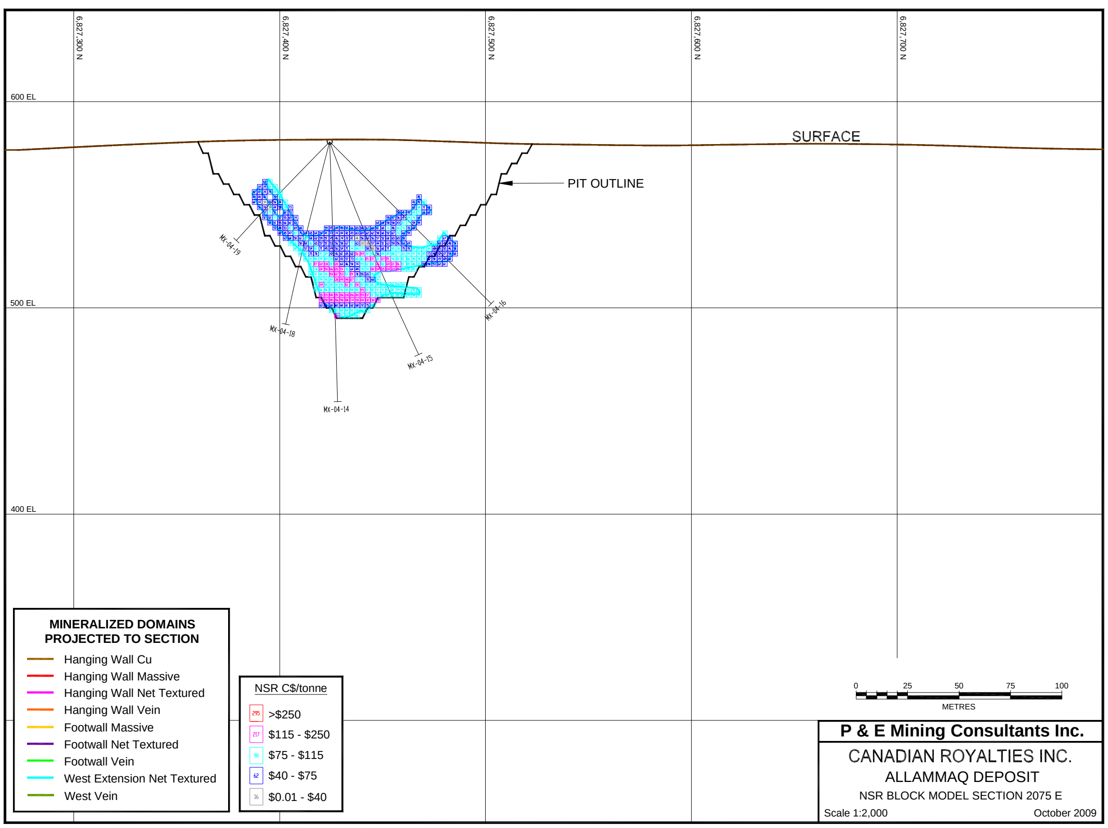
6,827,400 N
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MX-07-25
MX-07-26
MX-07-28
MX-07-27
MX-07-60
MX-07-61
MINERALIZED DOMAINS PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
NSR C$/tonne
>$250
$115 - $250
$75 - $115
$40 - $75
$0.01 - $40
0
25
50
75
100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
NSR BLOCK MODEL SECTION 1900 E
Scale 1:2,000
October 2009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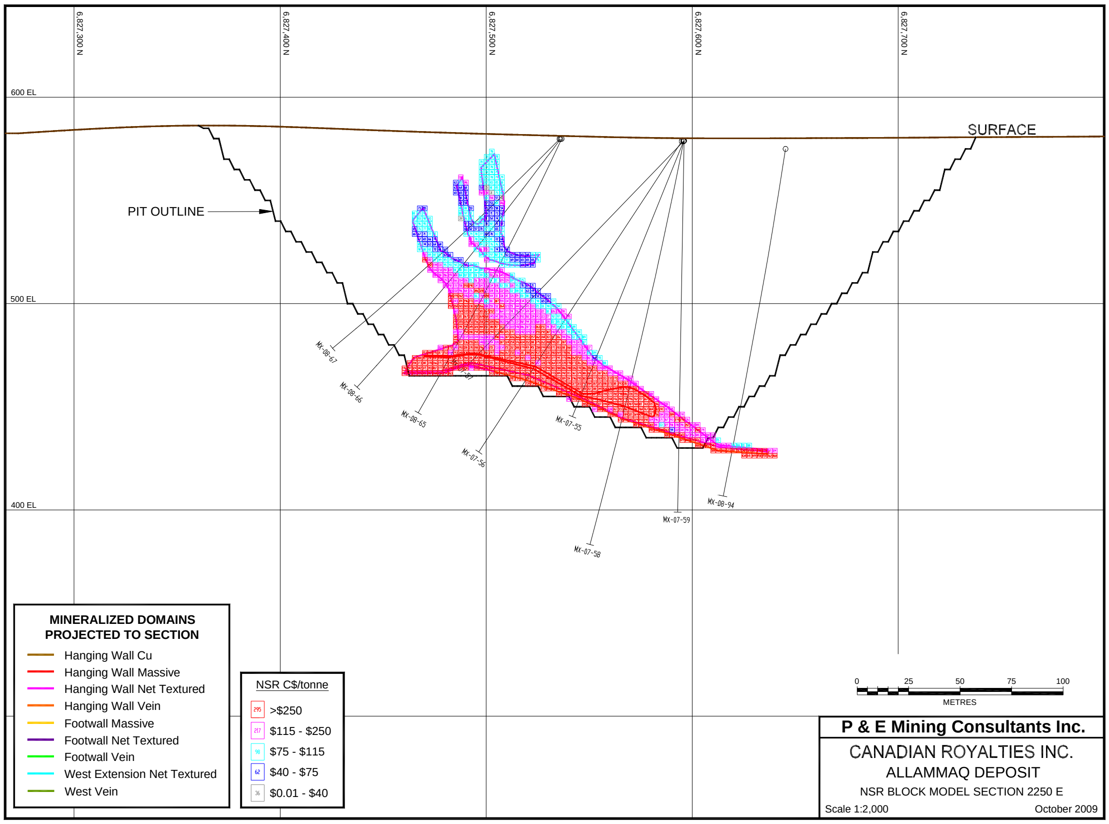
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MX-04-19
MX-04-18
MX-04-14
MX-04-15
MX-04-16
MINERALIZED DOMAINS PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
NSR C$/tonne
>$250
$115 - $250
$75 - $115
$40 - $75
$0.01 - $40
0
25
50
75
100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
NSR BLOCK MODEL SECTION 2075 E
Scale 1:2,000
October 2009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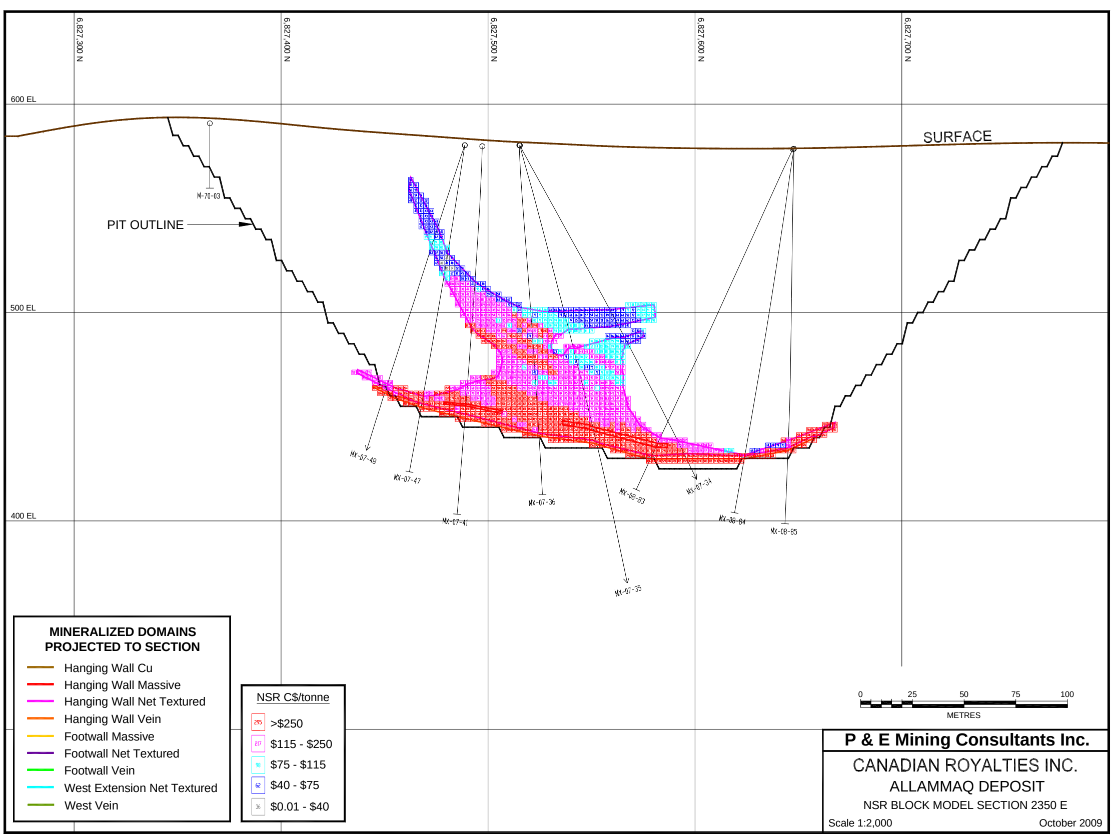
6,827,400 N
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
NSR C$/tonne
>$250
$115 - $250
$75 - $115
$40 - $75
$0.01 - $40
0 25 50 75 100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
NSR BLOCK MODEL SECTION 2250 E
Scale 1:2,000
October 2009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6,827,400 N
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
NSR C$/tonne
>$250
$115 - $250
$75 - $115
$40 - $75
$0.01 - $40
0 25 50 75 100
METRES
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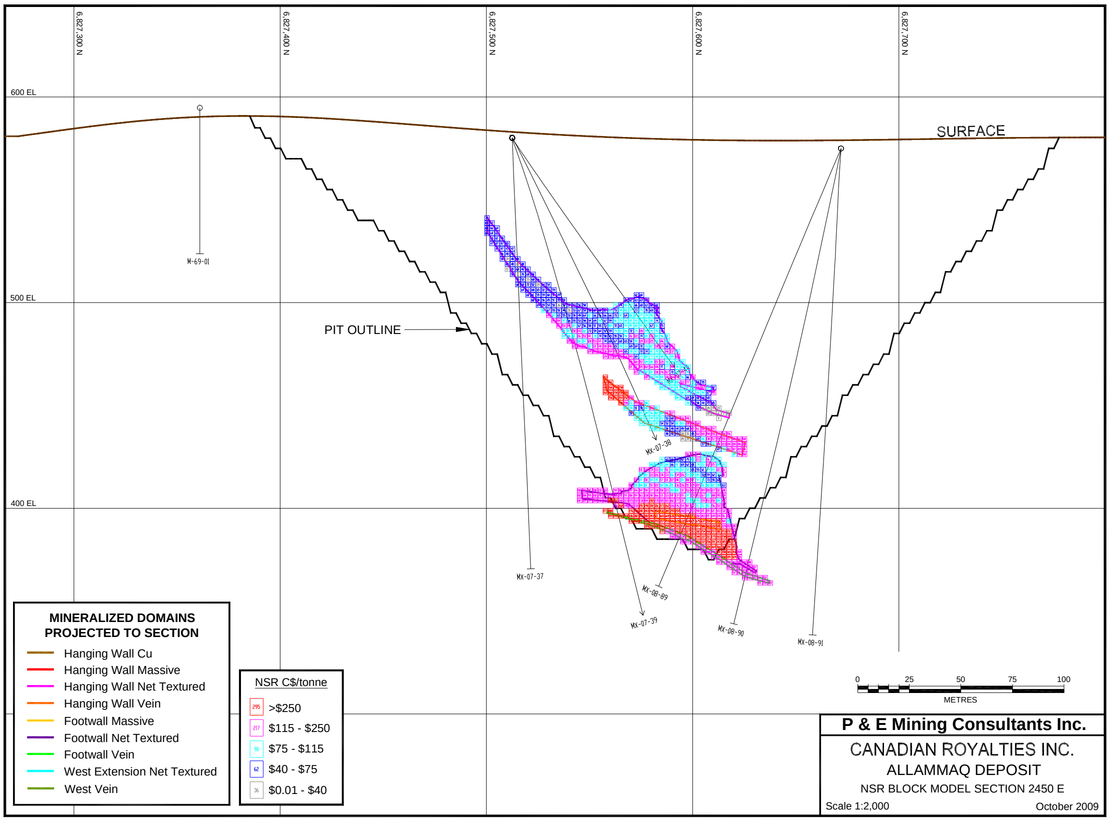
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
NSR BLOCK MODEL SECTION 2350 E
Scale 1:2,000
October 2009



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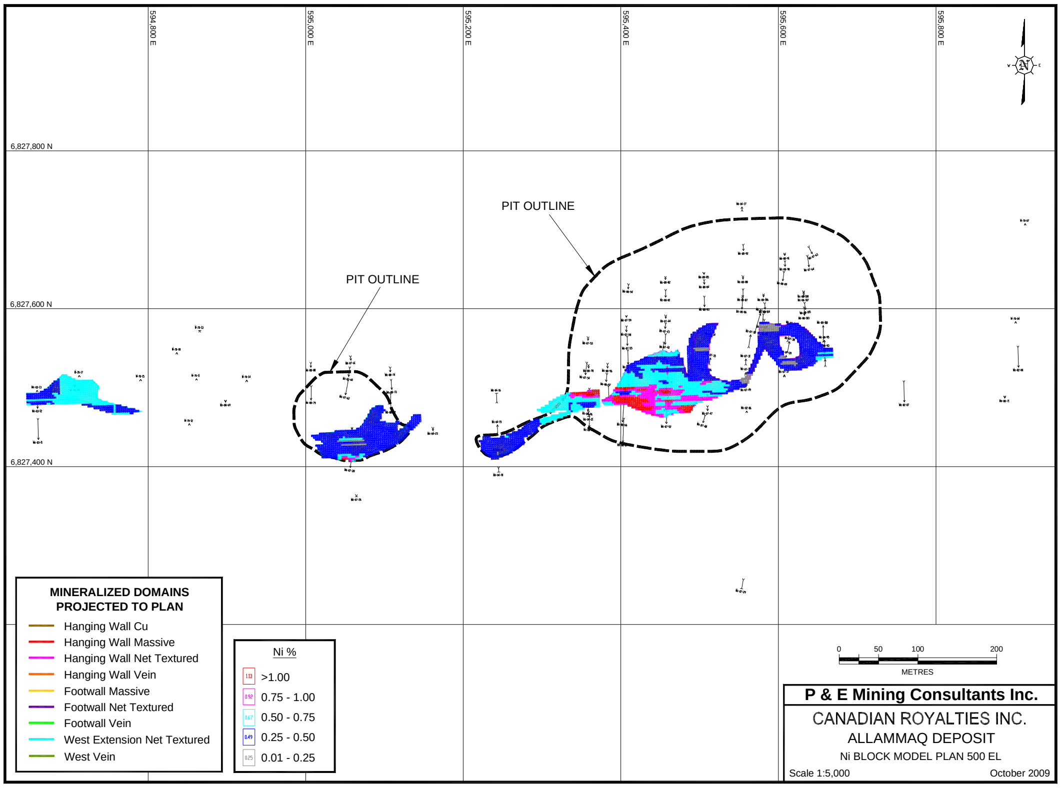
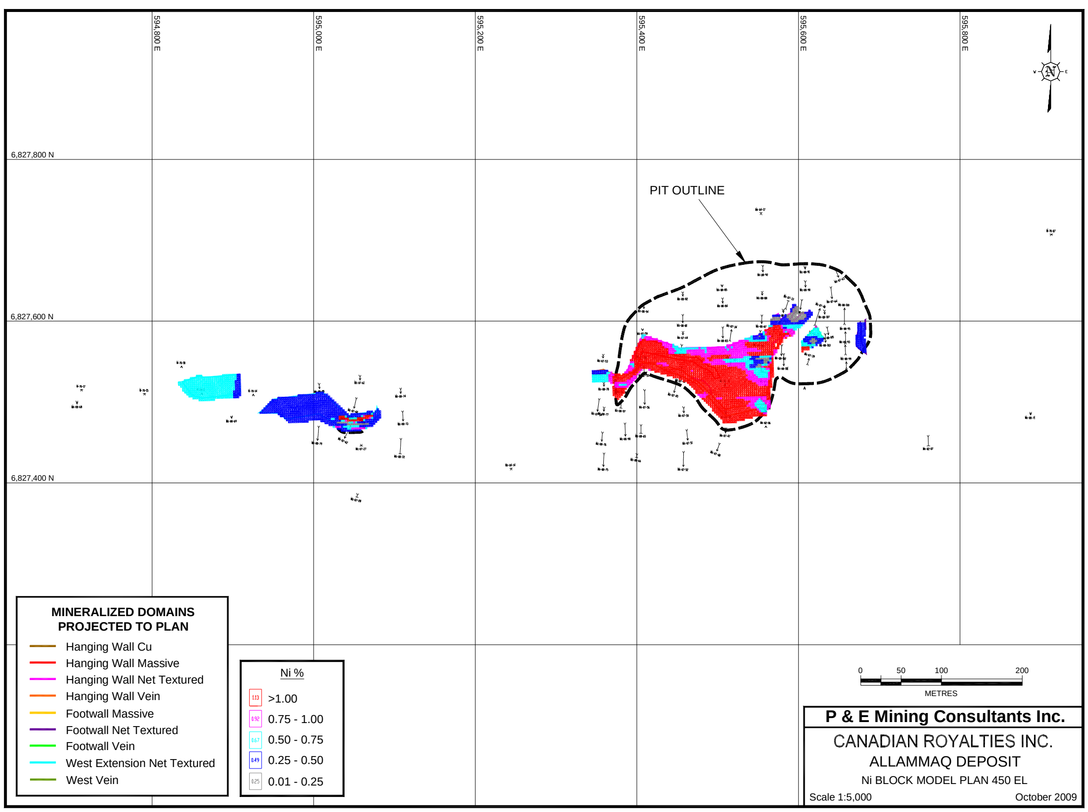
6,827,400 N
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS
PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
NSR C$/tonne
>$250
$115 - $250
$75 - $115
$40 - $75
$0.01 - $40
0
25
50
75
100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
NSR BLOCK MODEL SECTION 2450 E
Scale 1:2,000
October 2009

APPENDIX VI

Ni, Cu and NSR BLOCK MODEL PLANS



594,800 E
595,000 E
595,200 E
595,400 E
595,600 E
595,800 E
6,827,800 N
6,827,600 N
6,827,400 N
PIT OUTLINE
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Ni %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Ni BLOCK MODEL PLAN 500 EL
Scale 1:5,000
October 2009



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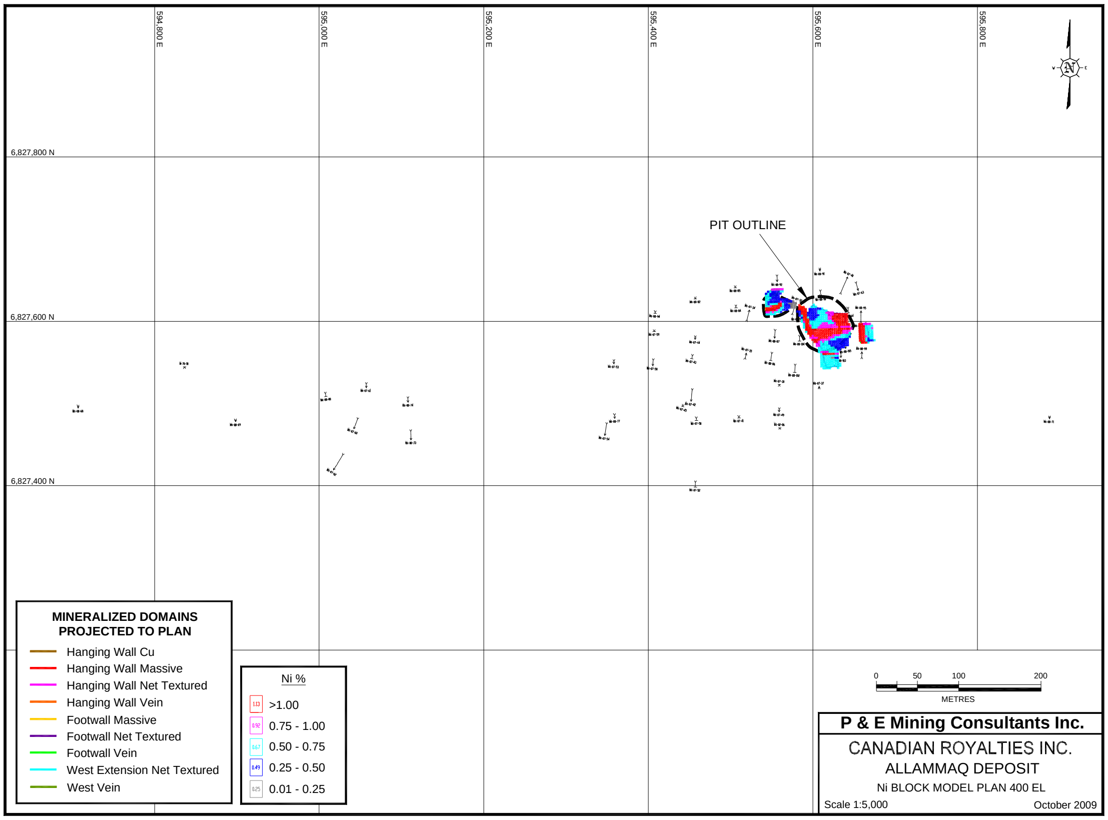
595,000 E
595,200 E
595,400 E
595,600 E
595,800 E
6,827,800 N
6,827,600 N
6,827,400 N
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Ni %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Ni BLOCK MODEL PLAN 450 EL
Scale 1:5,000
October 2009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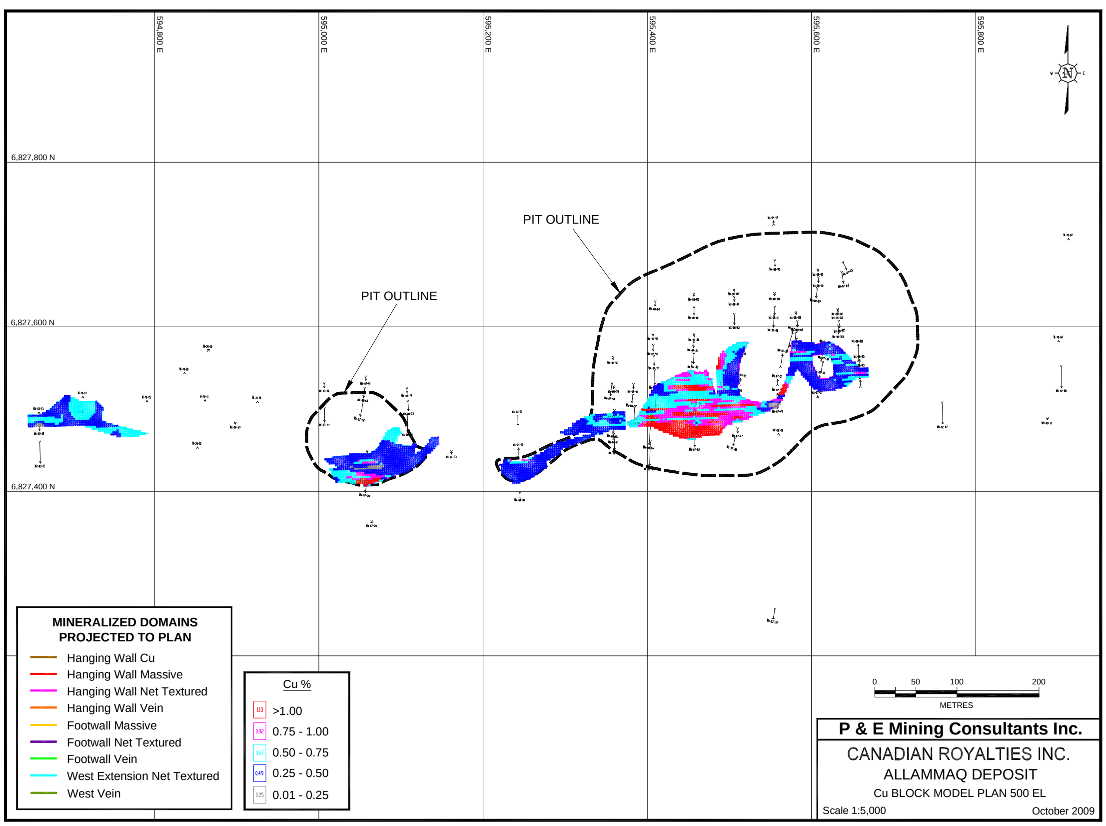
595,000 E
595,200 E
595,400 E
595,600 E
595,800 E
6,827,800 N
6,827,600 N
6,827,400 N
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Ni %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Ni BLOCK MODEL PLAN 400 EL
Scale 1:5,000
October 2009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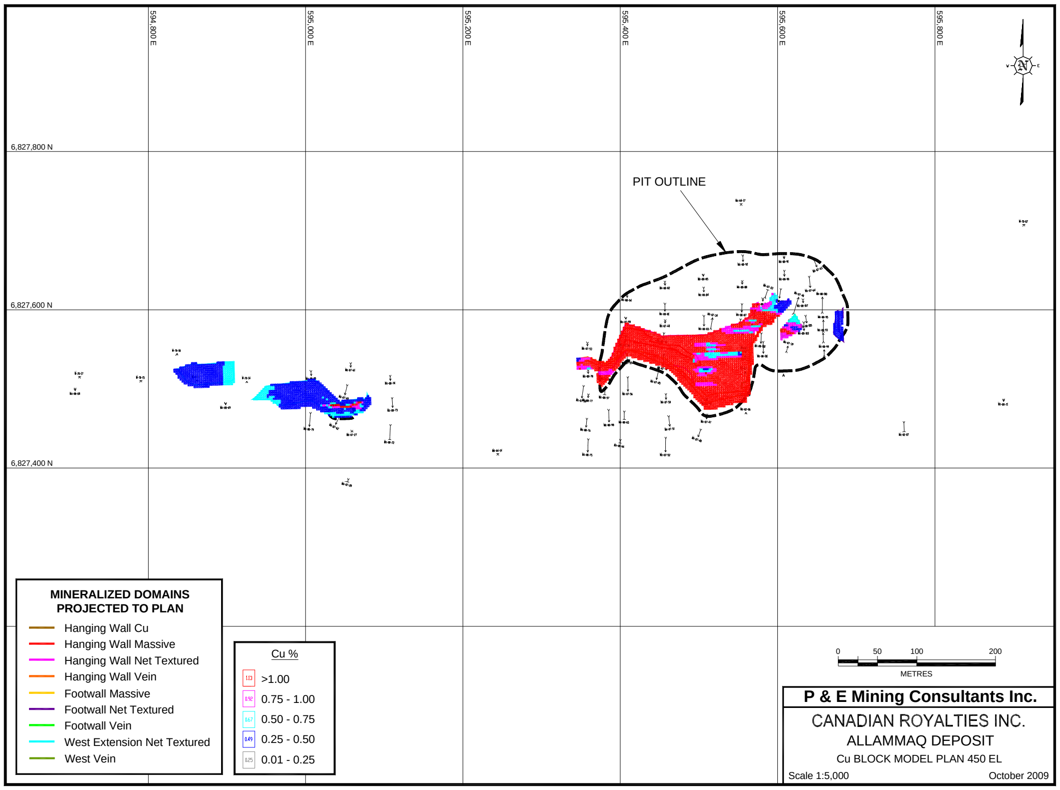
595,200 E
595,400 E
595,600 E
595,800 E
6,827,800 N
6,827,600 N
6,827,400 N
PIT OUTLINE
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Cu %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Cu BLOCK MODEL PLAN 500 EL
Scale 1:5,000
October 2009



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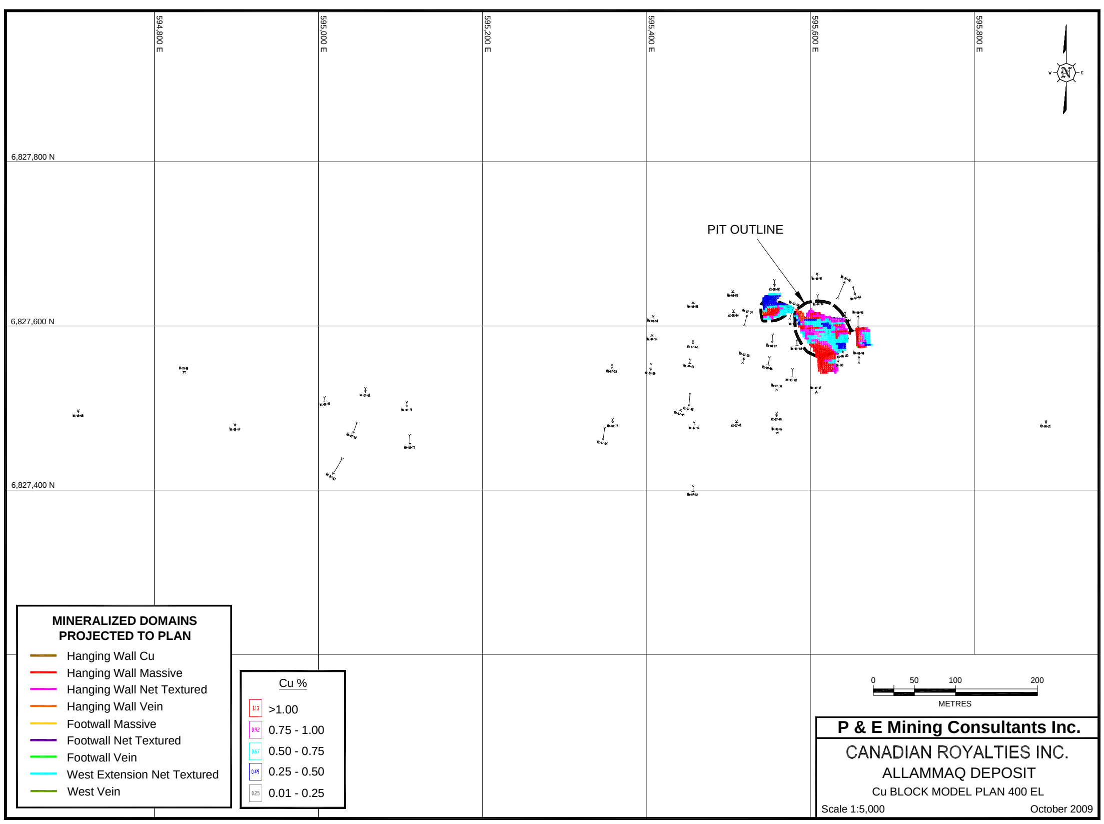
595,000 E
595,200 E
595,400 E
595,600 E
595,800 E
6,827,800 N
6,827,600 N
6,827,400 N
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Cu %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Cu BLOCK MODEL PLAN 450 EL
Scale 1:5,000
October 2009



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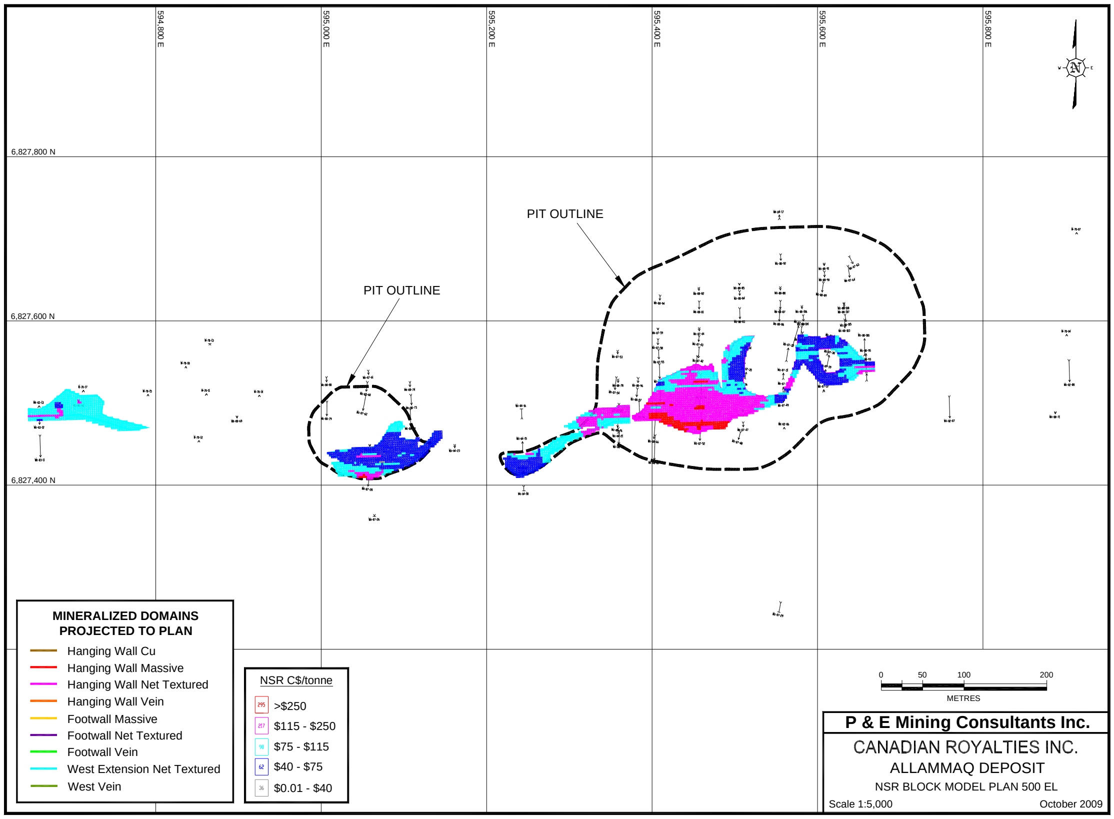
595,000 E
595,200 E
595,400 E
595,600 E
595,800 E
6,827,800 N
6,827,600 N
6,827,400 N
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
Cu %
>1.00
0.75 - 1.00
0.50 - 0.75
0.25 - 0.50
0.01 - 0.25
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
Cu BLOCK MODEL PLAN 400 EL
Scale 1:5,000
October 2009



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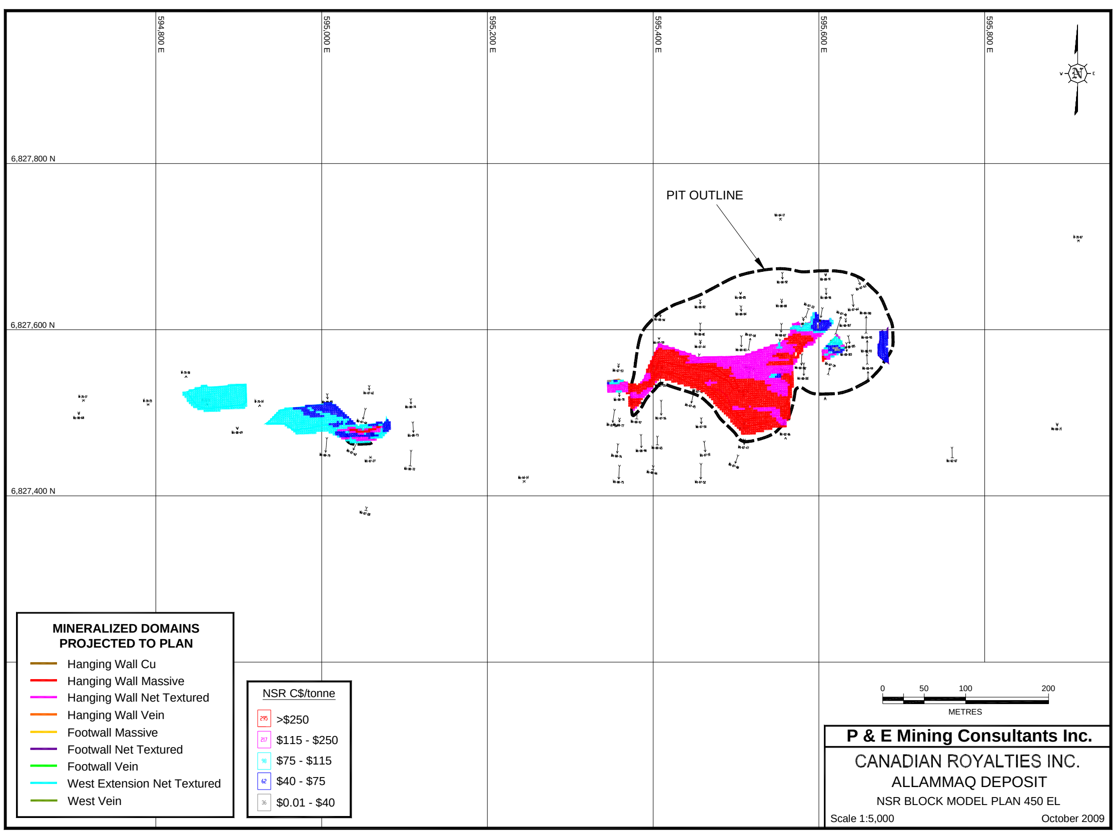
595,000 E
595,200 E
595,400 E
595,600 E
595,800 E
6,827,800 N
6,827,600 N
6,827,400 N
PIT OUTLINE
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
NSR C$/tonne
>$250
$115 - $250
$75 - $115
$40 - $75
$0.01 - $40
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
NSR BLOCK MODEL PLAN 500 EL
Scale 1:5,000
October 2009



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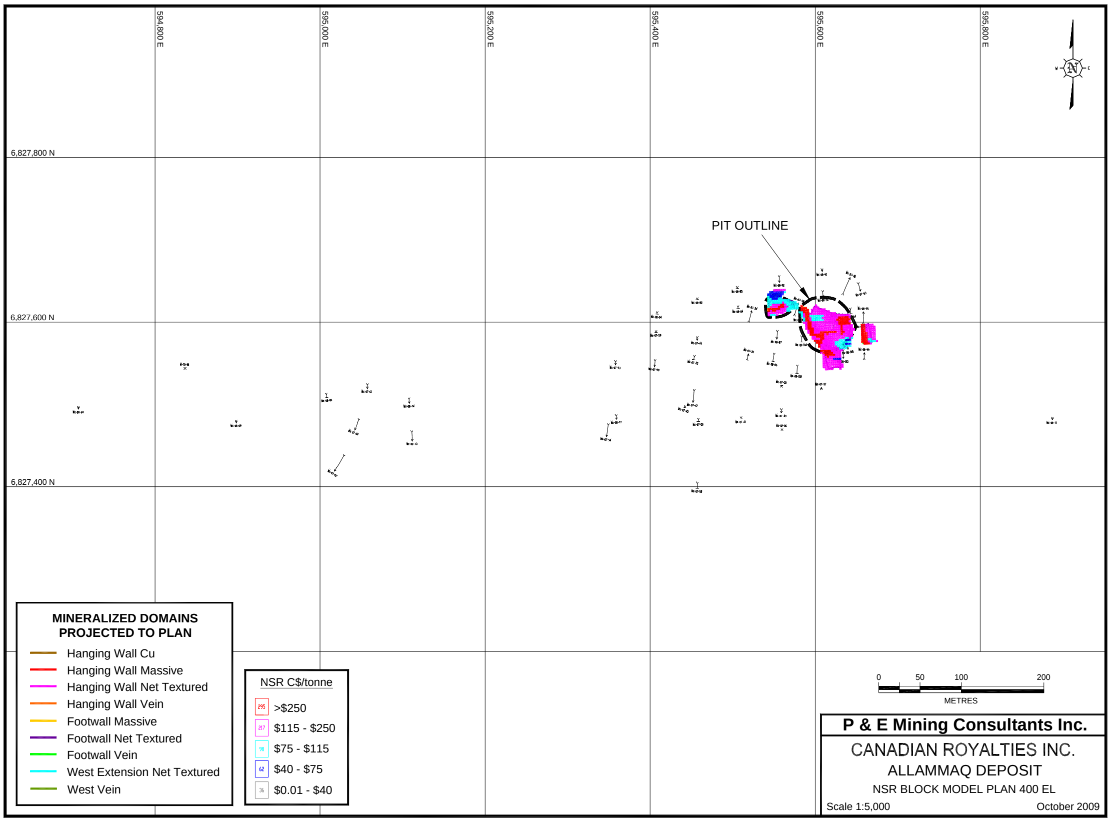
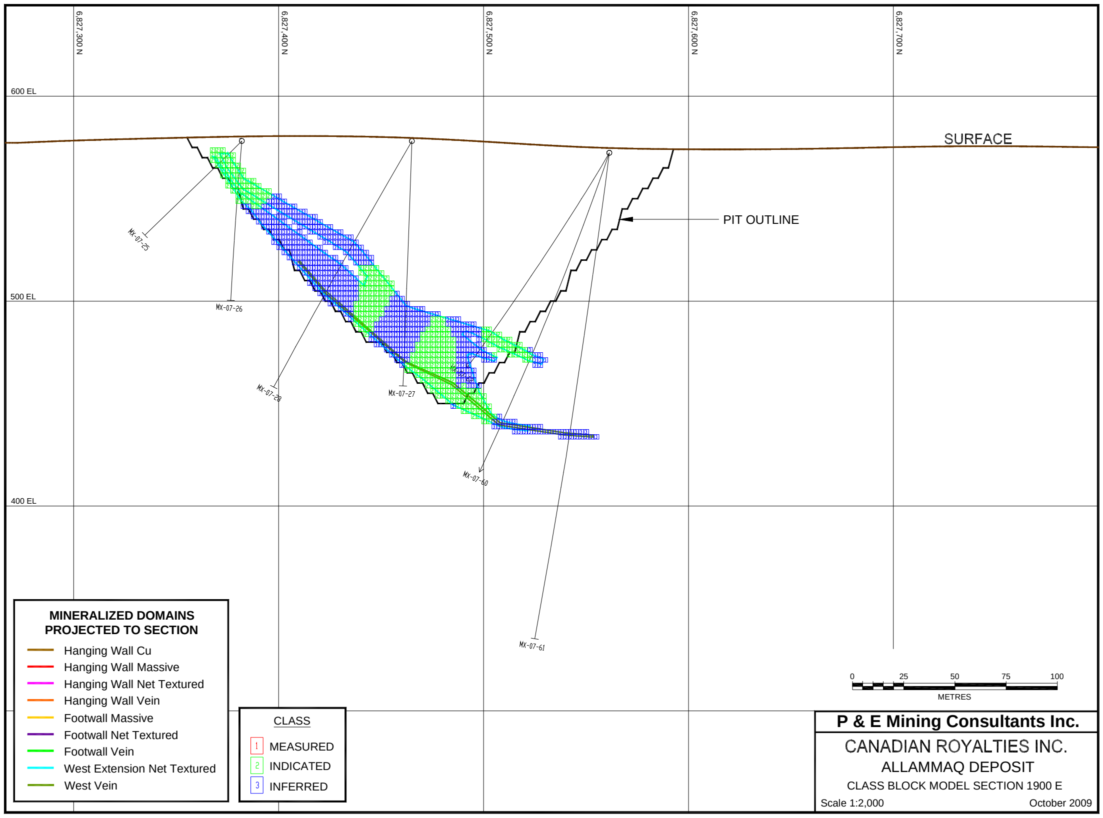
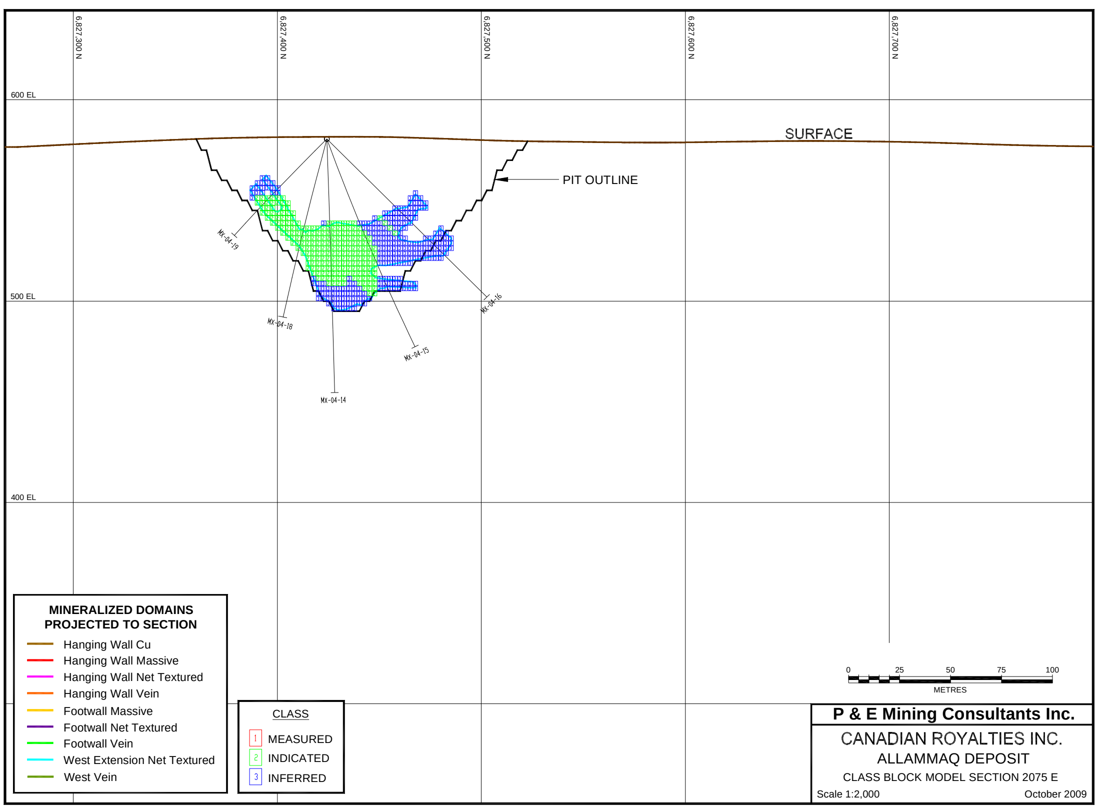
595,000 E
595,200 E
595,400 E
595,600 E
595,800 E
6,827,800 N
6,827,600 N
6,827,400 N
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
NSR C$/tonne
>$250
$115 - $250
$75 - $115
$40 - $75
$0.01 - $40
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
NSR BLOCK MODEL PLAN 450 EL
Scale 1:5,000
October 2009

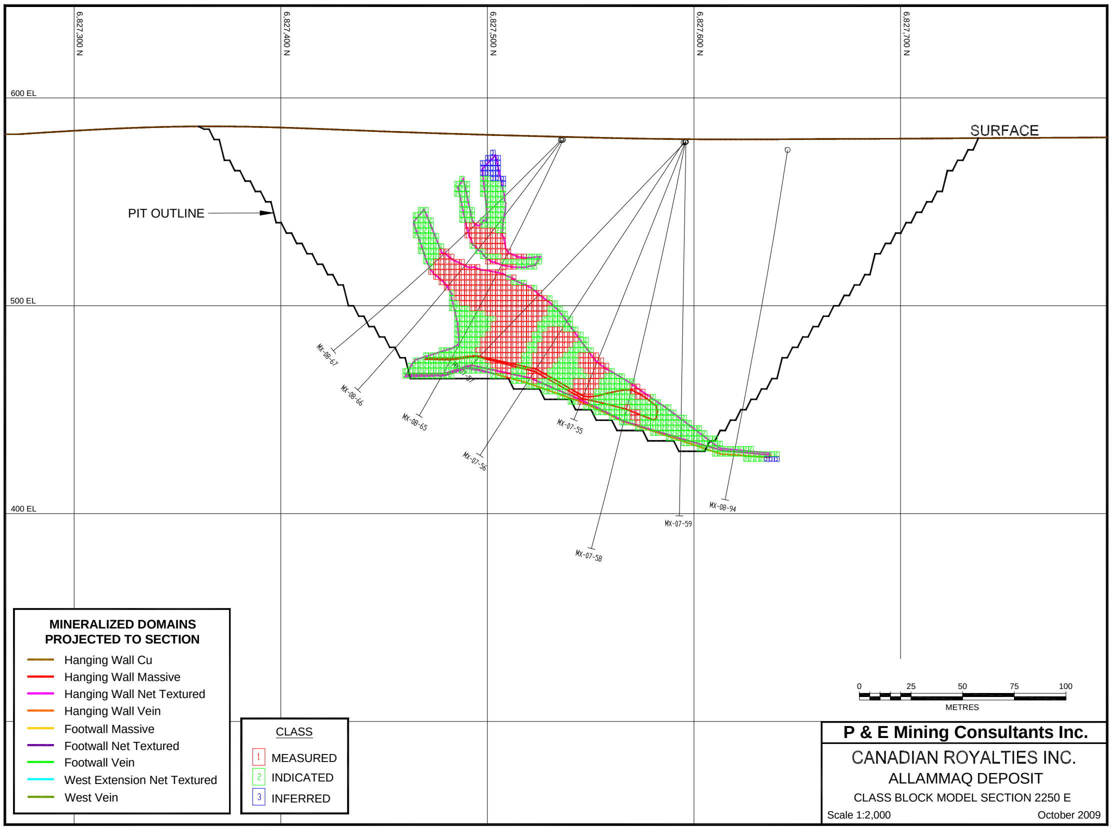

594,800 E
595,000 E
595,200 E
595,400 E
595,600 E
595,800 E
6,827,800 N
6,827,600 N
6,827,400 N
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
NSR C$/tonne
>$250
$115 - $250
$75 - $115
$40 - $75
$0.01 - $40
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
NSR BLOCK MODEL PLAN 400 EL
Scale 1:5,000
October 2009

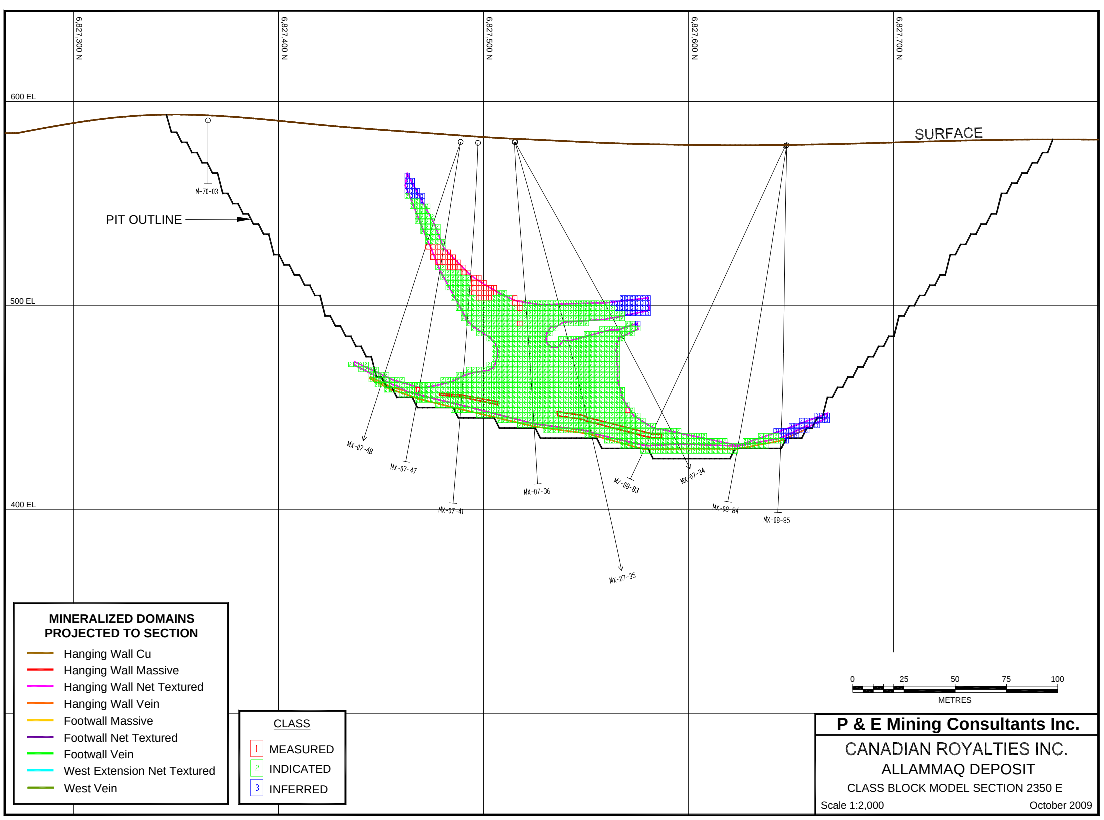
APPENDIX VII

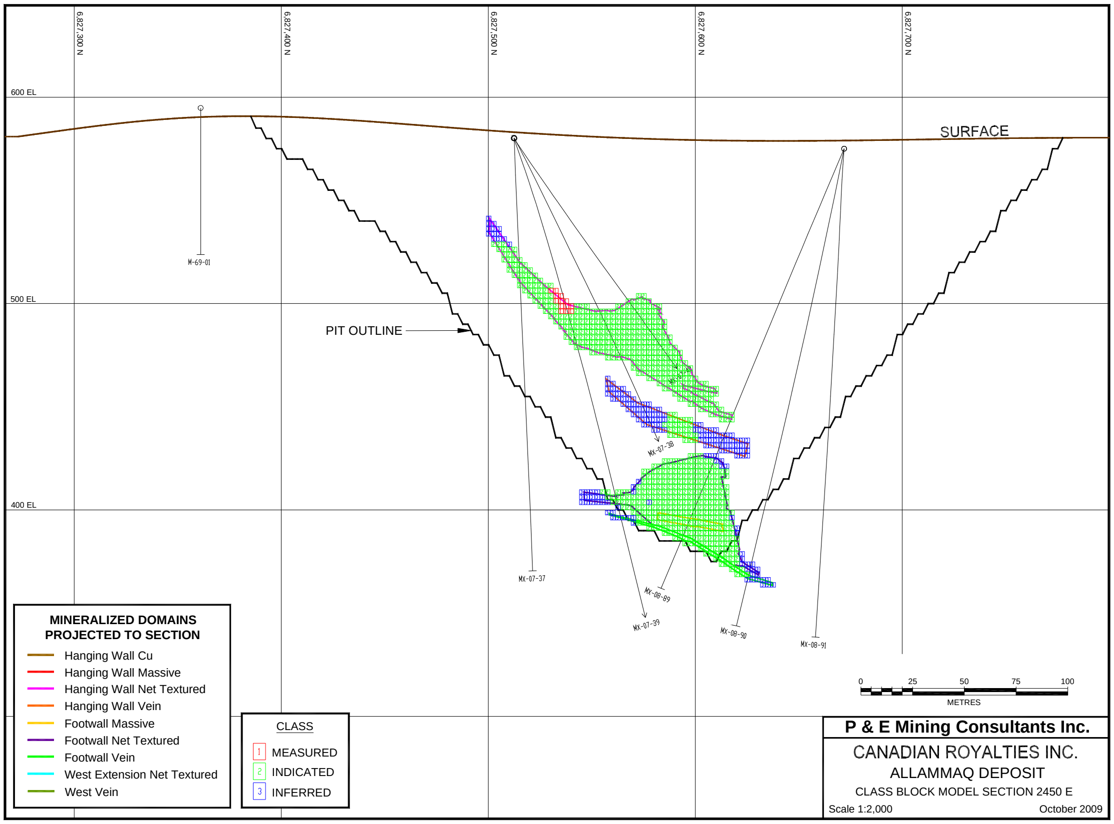
CLASSIFICATION BLOCK MODEL CROSS SECTIONS


6,827,300 N
6,827,400 N
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MX-07-25
MX-07-26
MX-07-28
MX-07-27
MX-07-60
MX-07-61
MINERALIZED DOMAINS PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
CLASS
MEASURED
INDICATED
INFERRED
0 25 50 75 100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
CLASS BLOCK MODEL SECTION 1900 E
Scale 1:2,000
October 2009


6,827,300 N
6,827,400 N
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MX-04-19
MX-04-18
MX-04-14
MX-04-15
MX-04-16
MINERALIZED DOMAINS PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
CLASS
MEASURED
INDICATED
INFERRED
0 25 50 75 100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
CLASS BLOCK MODEL SECTION 2075 E
Scale 1:2,000
October 2009

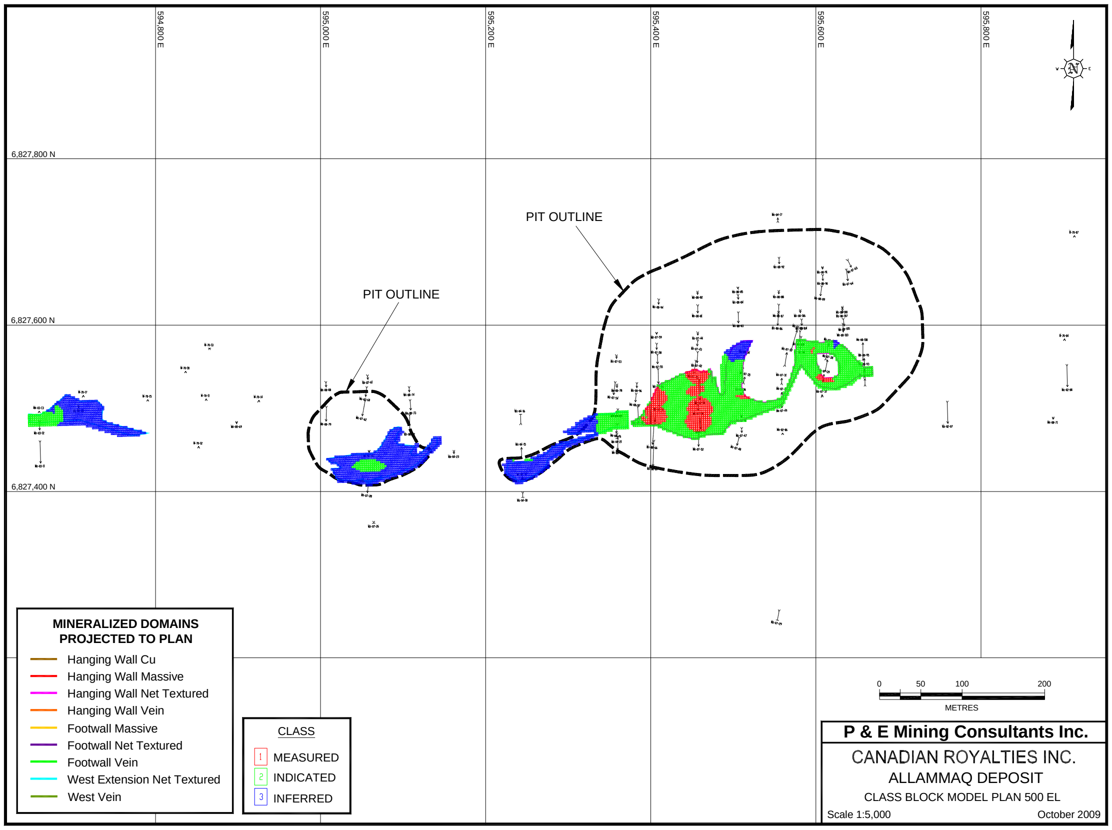

6,827,300 N
6,827,400 N
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS
PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
CLASS
MEASURED
INDICATED
INFERRED
0 25 50 75 100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
CLASS BLOCK MODEL SECTION 2250 E
Scale 1:2,000
October 2009


6,827,300 N
6,827,400 N
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
MINERALIZED DOMAINS
PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
CLASS
MEASURED
INDICATED
INFERRED
0 25 50 75 100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
CLASS BLOCK MODEL SECTION 2350 E
Scale 1:2,000
October 2009

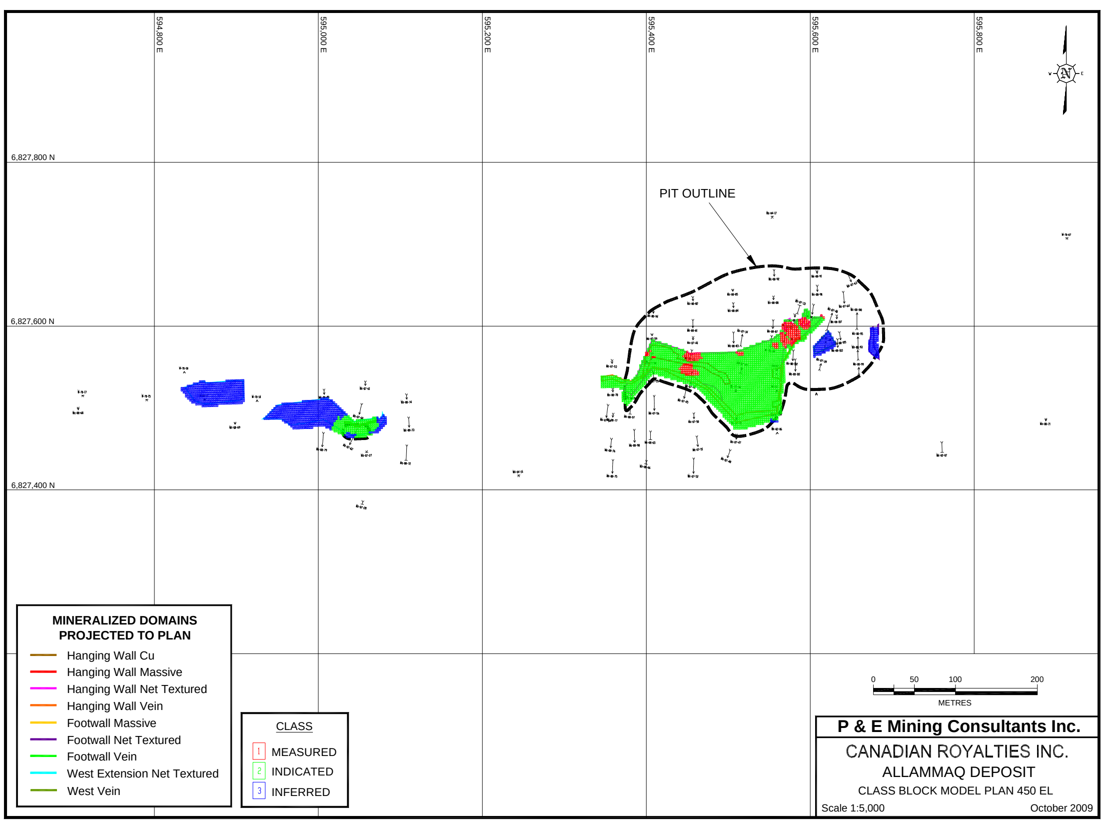

6,827,300 N
6,827,400 N
6,827,500 N
6,827,600 N
6,827,700 N
600 EL
500 EL
400 EL
SURFACE
PIT OUTLINE
M-69-01
MX-07-37
MX-07-38
MX-08-89
MX-07-39
MX-08-90
MX-08-91
MINERALIZED DOMAINS PROJECTED TO SECTION
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
CLASS
1 MEASURED
2 INDICATED
3 INFERRED
0 25 50 75 100
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
CLASS BLOCK MODEL SECTION 2450 E
Scale 1:2,000
October 2009

APPENDIX VIII

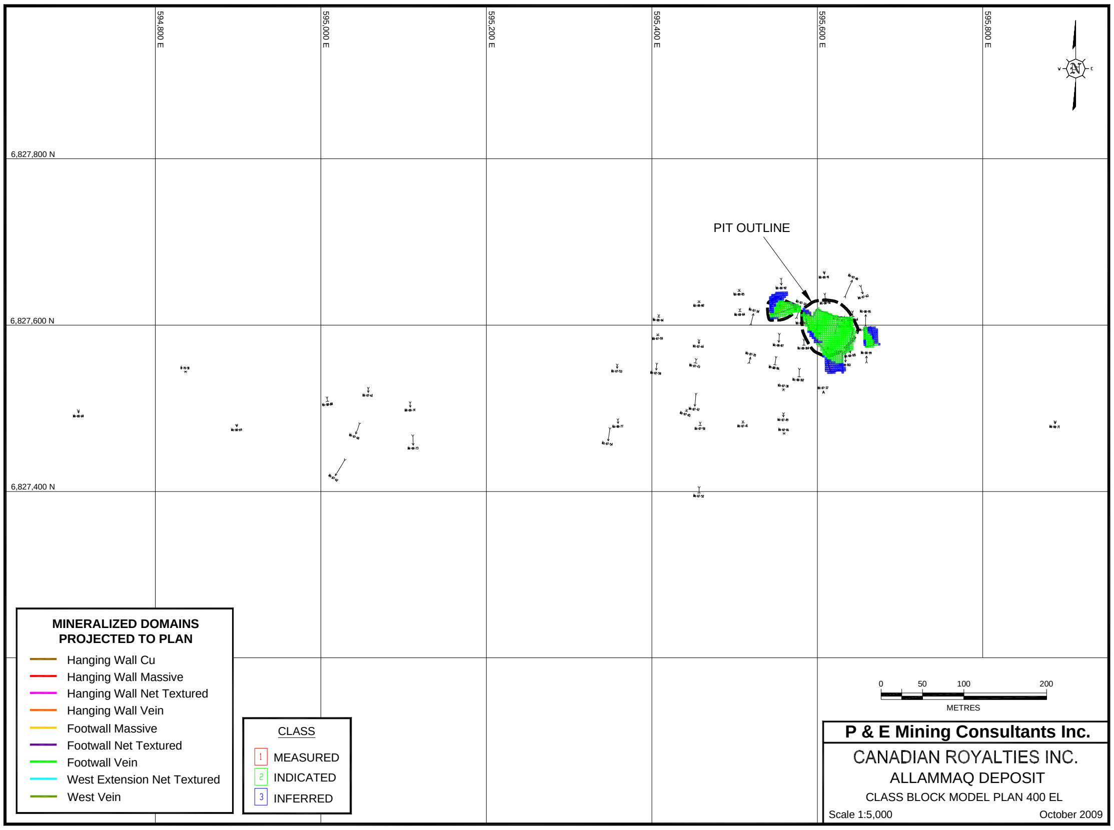
CLASSIFICATION BLOCK MODEL PLANS



PIT OUTLINE
PIT OUTLINE
6,827,800 N
6,827,600 N
6,827,400 N
594,800 E
595,000 E
595,200 E
595,400 E
595,600 E
595,800 E
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
CLASS
MEASURED
INDICATED
INFERRED
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
CLASS BLOCK MODEL PLAN 500 EL
Scale 1:5,000
October 2009



PIT OUTLINE
6,827,800 N
6,827,600 N
6,827,400 N
594,800 E
595,000 E
595,200 E
595,400 E
595,600 E
595,800 E
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
CLASS
MEASURED
INDICATED
INFERRED
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
CLASS BLOCK MODEL PLAN 450 EL
Scale 1:5,000
October 2009


594,800 E
595,000 E
595,200 E
595,400 E
595,600 E
595,800 E
6,827,800 N
6,827,600 N
6,827,400 N
PIT OUTLINE
MINERALIZED DOMAINS PROJECTED TO PLAN
Hanging Wall Cu
Hanging Wall Massive
Hanging Wall Net Textured
Hanging Wall Vein
Footwall Massive
Footwall Net Textured
Footwall Vein
West Extension Net Textured
West Vein
CLASS
1 MEASURED
2 INDICATED
3 INFERRED
0 50 100 200
METRES
P & E Mining Consultants Inc.
CANADIAN ROYALTIES INC.
ALLAMMAQ DEPOSIT
CLASS BLOCK MODEL PLAN 400 EL
Scale 1:5,000
October 2009

APPENDIX IX

OPTIMIZED PIT SHELL

ALLAMMAQ DEPOSIT - OPTIMIZED PIT