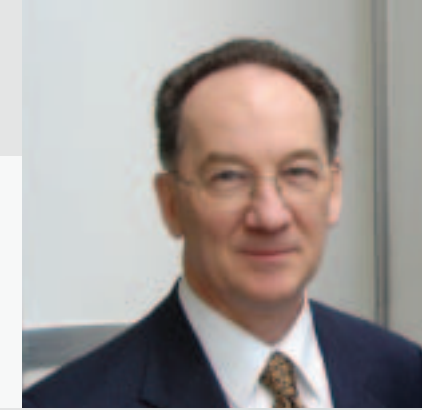


We want to ensure that benefits from the Nunavik Nickel Project are shared fairly with local communities, while respecting Inuit traditions and sustainable development. The region's Inuit communities will benefit from the development of mineral deposits for the duration and beyond.

Richard R. Faucher,
President and CEO,
Director
Canadian Royalties



CANADIAN ROYALTIES AND THE NUNAVIK NICKEL PROJECT

WHO ARE WE?

- Quebec mining company
- Headquarter in Val-d'Or, Corporate Office in Montreal
- Active in Nunavik since 2001
- Main project: Nunavik Nickel Project

A PROMISING FUTURE

- Canadian Royalties launched its first exploratory program on the Nunavik Nickel Project in 2001
- Discovery of the Mesamax deposit in 2002
- First resource evaluation on the Mesamax deposit in 2003
- Acquisition of a 70% interest in the Expo-Ungava Property in 2003
- Named "Prospector of the Year" by the Quebec Prospectors Association in 2003
- Canadian Royalties graduates from the TSX Venture exchange to the Toronto Stock Exchange (TSX) in 2004
- Continuation of exploratory programs and confirmation of the expansion of mining resources from 2004 to 2007
- Environmental and social impact study in 2006 and 2007
- Named "Entrepreneur of the year" by Québec Prospectors Association in 2006
- Positive feasibility study in 2007
- Start of detailed engineering in September 2007
- Public consultations planned for January 2008
- Global project authorization anticipated for the end of the first quarter of 2008
- Project construction to start in spring 2008
- Mining production to start in 2010

THE NUNAVIK NICKEL PROJECT

- Four small nickel and copper open-pit mines on the Mesamax, Expo, Mequillon and Ivakkak deposits
- Located about 80 km west of Kangiqsujaq, 120 km southeast of Salluit
- Industrial complex capable of processing 3,700 tonnes of ore daily
- Tailings and waste rock disposal facilities
- Service buildings to house 300 workers
- Berm-bridge dam that will create a reservoir to meet needs for process water and drinking water
- Harbour infrastructures in Deception Bay
- Road system linking the four deposits to the industrial complex and to the Katinniq road system (80 km of roads)
- Airstrip close to the operations base
- Waste treatment and recycling centre, including a landfill
- Project lifespan: initial mine life of 15 years



ENVIRONMENTAL APPROACH

OUR ENVIRONMENTAL ACTIONS

- Exhaustive environmental baseline study from 2003 to 2006
- Completion of major studies on the human environment
- Public consultations in 2006 in the villages of Puvirnituk, Salluit and Kangiqsujaq to hear residents' concerns and expectations
- Extensive environmental and social impact study in 2007 reflecting local realities
- Numerous meetings with local communities, local authorities and Inuit organizations since 2001

OUR COMMITMENTS

- Re-use a minimum of 85% of process water to minimize water requirements
- Establish a proven, effective water treatment system to preserve the quality of the aquatic environment



- Progressive reclamation of all extraction sites at the end of the mining period, in accordance with the Loi sur les Mines
- Use and promote the best available technology in order to enhance our environmental performance
- Implementation of an extensive and regular environmental monitoring program in order to adequately observe natural environments, and more specifically the Puvirnituk River drainage basin
- Environmental monitoring to protect traditional hunting and fishing activities
- Implementation of a waste recycling program

COMMUNICATIONS

- Implementation of an environmental management program (ISO 14001)
- Create a regional environmental monitoring committee in cooperation with local communities
- Regular publication of a newsletter for the local public

