



**GOLDBROOK**  
*ventures*

JIEN CANADA  
MINING LTD.



Explore • Discover • Prosper  
*Nickel, copper and platinum group metals unearthed*

For Immediate Release  
Trading Symbol: GBK – TSX-V

October 16, 2009

**NEWS RELEASE**

**Jien Canada and Canadian Royalties Sign Definitive Support Agreement**

**Jien Canada to Amend Cash Offers for Canadian Royalties to \$0.80 per Share and \$800 per \$1,000 principal amount of Debentures**

**Vancouver, British Columbia** – Jilin Jien Nickel Industry Co., Ltd. (“**Jilin Jien**”), Goldbrook Ventures Inc. (“**Goldbrook**”), Jien Canada Mining Ltd. (“**Jien Canada**”), Jien International Investment Ltd. and Canadian Royalties Inc. (“**Canadian Royalties**”, TSX: CZZ) are pleased to announce that they have entered into a definitive support agreement (the “**Support Agreement**”), pursuant to which the board of directors of Canadian Royalties (the “**CR Board**”) has agreed to support the making of the amended offers (the “**Offers**”) to acquire all of the issued and outstanding common shares (the “**Shares**”) and all of the 7% Convertible Senior Unsecured Debentures due March 31, 2015 (the “**Debentures**”) of Canadian Royalties. Pursuant to the Support Agreement, the Offers will be amended to (i) increase the price offered per Share to \$0.80 in cash; (ii) increase the price offered for the Debentures to \$800 per \$1,000 principal amount of Debentures, plus accrued and unpaid interest up to, but excluding, the date the Debentures are taken up under the Debenture Offer; and (iii) extend the expiry of the Offers to 5:00 P.M. (Toronto time) on October 27, 2009.

Subject to the conditions of the Offers being met or waived, each holder of Shares (“**Shareholder**”) will receive \$0.80 for each Share tendered under the share offer (the “**Share Offer**”) and each holder of \$1,000 principal amount of Debenture (“**Debentureholder**”) will receive \$800 per \$1,000 principal amount of Debentures, plus accrued and unpaid interest up to, but excluding, the date the Debentures are taken up under the debenture offer (the “**Debenture Offer**”). A notice of variation (the “**Notice of Variation**”) in respect of the Offers will be mailed to Shareholders and Debentureholders and will be filed with the applicable securities authorities in Canada and will be made available on [www.sedar.com](http://www.sedar.com).

The terms of the Offers will also be amended to change the process for the acquisition of Debentures that are not tendered to the Offers. If Jien Canada takes up and pays for at least 66% of the outstanding aggregate principal amount of Debentures, Jien Canada intends (subject to any required approvals) to cause Canadian Royalties to enter into a supplemental indenture with Computershare Trust Company of Canada (the “**Indenture Trustee**”) amending the terms of the trust indenture relating to the Debentures dated March 18, 2008 between the Indenture Trustee and Canadian Royalties (the “**Trust Indenture**”) so as to, among other things, (i) disable the conversion feature of the Debentures; (ii) remove the provision of the Trust Indenture requiring the redemption of the Debentures at 101% of the principal amount, at the option of the holder, in event of a Change of Control (as such term is defined in the Trust Indenture); (iii) allow the Debentures to be redeemable at the Option of Jien Canada within 30 days thereafter at a redemption price equal to \$800 per \$1,000 principal amount of the Debentures to be redeemed plus accrued and unpaid interest thereon; and (iv) waive any and all Events of Default (as such term is defined in the Trust Indenture) that may arise in connection with the Offers or any other action or transaction contemplated by or disclosed in the formal offers and take-over bid circular (the “**Trust Indenture Amendment and Waiver**”). The acceptance of the Debenture Offer by a Debentureholder will also be such Debentureholder’s approval of and consent to the Trust Indenture Amendment and Waiver.



**GOLDBROOK**  
*ventures*

JIEN CANADA  
MINING LTD.



Explore • Discover • Prosper  
*Nickel, copper and platinum group metals unearthed*

### **Highlights of the Amended Offers**

- Total cash consideration of approximately \$192 million will be offered (including accrued interest on the Debentures).
- The Share Offer represents a premium of approximately 69.5% over the volume weighted average trading price for the 20 previous trading days before announcement of the Offers, ending August 6, 2009 and premium of approximately 37.9% to the price of \$0.58 at the close of trading on October 15, 2009, the last trading day prior to this announcement.
- The Debenture Offer represents a premium of approximately 196% over the volume weighted average trading price for the 20 previous trading days before announcement of the Offers, ending August 6, 2009 and premium of 14.3% to the price of \$700 per \$1,000 principal amount of Debentures at the close of trading on October 15, 2009, the last trading day prior to this announcement.
- The Offers will remain open until 5:00 p.m. (Toronto time) on October 27, 2009.

### **Highlights of the Support Agreement**

The following is a summary of certain provisions of the Support Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Support Agreement which is available at [www.sedar.com](http://www.sedar.com).

The CR Board, upon recommendation of the special committee of the CR Board, has determined that the Share Offer is fair to its Shareholders and that it is in the best interests of Canadian Royalties and its Shareholders. Accordingly, the CR Board supports and approves the Share Offer and will recommend that Shareholders accept the Share Offer. The special committee has received an opinion of BMO Capital Markets, the financial advisor to the special committee of the CR Board, that the consideration to be received under the Share Offer is fair from a financial point of view to Shareholders of Canadian Royalties, other than Jien Canada, Jilin Jien, Jien International Investment Ltd., Goldbrook and their respective associates, affiliates and joint actors.

The Support Agreement provides that the CR Board will issue a directors' circular that will contain its favourable recommendation to shareholders of Canadian Royalties. Such directors' circular will be issued within 2 business days after Jien Canada mails a Notice of Variation in connection with the Offers. The Support Agreement contains, among other things, provisions for a \$3.6 million break free, non-solicitation of competing offers, notification by Canadian Royalties to Jien Canada of any alternative proposals from third parties and a right on the part of Jien Canada to match any such proposal.

Jien Canada has entered into lock-up agreements with certain directors and officers of Canadian Royalties and certain Debentureholders such that they agree to tender all of their Shares or Debentures, as applicable, to the Offers. Debentureholders that have entered into lock-up agreements with Jien Canada, or that have provided verbal indications to Jien Canada and Canadian Royalties, have agreed to tender an aggregate of \$78,873,000 principal amount of Debentures, or 57% of the outstanding principal amount of Debentures.

### **Details of the Offers**

Full details of the Offers are contained in the Offer Documents and the first notice of variation filed with securities regulatory authorities and will be contained in the Notice of Variation. The Offer Documents were mailed to Shareholders and Debentureholders ("**Securityholders**") on August 21, 2009 and the first notice of variation was mailed to Shareholders and Debentureholders on September 16, 2009. The Offers will remain open until 5:00 p.m. (Toronto time) at the expiry date of the Offers (the "**Expiry Time**"). The Offers are subject to customary conditions, including: that a minimum of 66⅔% of the outstanding Shares on a fully diluted basis and 66⅔% of the outstanding aggregate principal amount of Debentures are tendered to the Offers, the absence of any material adverse change in Canadian Royalties, the absence of certain prohibited activities on the part of Canadian Royalties (including share issuances, material debt issuances, acquisitions and dispositions) between August 6,

---

Suite 1550 - 200 Burrard Street, Vancouver, British Columbia, Canada V6C 3L6

Goldbrook - T: (604) 683-8083 • F: (604) 683-8087 • TF: 1-888-488-9884 • [www.goldbrookventures.com](http://www.goldbrookventures.com) • TSX.V:GBK  
Jien Canada Mining - T: (604) 683-8083 • F: (604) 683-8087 • TF: 1-888-488-9884 • [www.jiencanadamin.com](http://www.jiencanadamin.com)



**GOLDBROOK**  
*ventures*

JIEN CANADA  
MINING LTD.



Explore • Discover • Prosper  
*Nickel, copper and platinum group metals unearthed*

2009 and the expiry of the Offers, and no untrue statements or omissions in Canadian Royalties' public disclosure. Jien Canada intends to take all necessary steps to acquire any Shares or Debentures that remain outstanding following the expiry of the Offers.

**Important Instructions to Securityholders Wishing to Tender their Shares or Debentures**

Shareholders may accept the Share Offer by depositing the following documents with the Depositary at any of the offices specified in the Letter of Acceptance and Transmittal before the Expiry Time:

- (a) the certificate or certificates representing the Shares in respect of which the Share Offer is being accepted;
- (b) a properly completed and duly signed copy of the Letter of Acceptance and Transmittal (or a manually signed facsimile copy), with the signature or signatures guaranteed in accordance with the instructions set out in the Letter of Acceptance and Transmittal; and
- (c) any other relevant document required by the instructions set forth in the Letter of Acceptance and Transmittal.

The Debentures were issued by Canadian Royalties in a "book-entry only" system and all of the Debentures are currently registered in the name of and held by or on behalf of CDS & Co. Beneficial interests in the Debentures, constituting ownership of the Debentures, are represented through book-entry accounts of institutions acting on behalf of beneficial owners as direct and indirect CDS participants, rather than by definitive certificates. In order to tender Debentures, you must direct your investment dealer, stockbroker, bank, trust company or other nominee to accept the Debenture Offer in the manner required by your nominee.

Investors may obtain a free copy of the Offer Documents filed by Jien Canada with Canadian securities regulators at [www.sedar.com](http://www.sedar.com). In addition, you may request these documents free of charge from Jien Canada's information agent, Kingsdale Shareholder Services Inc., toll free at 1-888-581-1024.

PI Financial Corp. is acting as financial advisor to Jien Canada with respect to the Offers. Blake, Cassels & Graydon LLP is acting as legal counsel to Goldbrook and Jien Canada and Gowling Lafleur Henderson LLP is acting as legal counsel to Jilin Jien.

This press release does not constitute an offer to buy or sell, or the solicitation of an offer to buy or sell, any of the securities of Canadian Royalties. Such an offer can only be made pursuant to an offer to purchase and accompanying offering circular filed with the securities regulatory authorities in Canada.

**About Jien Canada**

Jien Canada was incorporated under the Federal laws of Canada on August 6, 2009. The voting shares of Jien Canada are owned by Jilin Jien Nickel Industry Co., Ltd. through Jien International Investment Ltd. and Goldbrook, as to 75% and 25%, respectively. Jien Canada has not carried on any business other than business incidental to making the Offers. The head office and the registered and records office of Jien Canada is Suite 1550, 200 Burrard Street, Vancouver, B.C. V6C 3L6.

**About Goldbrook**

Goldbrook Ventures is engaged in the exploration for Nickel-Copper-Platinum Group Element sulphide deposits – a class of mineral deposit that, due to its poly-metallic nature, has the advantage of protection against individual metal price cycles and has strong long term supply-demand fundamentals. Goldbrook's quest for discovery is focused in the Raglan District of Northern Quebec, a district that hosts Xstrata's Raglan operations, arguably one of the world's most profitable nickel-copper-PGE mines. Goldbrook is the District's single largest holder of mineral rights, with a 100% interest in 891,000 acres.



**GOLDBROOK**  
*ventures*

JIEN CANADA  
MINING LTD.



Explore • Discover • Prosper  
*Nickel, copper and platinum group metals unearthed*

### **About Jilin Jien**

Jilin Jien Nickel Industry Co., Ltd. is a corporation existing under the laws of China. The head office of Jilin Jien is located at Panshi City, Jilin Province, China.

Jilin Jien is one of China's largest producers of nickel, copper and cobalt sulphates, as well as other nickel products including nickel matte, electrolytic nickel, nickel hydroxide and nickel chloride. With profitable operations spanning exploration, mining, smelting, refining, chemicals and research, Jilin Jien has total assets of RMB3.2 billion, nearly 10,000 employees and its facilities occupy 4.5 million square meters.

Jilin Jien is a publicly-traded company owned and controlled by shareholders. Jilin Jien was the first company in China's nickel industry to list on the A-share market of the Shanghai Stock Exchange under stock code 600432. Jilin Jien is one of the companies comprising the SSE180 index and the CSI300 index. Jilin Jien has a majority shareholder – Jilin Horoc Nonferrous Metal Group, Co Ltd., who owns approximately 57%. Indirectly, the government of China owns less than 20% (indirect interest) of Jilin Jien, as the government has a partial ownership in Jilin Horoc Nonferrous Metal Group. The management and the board of Jilin Jien make all decisions pertaining to their business.

**ON BEHALF OF THE GOLDBROOK BOARD:**  
(signed) "David Baker," Chairman and CEO

**ON BEHALF OF THE JIEN CANADA MINING BOARD:**  
(signed) "David Baker," Director

Dedicated transaction website at: [www.jiencanadamining.com](http://www.jiencanadamining.com)

### **Institutional Investor & Media Contact**

Janet Craig  
Managing Director  
Kingsdale Communications Inc.  
416-867-2315  
[jac@kingsdalecommunications.com](mailto:jac@kingsdalecommunications.com)

### **For Retail Investor Enquiries**

Kingsdale Shareholder Services Inc.  
North American Toll Free Phone: 1-866-581-1024  
E-mail: [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com)  
Facsimile: 416-867-2271  
Toll Free Facsimile: 1-866-545-5580  
Outside North America, Banks and Brokers Call Collect: 416-867-2272

### **Cautionary Note Regarding Forward-Looking Statements**

Certain of the statements made herein may contain forward-looking statements or information within the meaning of Canadian securities laws and the applicable securities laws of the United States. Such forward looking statements or information include, but are not limited to, statements or information with respect to Jien Canada's intention with respect to the offer to acquire Canadian Royalties; the proposed terms of such offer; the business, operations and financial performance and condition of each of Goldbrook, Jilin Jien, Jien International and Jien Canada.



**GOLDBROOK**  
*ventures*

J I E N C A N A D A  
M I N I N G L T D .



Explore • Discover • Prosper

*Nickel, copper and platinum group metals unearthed*

Forward-looking statements or information are based on a number of estimates and assumptions and are subject to a variety of risks and uncertainties, which could cause actual events or results to differ from those reflected in the forward-looking statements or information. Should one or more of these risks and uncertainties materialize, or should underlying estimates and assumptions prove incorrect, actual results may vary materially from those described in forward looking statements or information. Factors related to such risks and uncertainties, and underlying estimates and assumptions include, among others, the following: Jien Canada's assessment of the effect of an offer on Goldbrook, Jilin Jien, Jien International Investment Ltd., Jien Canada and on the shareholders and debentureholders of Canadian Royalties, the timing and prospects for shareholder and debentureholder acceptance of an offer and the implementation thereof; the satisfaction of any conditions to an offer; the ability of Jien Canada to advance development of the Nunavik Nickel project; price volatility of nickel and other metals; impact of any hedging activities, including margin limits and margin calls; discrepancies between actual and estimated production, between actual and estimated resources, and between actual and estimated metallurgical recoveries; mining operational risk; regulatory restrictions, including environmental regulatory restrictions and liability; risks of sovereign investment; speculative nature of mineral exploration; defective title to mineral claims or property, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological or operational difficulties or inability to obtain permits encountered in connection with exploration activities; and labour relations matters. Accordingly, undue reliance should not be placed on forward looking statements or information. We do not expect to update forward-looking statements or information continually as conditions change, except as may be required by law.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*