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For Immediate Release
Trading Symbol: GBK – TSX-V

August 7, 2009

NEWS RELEASE

Jilin Jien and Goldbrook Announce Intention to Make All-Cash Bid for Canadian Royalties

Bid offers premium to Canadian Royalties' shareholders and debentureholders

Vancouver, British Columbia – Goldbrook Ventures Inc. (“**Goldbrook**”) today announced it has entered into a shareholder, joint bid and operating agreement (the “**Shareholder Agreement**”) with Jilin Jien Nickel Industry Co., Ltd. (“**Jilin Jien**”), and its wholly-owned subsidiary Jien International Investment Ltd. (“**JJ Holdco**”), to make an all-cash take-over bid (the “**Take-Over Bid**”) for Canadian Royalties Inc. (“**Canadian Royalties**”, TSX:CZZ) to acquire all of the outstanding common shares (the “**Shares**”) of Canadian Royalties at a price of Cdn\$0.60 in cash per Share and all of the outstanding 7% convertible senior unsecured debentures due March 31, 2015 (the “**Debentures**”) at a price of Cdn\$600 per Cdn\$1000 principal amount of Debentures, plus accrued and unpaid interest up to, but excluding, the date the Debentures are taken up under the Take-Over Bid. The offer for the Shares (the “**Share Offer**”) and the offer for the debentures (the “**Debenture Offer**”) are being made by Jien Canada Mining Ltd. (the “**Offeror**”), a company jointly owned by Goldbrook and Jilin Jien.

Highlights of the Offer

- Total cash consideration of approximately Cdn\$148.5 million will be offered (including accrued interest on the Debentures).
- The Share Offer represents a premium of approximately 28.2% over the closing price of Cdn\$0.48 per Share on the Toronto Stock Exchange to the volume weighted average trading price for the 20 previous trading days ending August 6, 2009.
- The Debenture Offer represents a premium of approximately 97% over the closing price of Cdn\$305.00 per \$1,000 principal amount of Debentures on the Toronto Stock Exchange on August 6, 2009.

This Share Offer and Debenture Offer provide Canadian Royalties' shareholders and debentureholders an attractive opportunity to realize substantial and immediate gains.

Offer Reflects True Value of Canadian Royalties' Assets

"We have a strong understanding of the deposits and the potential production output of Canadian Royalties' assets and believe that the premium paid is an accurate reflection of their true value," said David Baker, Chairman and CEO, Goldbrook Ventures Inc.

Jilin Jien has extensive experience in successfully developing large-scale resource projects and is one of China's largest producers of nickel, copper and cobalt sulphates. With profitable operations spanning exploration, mining, smelting, refining, and research, Jilin Jien has extensive experience, technical expertise and the financial resources to develop a large-scale resource project.



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Goldbrook has extensive experience with the exploration of properties in the Raglan district of Quebec and has an experienced management team with significant technical expertise. The combination of Jilin Jien's expertise, experience and financial resources, together with Goldbrook's experience and expertise in operating in the Raglan district, provide the necessary elements to bring the Nunavik Nickel Project into production.

"We believe that the combined experience and capabilities of Jilin Jien and Goldbrook will develop Canadian Royalties' assets to their full potential," said Mr. Baker. "Canadian Royalties' Nunavik Nickel Project presents an excellent development opportunity that can only be realized with a board of directors and management with extensive experience in effectively developing large-scale resource projects and in raising the large amounts of capital that will be required to complete the Nunavik Nickel Project."

About the Offeror

Pursuant to the terms of the Shareholder Agreement, Goldbrook and JJ Holdco have incorporated the Offeror – Jien Mining Canada Ltd. - for the purposes of making the Take-Over Bid. The Offeror is jointly owned by JJ Holdco and Goldbrook.

Details of the Offers

Full details of the Offers will be contained in a formal offer and take-over bid circular to be filed with securities regulatory authorities and mailed to Shareholders and Debentureholders ("**Securityholders**"). The Offeror expects to formally launch the Offers during the week of August 10, 2009. The Offers will remain open for at least 35 days following the commencement of the Offers.

The Share Offer price represents a premium of approximately 25% based on the closing price of the Shares on the Toronto Stock Exchange (the "**TSX**") on August 6, 2009, and a premium of approximately 28.2% to the volume weighted average trading price for the 20 previous trading days ending August 6, 2009. The Debenture Offer price represents a premium of approximately 97% based on the closing price of the Debentures on the TSX on August 6, 2009, and a premium of approximately 122% to the volume weighted average trading price for the 20 previous trading days ending August 6, 2009.

The Take-Over Bid will be subject to customary conditions, including: that a minimum of 66 2/3% of the outstanding Shares on a fully diluted basis and 66 2/3% of the outstanding aggregate principal amount of Debentures are tendered to the offer, receipt of all required regulatory approvals, including the approval of the TSX Venture Exchange, 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 the date hereof and the expiry of the offer, and no untrue statements or omissions in Canadian Royalties' public disclosure. The Offeror intends to take all necessary steps to acquire any Shares or Debentures that remain outstanding following the expiry of the Offers.

The Offeror will request from Canadian Royalties the use of its list of Securityholders and security position listings for the purpose of disseminating Offering Documents to Securityholders. Upon compliance with this request by Canadian Royalties, the Offer to Purchase and Circular will be mailed to Securityholders of record and furnished to brokers, dealers, banks, trust companies and similar persons, whose names or the names of whose nominees appear on the Securityholder lists or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of the Shares or the Debentures.

The Offeror's financial advisor is PI Financial Corp. Blake, Cassels & Graydon LLP is acting as legal counsel to Goldbrook and Gowling Lafleur Henderson LLP is acting as legal counsel to Jilin Jien.

Goldbrook has agreed to pay a success fee (the "**Success Fee**") to PI Financial Corp. upon the successful completion of the Offers and any subsequent acquisition transaction to acquire 100% of the Shares and Debentures.



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The Shareholder Agreement, the Offers and the Success Fee are subject to the approval of the TSX Venture Exchange.

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 (the "**Offer to Purchase**") and accompanying offering circular (the "**Circular**") filed with the securities regulatory authorities in Canada. Investors may obtain a free copy of the Offer to Purchase and Circular when they become available at www.sedar.com. In addition, you may request these documents free of charge, once they have been mailed, from the Offeror's information agent, Kingsdale Shareholder Services Inc., toll free at 1-866-581-1024. Investors and Securityholders are strongly advised to read these documents, as well as any amendments or supplements to these documents, because they contain important information. You should read these materials carefully and in their entirety before making a decision concerning the Offers.

Summary of Shareholder Agreement

The following is a summary of certain provisions of the Shareholder Agreement governing the Offeror. 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 Shareholder Agreement. The Shareholder Agreement will be filed by Goldbrook with the Canadian securities regulatory authorities and will be available at www.sedar.com.

The voting shares of the Offeror are held 75% by JJ Holdco, and 25% by Goldbrook (each an "**Offeror Shareholder**"). The Offeror Shareholders caused the organization of the Offeror for the purpose of making the Take-Over Bid for Canadian Royalties and for subsequently managing its operations. A representative of Jilin Jien and a representative of Goldbrook have been appointed as managers of the Offers and they are responsible for all matters relating to the Offers, subject to unanimous approval of the board of directors of the Offeror (the "**Offeror Directors**"). The Offeror Shareholders have agreed to cooperate in the obtaining of regulatory approvals for the Offers, marketing of the Offers and the preparation of the Offer Documents.

Jilin Jien has deposited into a Canadian bank account an initial contribution which JJ Holdco will use to finance the Offers and the expenses related thereto. Thereafter the Offeror Directors are responsible for approving an annual work program and budget submitted by the operator of the Offeror's operations (the "**Operator**"). JJ Holdco is responsible for providing 100% of the funding required for the Offeror's operations; however, JJ Holdco may arrange for the Offeror to obtain such funding amounts directly from third party lenders.

Except for certain permitted transfers to subsidiaries and to lenders in connection with financing for the Offeror's operations, any transfer of shares by an Offeror Shareholder is subject to a right of first offer to the non-transferring Offeror Shareholder. Additionally, if an Offeror Shareholder receives an offer from a third party to transfer its shares of the Offeror, then the non-transferring Offeror Shareholder is permitted to require the third party to purchase all or a portion of its shares, for the same consideration and on the same terms.

The Offeror Directors shall be responsible for the management, direction and control of the Offeror. The number of Offeror Directors shall initially be five and shall be comprised of (i) three nominees of JJ Holdco and (ii) two nominees of Goldbrook. The Offeror Directors are responsible for the management, direction and control of the Offeror and are empowered to make all strategic and planning decisions regarding the Offeror's operations. Accordingly, the Offeror Directors are responsible for revising, as deemed appropriate, work programs and budgets submitted by the Operator, for approving all programs and budgets and for evaluating the results of all programs. Decisions of the Offeror Directors are by majority vote and each Offeror Director shall have one vote. Certain significant decisions require the unanimous approval of all of the Offeror Directors.

Upon the successful completion of the Offers, and any required subsequent acquisition transaction, the Offeror shall be the first Operator, and the powers and obligations of the Operator shall be to manage the Offeror's operations and conduct, or cause to be conducted, all work performed under a program in a good and workmanlike manner in accordance with federal and provincial government laws and regulations, good exploration, engineering and mining practice.



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Cash available for distribution once commercial production has commenced (“**Cash Available for Distribution**”) for the Offeror is calculated as the cash and cash equivalents of the Offeror, plus gross revenue in respect of any period from: (i) the sale of any product from the properties; (ii) the sale of any assets; (iii) insurance proceeds; (iv) compensation for expropriation of assets; and (v) judgment proceeds, less all direct costs, outlays and expenses of whatsoever kind or nature actually paid by the Operator in connection with the operation of the properties as a mine during such period and any amount necessary to maintain working capital and any amount set aside by the Operator, acting reasonably, on account of reserves.

If the Cash Available for Distribution of the Offeror for any calendar quarter is positive, such Cash Available for Distribution will be distributed by the Offeror as follows:

- (i) firstly, to repay any principal, interest, fees and other costs associated with monies borrowed by the Offeror from third party lenders which is payable for such period; and
- (ii) secondly,
 - a. if any amount of the JJ Holdco contribution to the Offeror (the “**JJ Contribution**”) has not been repaid, then,
 - i. 80% of the remaining Cash Available for Distribution will be distributed to JJ Holdco and the outstanding JJ Contribution shall be reduced by such amount; and
 - ii. the Cash Available for Distribution remaining after the distributions above will be distributed to JJ Holdco and Goldbrook on a pro-rata basis in accordance with their respective holdings of voting shares of the Offeror; and
 - b. if the JJ Contribution has been fully repaid, then the remaining Cash Available for Distribution will be distributed to JJ Holdco and Goldbrook on a pro-rata basis in accordance with their respect holdings of voting shares of the Offeror.

The Offeror Directors may, subject to certain limitations, determine the allocation and form of such Cash Available for Distribution, including whether it will be distributed as a dividend, reduction of capital, interest payment or principal payment on any loans made to the Offeror by a Shareholder. If the Cash Available for Distribution for any calendar quarter is negative, Jilin Jien shall contribute the full amount of such shortfall and any required financing expenses, within ten (10) days of the end of the quarter and such amount shall be added to the JJ Contribution.

Any decision to commence commercial production on a property must be based on a feasibility study that has been unanimously approved by the Offeror Directors. Additionally, any decision to commence commercial production on a property must be unanimously approved by the Offeror Directors; provided, however, that if the Offeror Directors who are representatives of Goldbrook vote against commencing commercial production, JJ Holdco shall have the option to send notice to Goldbrook requiring Goldbrook, within 60 days, to either cause its Offeror Directors to vote in favour of commercial production or agree to sell its shares of the Offeror to JJ Holdco for their fair market value.

If JJ Holdco fails to contribute the initial amount to the Offeror to finance the Offer or Goldbrook defaults in its obligations under the Shareholder Agreement, it has 90 days after notice of such default to cure it, otherwise its shares of the Offeror will be deemed to be transferred to the other party. A party whose shares are transferred has a further 90 days after such transfer to cure the default and have its shares transferred back.



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The Shareholder Agreement also contains certain provisions related to exclusivity, area of interest, representations and warranties, confidentiality, announcements, termination and breach, notice, legal advisors, governing law and arbitration.

Investor Conference Call and Webcast

A conference call with a simultaneous webcast presentation has been scheduled for Friday, August 7, 2009 at **10:00 am Eastern Time** to discuss the Offers. Members of the investment community may participate by dialling 416-764-8685 or toll free 1-888-575-5159 within North America and 800-233-88355 outside of North America.

The webcast and presentation slide show in PDF format will be available at www.jiencanadaming.com in advance of the call.

A replay will be available approximately two hours after completion of the conference call until September 10, 2009 by dialling 416-764-8691 within North America and 1-877-674-6060 toll free and entering the pass code 3394.

For more information related to the take-over bid, please visit the dedicated transaction website at: www.jiencanadaming.com.

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.

About Jilin Jien

Jilin Jien is a corporation existing under the laws of the 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 was the first company in China's nickel industry to list in 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.

ON BEHALF OF THE BOARD:

(signed) "David Baker," Chairman and CEO

For further information please contact: (604) 683-8083

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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 the Offeror's intention with respect to a proposed offer to acquire Canadian Royalties; the proposed terms of such an offer; the business, operations and financial performance and condition of each of Goldbrook, Jilin Jien, the Offeror.

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: the Offeror's assessment of the effect of an offer on Goldbrook, Jilin Jien, the Offeror and on the shareholders of Canadian Royalties, the timing and prospects for shareholder acceptance of an offer and the implementation thereof; the satisfaction of any conditions to an offer; the ability of the Offeror 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.