CANADIAN ROYALTIES INC.

Tailings Management Policy

Canadian Royalties Inc. (CRI)is a mining company committed to protecting the environment and respecting communities. As a part of its commitment to the *Towards Sustainable Mining* initiative of the Mining Association of Canada, CRI wishes to demonstrate it's commitment to :

- Protection of public health and safety
- Responsible management of tailings with the objective of minimizing harm
- Allocation of appropriate resources to support tailings management activities and the implementation of a tailings management system through the actions of its employees, contractors, and consultants;
- Establishment of an organizational culture that promotes learning, communication, and early problem recognition
- Emergency response and post-incident recovery participation in collaboration with appropriate regulatory authorities and community of interest.

This commitment is reflected in a concrete way by the following actions:

- Plan, design, construct and operate tailings facilities in a manner that reduces long-term impacts, risks and liability
- Ensure tailings management complies with legal requirements, and conforms with reasonable and prudent engineering practice, set design criteria, company standards/guidelines, and CRI's tailings management system;
- Engage with community of interest, taking into account their considerations in relation to the design (including location), operation, and management of the tailings facility
- Manage tailings facilities commensurate with the risks they pose through implementation of BAT and BAP, with the objective of minimizing harm, and meeting performance, corporate governance, environmental and social requirements;
- Manage all solids and water within designated areas;
- Establish an ongoing program of review, including Independent Review, and continual improvement of health, safety and environmental performance through the management of risks associated with each tailings facility; and
- Implement the level of accountability, authority and competency for decision making appropriate to the level of risk that the decision entails.

These commitments also include all CRI's tailings, waste rock and water management infrastructure, the dam at the outlet of Bombardier Lake, and the mining water treatment systems. This policy ensures the diligent management of those infrastructures

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