CANADIAN ROYALTIES INC.

Climate strategy

Canadian Royalties Inc. is a mining company committed to protecting the environment and respecting communities. We act to minimize hazards, risks and environmental impacts, and seek to continuously improve our performance. Canadian Royalties Inc. recognizes the importance of combating and adapting to climate change. In keeping with the commitments of its Social and Environmental Responsibility Policy, Canadian Royalties inc. is committed to:

- Manage the energy consumption of its activities and limit its greenhouse gas (GHG) emissions
- Limit the impact of our activities on climate change and adapt to it

Canadian Royalties Inc.'s strategy for meeting these commitments is :

Develop governance, accountability and responsibilities for the following areas:		
Managing climate risks and opportunities	**Improving resilience**	**Reducing carbon footprint**
▪ Assess short-, medium- and long-term risks climate change and opportunities at company and facility level ▪ Establish a process for identifying significant risks and quantifying their material and financial impact ▪ Integrate the impacts of climate risks and opportunities into corporate strategy, business processes and financial planning for the various spheres of the Nunavik Nickel Project (mining, value chain, access to capital) ▪ Develop and implement climate change adaptation pathways	▪ Developing tools for adapting to climate change ▪ Consider at least two climate-related scenarios in risk assessment, one based on high carbon emissions and the other on ambitious carbon emission reductions ▪ Collaborate with communities of interest on climate change management ▪ Planning the transition to a low-carbon economy	▪ Formalize an energy and GHG management system, including a monitoring plan, reduction targets for energy consumption and GHGs (scope 1 and 2), procedures and a continuous improvement process for energy efficiency ▪ Work with value chain partners to set Scope 3 emission reduction targets ▪ Assign an implicit cost to carbon in project evaluations and annual budgeting, and integrate it into procurement criteria. ▪ Replace fossil fuels with low-emission energy sources wherever possible ▪ Develop carbon footprint assessment tools based on the principles of life cycle assessment



James Xiang
President/Chief Operating Officer
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