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NEWS RELEASE

TSX: FRU

Freehold Royalties Ltd. Announces Closing of Equity Financing

CALGARY, Alberta, September 22, 2021 – Freehold Royalties Ltd. (Freehold) (TSX:FRU) announces that it has completed its previously announced bought deal equity financing, issuing 19,067,000 subscription receipts (Subscription Receipts) at a price of \$9.05 per Subscription Receipt for gross proceeds of approximately \$173 million, which included the full exercise of the over-allotment option granted to the underwriters. The bought deal offering was completed through a syndicate of underwriters led by RBC Capital Markets and TD Securities Inc.

Each Subscription Receipt represents the right to receive, without payment of additional consideration or further action on the part of the holder, one common share of Freehold upon closing of Freehold's previously announced acquisition of certain royalty interest assets in the United States (the U.S. Royalty Transaction). Freehold expects to close the U.S. Royalty Transaction on or before September 28, 2021.

The gross proceeds from the sale of the Subscription Receipts pursuant to the public offering will be held in escrow pending the completion of the U.S. Royalty Transaction. If all outstanding conditions to the completion of the U.S. Royalty Transaction (other than funding) are met on or before November 30, 2021, the net proceeds from the sale of the Subscription Receipts will be released from escrow to Freehold or as otherwise directed by Freehold. Upon release of the escrowed funds to Freehold such funds are anticipated to be used to pay a portion of the purchase price for the assets to be acquired pursuant to the U.S. Royalty Acquisition, with the remainder of the purchase price funded by drawing on our credit facilities.

Holders of the Subscription Receipts will be entitled to receive payments per Subscription Receipt equal to the cash dividends paid on Freehold's common shares (the Dividend Equivalent Payments), if any, actually paid or payable to holders of such common shares in respect of all record dates for such dividends occurring from today's date to, but excluding, the last day on which the Subscription Receipts remain outstanding, to be paid to holders of Subscription Receipts concurrently with the payment date of each such dividend. The Dividend Equivalent Payments will be made regardless of whether the U.S Royalty Transaction is completed or not.

If the U.S. Royalty Transaction is not completed at or before 5:00 pm (Calgary time) on November 30, 2021, then the subscription price for the Subscription Receipts will be returned to holders of Subscription Receipts and holders will be entitled to receive any Dividend Equivalent Payments that remain payable to such holders or if no Dividend Equivalent Payments have been paid or are payable to the holders of Subscription Receipts such holders will be entitled to receive, such holder's pro rata share of any interest earned or income generated on the escrowed funds.

Freehold anticipates that the Subscription Receipts will be listed and posted for trading on the Toronto Stock Exchange under the symbol FRU.N at the open of markets today. A copy of the subscription receipt agreement

governing the terms of the Subscription Receipts has been filed on Freehold's profile on SEDAR at www.sedar.com.

Forward-Looking Statements

This news release offers our assessment of Freehold's future plans and operations as at September 22, 2021 and contains forward-looking information including, without limitation, forward-looking information with regards to the expected timing for closing of the U.S. Royalty Transaction; the expected use of proceeds from the public offering; and the expected sources of funds to fund the payment of the purchase price for the U.S. Royalty Transaction.

This forward-looking information is provided to allow readers to better understand our business and prospects and may not be suitable for other purposes. By its nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond our control, including that the closing of the U.S. Royalty Transaction could be delayed or not occur at all if Freehold or the other parties are not able to satisfy the conditions for closing on the timelines anticipated or the results of Freehold's due diligence on the assets to be acquired pursuant to the U.S. Royalty Transaction is not satisfactory. Risks relating to Freehold's business are described in more detail in Freehold's annual information form for the year ended December 31, 2020 which is available under Freehold's profile on SEDAR at www.sedar.com.

You are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward looking information. We can give no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits we will derive from them. The forward-looking information contained herein is expressly qualified by this cautionary statement. Our policy for updating forward-looking statements is to update our key operating assumptions quarterly and, except as required by law, we do not undertake to update any other forward-looking statements

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