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NEWS RELEASE

TSX: FRU

**Freehold Royalties Ltd. Announces Closing of U.S. Royalty Assets and Credit Facility
Expansion**

CALGARY, Alberta, September 24, 2021 – Freehold Royalties Ltd. (Freehold) (TSX:FRU) announces that it has closed its previously announced transaction to acquire a high-quality U.S. royalty asset located in the Eagle Ford oil basin in Texas (the Acquired Assets) for US\$180 million before closing adjustments (CAD \$227 million) (the U.S. Royalty Transaction). The Acquired Assets are expected to significantly enhance the quality of Freehold's North American royalty portfolio, improving both the near-term and long-term sustainability of Freehold's dividend while providing further option value to return capital to our shareholders through multiple years of free cash flow growth. The U.S. Royalty Transaction further advances Freehold's strategy of being positioned in the highest quality development areas across North America, delivering growth and low risk attractive returns to our shareholders.

The Acquired Assets were partially funded by a previously closed bought deal financing whereby Freehold issued 19,067,000 subscription receipts (the 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.

On closing of the U.S. Royalty Transaction, the net proceeds from the sale of the Subscription Receipts were released from escrow to Freehold to partially fund the purchase price for the Acquired Assets, with the remainder of the purchase price funded by drawing on Freehold's credit facilities. In addition, as a result of and on closing of the U.S. Royalty Transaction and in accordance with the terms of the Subscription Receipts, each Subscription Receipt was exchanged for one common share of Freehold. Trading in the Subscription Receipts on the Toronto Stock Exchange is expected to be halted today and the Subscription Receipts delisted following the market close today.

Following the exchange of Subscription Receipts for common shares of Freehold, former holders of Subscription Receipts will be entitled to receive the dividend to be paid to holders of record of common shares on September 30, 2021 (provided they have not transferred the Common Shares prior to such date) with payment occurring on October 15, 2021.

Credit Facility Increase

Concurrently with the closing of the U.S. Royalty Transaction, Freehold amended its credit facility agreement with a syndicate of four Canadian banks increasing the committed revolving facility to \$285 million and maintaining the operating facility at \$15 million. The amended credit facility agreement includes a permitted increase in the committed revolving facility of up to \$360 million. Both the committed revolving and operating facilities mature September 28, 2024.

As previously announced, after giving effect to the U.S. Royalty Transaction, Freehold is forecasting a 2022 production guidance range of 13,500-14,500 boe/d, with the midpoint representing a 26% increase above Q2-2021 average production volumes.

Freehold's common shares trade on the Toronto Stock Exchange in Canada under the symbol FRU.

Forward-Looking Statements

This news release offers our assessment of Freehold's future plans and operations as at September 24, 2021 and contains forward-looking information including, without limitation, forward-looking information with regards to Freehold's expectation that the Acquired Assets will significantly enhance the quality of Freehold's North American royalty portfolio, improving both the near-term and long-term sustainability of Freehold's dividend while providing further option value to return capital to our shareholders through multiple years of free cash flow growth; the expectation that the U.S. Royalty Transaction will further advance Freehold's strategy of being positioned in the highest quality development areas across North America, delivering growth and low risk attractive returns to our shareholders; and Freehold's average royalty production guidance for 2022.

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 the impact of the COVID-19 pandemic on economic activity and demand for oil and natural gas, general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, royalties, environmental risks, taxation, regulation, changes in tax or other legislation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, our ability to access sufficient capital from internal and external sources and the other risks relating to Freehold's business as 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.

With respect to forward looking information contained in this press release we have made assumptions regarding, among other things: future oil and natural gas prices; future exchange rates; that drilled uncompleted wells will be completed in the short term and brought on production; that wells relating to the Acquired Assets that have been permitted will be drilling and completed within a customary timeframe; expectations as to additional wells to be permitted, drilled, completed and brought on production in 2021 and 2022 based on Freehold's review of the geology and economics of the plays in which Freehold has an interest; expected production performance of wells to be drilled and/or brought on production in 2021 and 2022; the ability of our royalty payors to obtain equipment in a timely manner to carry out development activities; the ability and willingness of royalty payors to fund development activities; and such other assumptions as are identified herein. 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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