Freehold
ROYALTIES LTD.

Acquisition of Strategic Royalty Interests

April 15, 2015

Disclaimer

General

A preliminary short form prospectus containing important information relating to the common shares (the "Common Shares") of Freehold Royalties Ltd. ("Freehold") described in this document has not yet been filed with the securities regulatory authorities in each of the provinces of Canada, other than Quebec. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the Common Shares.

There will not be any sale or any acceptance of an offer to buy the Common Shares until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all the material facts relating to the Common Shares offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to Common Shares offered, before making an investment decision.

The information contained in this presentation does not purport to contain all information that prospective investors may require. Prospective investors are encouraged to conduct their own analysis and reviews of Freehold and of the information contained in this presentation. Without limitation, prospective investors should read the entire short form prospectus once filed and consider the advice of their financial, legal, accounting, tax and other advisors and such other factors they consider appropriate in investigating and analyzing Freehold. An investor should rely only on the information contained in the short form prospectus (which will include this presentation) and is not entitled to rely on parts of the information contained in, or incorporated by reference into, the short form prospectus to the exclusion of others. Freehold has not, and the underwriters have not, authorized anyone to provide investors with additional or different information. If anyone provides an investor with additional or different or inconsistent information the investor should not rely on it.

This presentation contains certain forward-looking information, financial measures that do not have standardized meanings under Canadian generally accepted accounting principles, and reserves estimates. For information relating to these matters see “Disclaimers” at the end of this presentation.

Accretive Royalty Acquisitions

- **Freehold has entered into definitive agreements to acquire two royalty packages totaling $321 million from Penn West**
  - **Dodsland-Viking GORR**: 8.5% GORR on Penn West's core Viking property
  - **Existing royalties and mineral title lands**: Portfolio of five land packages spanning highly economic plays within the Western Canadian Sedimentary Basin
- **Separately, Freehold recently closed a new heavy oil royalty transaction with Marquee in the Lloydminster area for $20 million**
- **$357 million public offering and private placement**
  - $324 million bought deal public equity financing (prior to taking into effect any exercise of the 15% over-allotment option, conditional upon the closing of the Penn West acquisitions)
  - Participation by CN Pension Trust Funds through $33 million concurrent private placement

Acquisition Highlights

Expanded Royalty Footprint with Significant Long-term Growth Potential

- **Strong overlap with existing core areas** and future upside of 1,067 drilling locations across the packages as recognized by an independent qualified reserves evaluator
- **GORR land base in the heart of the Dodsland Viking play**
  - » Anchored by an expected 5-year development plan and an expected 100 wells per year
- **Mineral title and royalty package contains attractively located royalty and fee simple land base in Central Alberta and SE Saskatchewan**
  - » Consistent production and revenue growth over the past three years
  - » Well capitalized producers with strong development track records
  - » Bakken, Viking and Mississippian plays are among the most active and economic plays in the basin

Attractive royalty interests acquired on an accretive basis

Royalty Acquisitions Summary

Freehold
TSX : FRU

- **Adding 2015 royalty production of 1,537 boe/d (increasing guidance by 1,000 boe/d in 2015)**
- **2015 annualized royalty operating income of $31.5 million**
- **2015 royalties as a % of operating income increases from 79% to 83%**
- **325,000 gross acres of royalty and mineral title lands**
- **7.3 million boe of proved plus probable net reserves (4.7 million boe of proved net reserves)**

Pro Forma Highlights

Strong Transaction Economics, Cash Flow Accretion and Improved Metrics

- **Accretive acquisition with attractive acquisition multiples in current price environment**
  - Expected operating income accretion of 6% annualized in 2015 (US$60/bbl WTI, CD$3.00/mcf AECO) and expected to strengthen in future years
- **Improved financial flexibility, dividend sustainability and lower debt metrics**
  - 2015 estimated all-in payout ratios (including expected DRIP proceeds) reduced from 88% to 83%
  - Pro forma 2015 estimated exit debt to cash flow decreases to 1.2x from 1.8x
- **Improves Royalty weighting**
  - Increases royalty weighting for production by approximately 3%

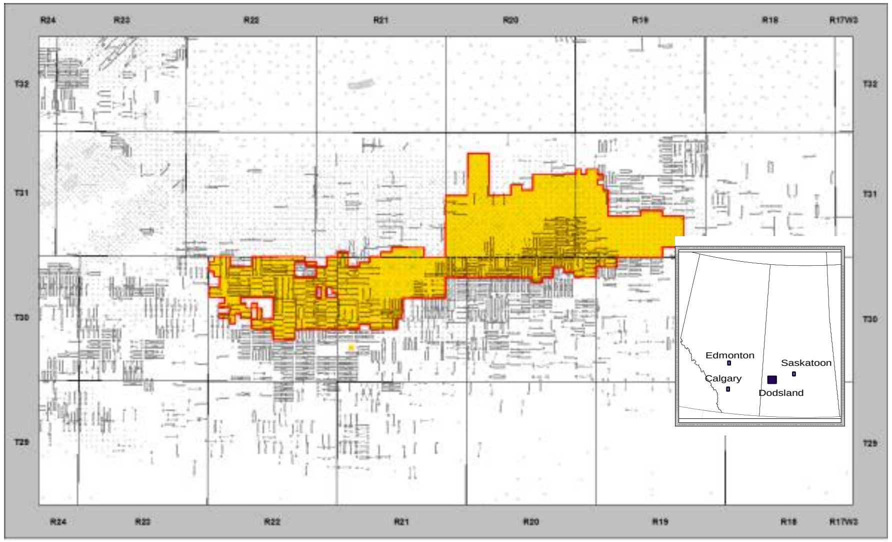
Transactions bolster free cash flow and strengthen dividend sustainability

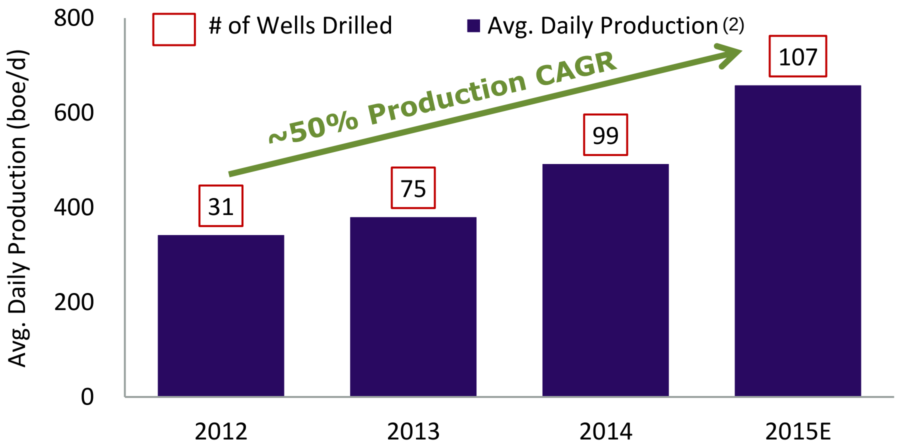
Dodsland-Viking GORR

Freehold
TSX : FRU

8.5% GORR in One of North America's Most Economic Oil Plays

- Low operating cost structure and highly economic light oil development
- Large contiguous land base spanning 45,000 net acres with an average working interest of 99% held by Penn West
- 2015 estimated annualized average new royalty production of 660 boe/d (93% liquids based on 2014 actuals) with $14.8 million of net operating income(1)
- Proved plus probable net reserves estimated at 3.4 MMboe (2.4 MMboe proved net reserves)
- Multi-year inventory of future drilling locations; over 360 horizontals drilled since 2008





(1) Based on US$60/bbl WTI and C$3.00/mcf AECO
(2) Shown as royalty production to Freehold

New focus area within Freehold's existing Viking acreage

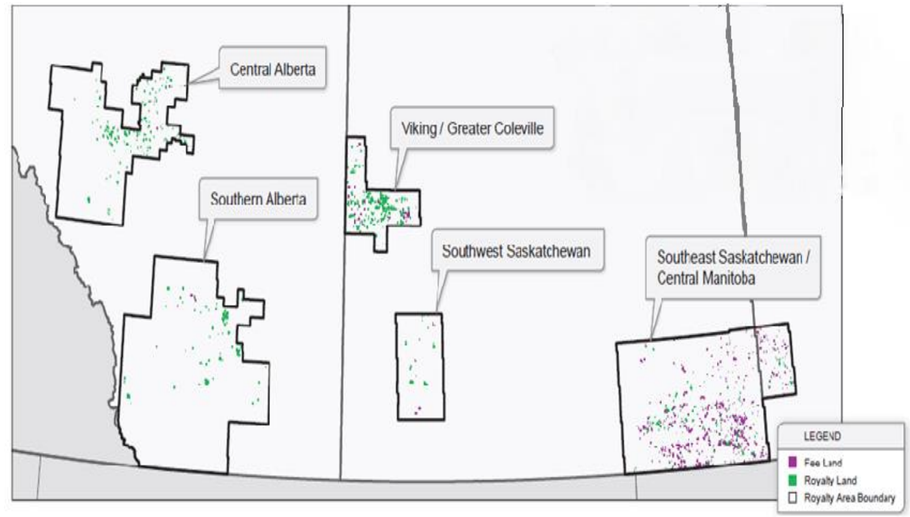
Mineral Title and Royalty Interests

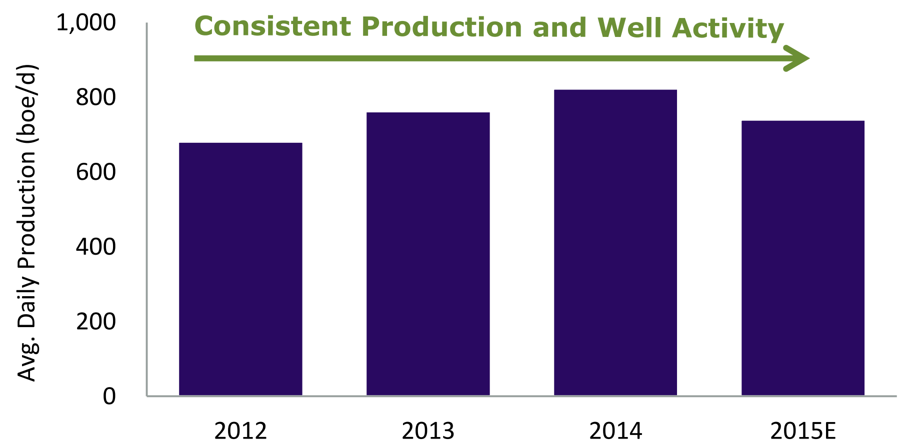
Freehold
TSX : FRU

Diversified Portfolio of Royalty Interests in Highly Active Producing Regions

- 2015 estimated annualized average net production of 740 boe/d (74% liquids based on 2014 actuals) with net operating income of $14.2 million(1)
- 2014 net income was comprised of approximately 57% GORR's and 43% mineral title
- Greater than 70% of production is from southeast Saskatchewan and central Alberta
- Proved plus probable net reserves estimated at 3.9 MMboe (2.3 MMboe proved net reserves)
- Proven E&P producers with a long history of activity across these regions

(1) Based on US$60/bbl WTI and C$3.00/mcf AECO





complementary to Freehold's core portfolio of mineral title acreage within these areas

Earlier Event: New Royalty

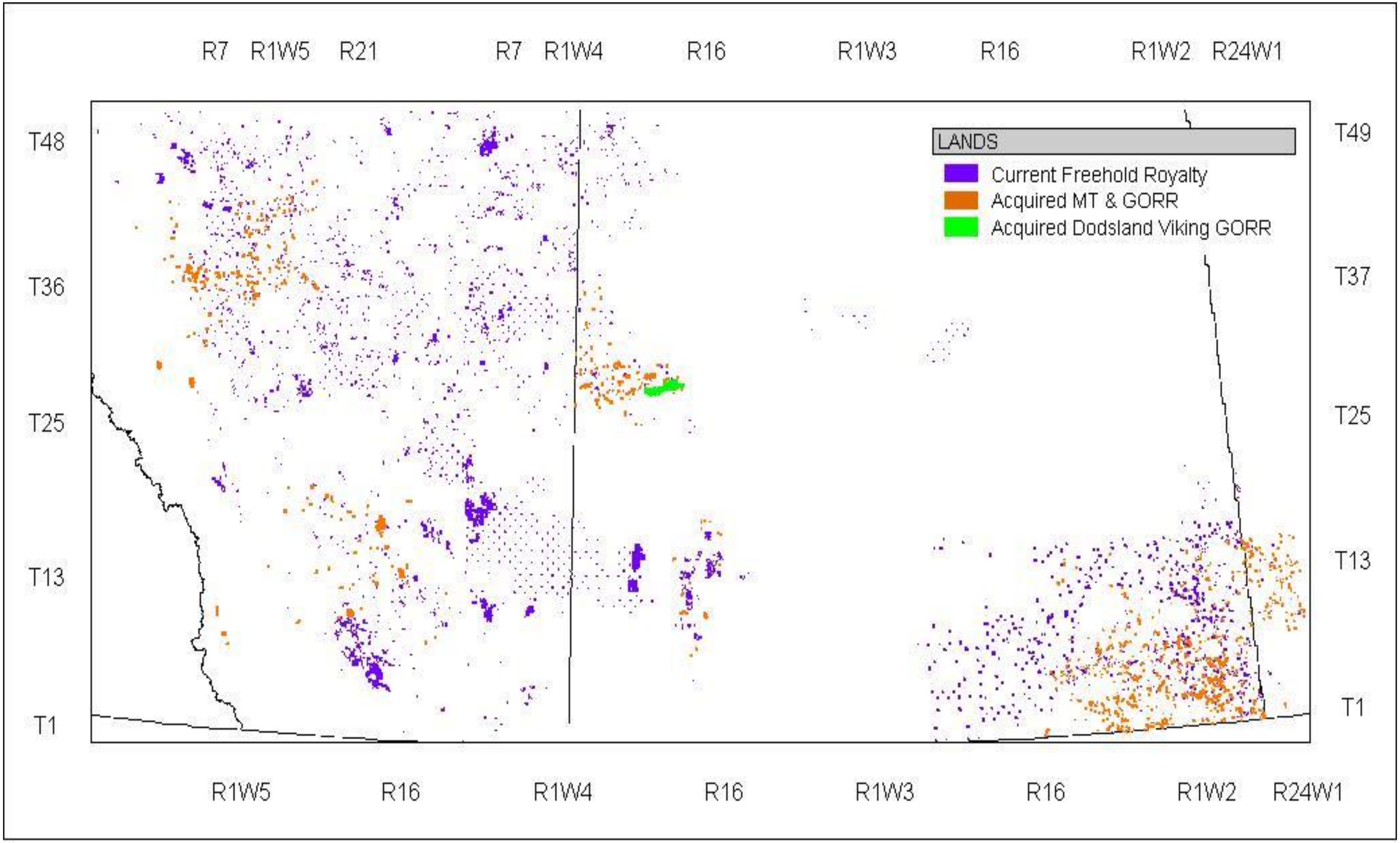
Strategic Low Decline, Heavy Oil Royalty Agreement

- Freehold recently closed a first-out royalty barrels volume purchase with Marquee Energy Ltd. (“Marquee”) on its Lloydminster property for total consideration of $20 million
- Freehold will receive the first 137.5 bbl/d of royalty heavy oil production for the next eight years, declining at 20% per year thereafter
- Marquee has committed to:
  - Spend a minimum of $2.75 million annually
  - Drill a minimum of four wells per year from 2016-2022
- Production is expected to lower Freehold’s overall corporate decline while increasing royalty production and oil weighting percentages

Lowers corporate declines while increasing royalty production and oil weighting

Strong Overlap with Existing Royalty Holdings

Freehold
TSX : FRU



Why Own Freehold?

Freehold
TSX : FRU

- **A premier royalty portfolio in the WCSB**
  - ✓ *3.5 million gross acre land portfolio, >90% royalty based*
- **Concentrated positions in highly economic plays**
  - ✓ *Active land positions in the Viking, S.E. Sask., Cardium and Heavy Oil*
- **Royalty portfolio of the top payor/operators in Canada**
  - ✓ >80% of revenue attributable to 30 proven operators in the WCSB
- **Low risk revenue base with high net backs**
  - ✓ No exposure to operating costs within Freehold's royalty portfolio
- **Attractive free cash flow profile and sustainable dividend**
  - ✓ Conservative balance sheet and consistent distributions of free cash flow
- **Management track record of consistent value creation**
  - ✓ Sustainable long term organic growth and accretive acquisitions

2015 Outlook[1]

Freehold
TSX : FRU

		Guidance Updated			
Annual Average		**Apr. 15, 2015**	**Mar. 5, 2015**	**Jan. 14, 2015**	**Nov. 13, 2014**
Daily production	boe/d	10,800	9,800	9,800	9,700
WTI oil price	US$/bbl	60.00	60.00	60.00	85.00
Western Canada Select (WCS)	Cdn$/bbl	56.00	56.00	54.00	77.00
AECO natural gas price	Cdn$/Mcf	3.00	3.00	3.00	3.75
Operating costs	$/boe	6.60	6.60	6.60	6.60
G&A costs	$/boe	2.60	2.60	2.60	2.90
Capital expenditures	$ millions	25	25	25	30
Dividends paid in shares	$ millions	26	26	26	27
Exchange rate	Cdn$/US$	0.80	0.80	0.84	0.87

Note: See advisory regarding forward-looking information
(1) Excludes share based and other compensation; subject to closing of the Penn West Transaction and the related public & private financings

Disclaimer cont.

Freehold
TSX : FRU

Forward-Looking Information

This presentation offers our assessment of Freehold's future plans and operations as at April 15, 2015 and contains forward-looking information including, as to the expected terms and conditions of the transactions discussed herein (the "Transactions"), the expected timing for closing of the Transactions, the expected attributes and benefits to be derived by Freehold pursuant to the acquisitions of certain interests from Penn West, expected 2015 average net daily production and expected 2015 annualized net operating income from the Transactions, expected annual net daily production from the new royalty acquired from Marquee, expectation that the new royalty from Marquee will lower Freehold's corporate declines while increasing its total royalty income and production, expectation that the Transactions will further bolster our free cash flow and strengthen dividend sustainability by lowering our debt to cash flow and basic payout ratio, expectation of Freehold's 2015 net average production guidance and royalty weighting of production for 2015, expectations of Freehold's annualized 2015 cash flow per share measure, all-in payout ratios (including expected dividend reinvestment plan ("DRIP") proceeds) and 2015 exit debt to cash flow ratio after giving effect to the Transactions, expectation of split of income from the mineral title and royalty package, expectations as to the development plans with respect to lands subject to the Dodsland-Viking GORR, expectations of the development plans relating to the lands subject to the royalty from Marquee, expected terms of the bought deal financing and investment by CN Pension Trust Funds, expected use of proceeds from the bought deal financing and investment by CN Pension Trust Funds, expected timing of closing the bought deal financing and investment by CN Pension Trust Funds, expected 2015 operating and general and administrative ("G&A") costs, expected capital expenditures, expected DRIP proceeds and expectations of oil and natural gas pricing and exchange rates. 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 general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, taxation, royalties, regulation, 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, counterparties to transactions to satisfy their contractual obligations, third parties' ability and willingness to continue development of lands in which Freehold has an interest as expected, and risks inherent in the oil and gas industry.

Forward-Looking Information

The closing of the Transactions, bought deal financing and investment by CN Pension Trust Funds could be delayed if Freehold or the other parties are not able to obtain the necessary regulatory and stock exchange approvals on the timelines planned. The Transactions, bought deal financing and investment by CN Pension Trust Funds will not be completed if these approvals are not obtained or some other condition to the closing of such transactions is not satisfied. Accordingly, there is a risk that the Transactions, bought deal financing and investment by CN Pension Trust Funds will not be completed within the anticipated time or at all. The intended use of the net proceeds of the bought deal financing and investment by CN Pension Trust Funds by Freehold might change if the board of directors of Freehold determines that it would be in the best interests of Freehold to deploy the proceeds for some other purpose. Risks are described in more detail in Freehold's annual information form for the year ended December 31, 2014, which is available under Freehold's profile on SEDAR at www.sedar.com, and will also be described in the short form prospectus to be filed in connection with the bought deal financing.

With respect to forward looking information contained in this presentation, we have made assumptions regarding, among other things, that other parties will continue with their development plans as currently contemplated; future oil and natural gas prices; future capital expenditure levels; future production levels; future exchange rates; the costs of developing and producing our assets; our ability and the ability of our lessees to obtain equipment in a timely manner to carry out development activities; our expectation for industry drilling levels; our ability to obtain financing on acceptable terms; and that the Transactions, bought deal financing and investment by CN Pension Trust Funds will close on the terms and within the timing expected.

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. Except as required by law, Freehold does not assume any obligation to publicly update or revise any forward-looking information to reflect new events or circumstances

Disclaimer cont.

Additional GAAP Measures and Non-GAAP Financial Measures

Within this presentation, references are made to terms commonly used as key performance indicators in the oil and gas industry such as "cash flow", "cash flow per share", "debt to cash flow" and "payout ratio", which terms do not have any standardized meanings prescribed by Canadian generally accepted accounting principles and therefore may not be comparable with the calculations of similar measures for other entities. We believe that such measures provide useful assessments of Freehold’s operations on a continuing basis by eliminating certain non-cash charges. Such terms also used by research analysts to value and compare oil and gas companies, and it is frequently included in their published research when providing investment recommendations. For details on how cash flow (which is referred to as "funds from operations" in Freehold's most recent management's discussion and analysis), cash flow per share and net debt to cash flow are calculated see Freehold's most recent management's discussion and analysis which is available on SEDAR at www.SEDAR.com. Payout ratio is calculated based on cash dividends paid divided by cash flow.

Reserve Estimates

The reserves estimates presented herein were based on an evaluation prepared by Trimble Engineering Associates Ltd. (“Trimble”) effective as of December 31, 2014 utilizing forecast prices and costs and prepared in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* and the Canadian Oil and Gas Evaluation Handbook. In addition, the reference to the number of drilling locations recognized in the interests acquired by Freehold from Penn West are proved locations and probable locations derived from the reserves evaluation as prepared by Trimble and account for drilling locations that have associated proved and/or probable reserves, as applicable. The price assumptions used for the estimates were provided by Trimble and were Trimble’s forecast as at January 1, 2015. The reserves estimates have been presented on a net basis which means Freehold’s working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves.

Disclaimer cont.

Conversion of Natural Gas to Barrels of Oil Equivalent (BOE)

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil (boe). We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 boe ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.

Offering and United States Matters

The Common Shares offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This presentation shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.