

**Environmental, Social and Governance Policy****No. 13****Statement**

Freehold Royalties Ltd. ("**Freehold**" or the "**Company**") is committed to supporting responsible development of our asset base, including current assets and future additions to its portfolio. This includes oil and gas, potash, alternative minerals, and alternative energy sources by incorporating environmental, social, and governance (combined as "**ESG**") best practices into our business strategies to ensure a resilient, sustainable, and successful business model.

**Scope**

Freehold does not have any employees. Freehold is managed by Rife Resources Management Ltd. (the "**Manager**"), a subsidiary of Rife Resources Ltd. ("**Rife**"). Pursuant to an agreement between Rife and the Manager, Rife provides the Manager, on a contract basis, with all necessary personnel, equipment and facilities required to provide management and operational services to Freehold and its subsidiaries. Therefore, the use of the word "employee" or "consultant" in this document refers to employees and consultants of Rife.

This Policy covers the acquisition of lands for Freehold's royalty portfolio, the evaluation and monitoring of Freehold's royalty payors as it relates to our royalty portfolio, and Freehold's direct working interests and operations. The decisions and actions undertaken by the directors, officers, and employees and consultants (as defined above) of Freehold and Freehold's affiliates are guided by this ESG Policy (the "**Policy**").

Freehold's Board of Directors (the "**Board**") will receive regular reports on how the objectives in this Policy are being implemented and reflected in the decision-making of Freehold's management and all employees and consultants. The President and Chief Executive Officer ("**CEO**") will ensure that this Policy is communicated and implemented across the organization. Management of Freehold and all employees and consultants are expected to adhere to the objectives outlined in this Policy and incorporate them into their day-to-day job responsibilities and decision-making.

**Objectives**

Freehold generates its revenues primarily through ownership of royalty interests in oil and gas and potash assets operated by third parties. Freehold also derives a minor amount of revenues from its working interest ownership in select oil and gas assets. Freehold holds direct responsibility for ESG risks arising from its working interests and is indirectly exposed to risks relating to the ESG practices and performance of its third-party royalty payors. Freehold is committed to ensuring that our royalty lands and working interest lands are developed in a responsible manner.

Freehold believes ESG factors can impact the long-term value of its royalty assets, its royalty-based revenues, and its working interest assets. The Company's goal is to incorporate ESG factors into our business to ensure a resilient, sustainable, and successful business model. We do this by:

1. Integrating ESG considerations into our evaluation of lands to add to the Company's royalty portfolio and ensuring that the prevailing regulatory environment and social climate in the jurisdictions where those lands are located, support responsible resource development.
2. Aligning its working interests and royalty land holdings with competent and reputable operators and suppliers that acknowledge and support the importance of ESG

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elements, are technically capable, operate in compliance with regulatory framework, are fiscally responsible, and are good stewards of the environment.

3. Incorporating social factors, including diversity, equity and inclusion principles, into our workplace to ensure we attract and retain top talent, we provide an environment that encourages and supports idea generation across the organization, and we support and engage with the communities in which we live and operate in.
4. Ensuring best practices are implemented with respect to governance, including Board governance, internal controls, cybersecurity and data protection, stakeholder engagement, investor relations, and public disclosure compliance.

**Application**

Consideration of ESG factors is integrated into Freehold's due diligence processes for royalty land acquisition, royalty payor evaluation and monitoring, and working interest operations.

***Royalty Land Acquisition***

When pursuing royalty land acquisitions, in addition to focusing on properties that can offer an attractive rate of return on investment, Freehold will evaluate potential acquisitions by considering all aspects of the ESG profile of the counterparty. As part of the evaluation, Freehold will assess the ESG risks and opportunities presented by the property, including:

- asset retirement obligations
- the type of hydrocarbon being considered i.e. oil sands, shale oil, shale natural gas.
- associated gas management (captured for sale, reinjected, vented or flared)
- water usage and handling for well completion and reservoir management
- the jurisdiction in which the property is located.

The results of the ESG assessment will be documented and included in the recommendation to the Board when royalty land acquisitions are put forward for approval.

***Royalty Payor Evaluation and Monitoring***

Freehold seeks to align with competent and reputable third-party operators. The level of ESG due diligence required may vary, depending on the jurisdiction, the context of the property and the operator track record.

Potential operators will be evaluated by the Business Development Group, Senior Management and the Board. As part of the evaluation, Freehold will assess the ESG competency and performance of the potential operator, including:

- Stated ESG commitments, policies, initiatives, certifications and performance
- Regulatory compliance and enforcement records
- Reclamation and abandonment records
- Financial capacity to meet ESG obligations

The ESG assessment will focus on ESG factors with the most significant potential to indirectly impact Freehold including, but not limited, to:

- Greenhouse gas (GHG) emissions
- Climate transition strategy
- Water Management
- Climate resilience strategy

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- ESG Governance

The results of the ESG assessment will be documented and included in the recommendation to the Business Development Group on approval of new leases. Freehold will consider/evaluate the ESG track record and initiatives of operators when entering into new lease agreements or other business development arrangements.

Freehold's ongoing monitoring of current leases will include continuing assessment of third-party operator performance in managing ESG factors. Freehold will review the operator's ESG reporting and engage in dialogue with the operator, including in response to ESG incidents.

Freehold will include relevant information on third-party operator ESG performance in its annual ESG reporting.

***Freehold's Working Interests***

Freehold will apply the same level of rigour to its working interests as it does to its third-party royalty payors. Freehold will assess the ESG competency and performance of the potential operator, including:

- Stated ESG commitments, policies, initiatives, certifications and performance
- Regulatory compliance and enforcement records
- Reclamation and abandonment records
- Financial capacity to meet ESG obligations

The ESG assessment will focus on ESG factors with the most significant potential to indirectly impact Freehold including, but not limited, to:

- Greenhouse gas (GHG) emissions
- Climate transition strategy
- Water Management
- Climate resilience strategy
- ESG Governance

Freehold's ongoing monitoring will include regular assessment of ESG practices and performance. Freehold will include relevant information on its working interests in its annual ESG reporting.

***Policy Review***

This Policy will be reviewed by the Board on an annual basis.