

NEWS RELEASE

TSX: FRU

Freehold Royalties Ltd. Announces Closing of U.S. Midland Royalty Transaction

CALGARY, Alberta, October 5, 2021 – Freehold Royalties Ltd. (Freehold) (TSX:FRU) announces that it has closed its previously announced transaction to acquire concentrated, high quality U.S. royalty assets for US\$54 million (\$68 million) (the Midland Assets) from OneMap Mineral Services LLC. The Midland Assets, in conjunction with the focused acquisition work completed year-to-date, are expected to play a key role in strengthening the resiliency of Freehold's North American royalty portfolio, enhancing the near and long-term sustainability of Freehold's dividend, through multiple years of production and funds flow growth.

Production volumes from the Midland Assets are forecast to grow by approximately 25% on a compounded annual growth rate from 2021 to 2024 with approximately 50% of near-term development underpinned by drilled and uncompleted locations and permits. 2022 production from the Midland Assets is forecast at approximately 575 boe/d.

As previously announced, after giving effect to the Midland Assets, Freehold is forecasting a 2022 production guidance range of 13,500-14,500 boe/d (approximately 8% heavy oil, 40% light and medium oil, 12% natural gas liquids and 40% natural gas), 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 October 5, 2021 and contains forward-looking information including, without limitation, forward-looking information with regards to Freehold's expectation that the Midland Assets are expected to play a key role in strengthening the resiliency of Freehold's North American royalty portfolio, enhancing the near and long-term sustainability of Freehold dividend, through multiple years of production and funds flow growth; the 2022 forecast production from the Midland Assets including expected commodity weightings; the expectation of continued production growth from the Midland Assets over the next several years; the expectation that near term development on the Midland Assets is underpinned by drilled and uncompleted locations and permits; 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 Midland 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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