

NEWS RELEASE

TSX: FRU

Freehold Royalties Ltd. Announces Cost Reductions and Adjusts Dividend for April 2020

CALGARY, Alberta, April 9, 2020 – Reflecting sustained weakness in crude oil prices, Freehold Royalties Ltd. (Freehold) (TSX:FRU) announces that its Board of Directors (the “Board”) has declared a dividend of Cdn. \$0.015 per common share to be paid on May 15, 2020 to shareholders of record on April 30, 2020, which is reduced from the previous monthly dividend level of Cdn.\$0.0525.

At the revised dividend level, Freehold’s funds from operations are forecast to exceed dividend outflows for the remainder of 2020 and remain positioned at or below the low end of our payout range of 60%-80%. Adjusting the dividend at this time, preserves the strength of our balance sheet and enhances optionality to pursue value enhancing acquisitions for our shareholders as they are presented.

Reinforcing the alignment with the shareholders of Freehold, the employees of Rife Resources Ltd. will be subject to graduated salary reductions based on level of seniority with the Chief Executive Officer’s salary and benefits reduced by 15%. Annual retainers for members of the Board will also be reduced by 15%. Collectively, general and administrative (G&A) expenses are projected to be reduced by 21% for the remainder of 2020. The reduction in G&A is the result of a detailed review reflecting not only reductions in salaries and Board fees, but all categories within G&A, including travel, software spending, contract rates and consulting fees.

The current outlook for oil prices remains challenged. The COVID-19 pandemic has crippled global demand for crude oil, with no immediate relief on the horizon. Coupled with this weakened demand environment, supply has not been curtailed to balance the market, creating a historic low period for prices. While the near-term outlook for crude oil remains challenged, the Board and Management remain confident that the underlying price environment will slowly improve, with the expectation we will remain within our dividend payout strategy as funds from operations improve.

Freehold also believes that with the change in the underlying business environment, including the potential for increases in shut-in production and future regulatory production curtailments, its previously released 2020 guidance is no longer applicable and is therefore withdrawing all previous guidance. We expect to provide a revised update on our 2020 forecasts at a time of increased stability associated with the commodity price environment and our royalty payors capital programs.

Freehold’s focus is on acquiring and managing oil and gas royalties. Freehold’s common shares trade on the Toronto Stock Exchange in Canada under the symbol FRU.

These dividends are designated as “eligible dividends” for Canadian income tax purposes. For further information, contact:

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Forward-Looking Statements

This news release offers our assessment of Freehold's future plans and operations as at April 9, 2020 and contains forward-looking statements that we believe allow readers to better understand our business and prospects. These forward-looking statements include our expectations for the following:

- our dividend policy and expectations for timing of future dividends;
- outlook for commodity prices including supply and demand factors;
- projected reductions in G&A for 2020
- expectation that funds from operations will exceed dividend levels;
- expected payout ratio for 2020;
- the expectation we will remain within our dividend payout strategy as funds from operations improve; and
- expectation of releasing a revised update on our 2020 forecasts at a time of increased stability associated with the commodity price environment and our royalty payors' capital programs.

By their nature, forward-looking statements are 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, the duration and impact of the COVID-19 pandemic on supply and demand for oil and natural gas, actions taken by OPEC and other major oil producing countries, the 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, and our ability to access sufficient capital from internal and external sources. Risks are described in more detail in our most recent annual information form available at www.sedar.com.

With respect to forward-looking statements contained in this news release, we have made assumptions regarding, among other things, future commodity prices, future capital expenditure levels, future production levels, future exchange rates, future tax rates, future legislation, the cost 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 ability to market our oil and gas successfully to current and new customers, our expectation for the consumption of crude oil and natural gas, our expectation for industry drilling levels, our ability to obtain financing on acceptable terms, shut-in production, production additions from our audit function and our ability to add production and reserves through development and acquisition activities.

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 statements. Our actual results, performance, or achievement could differ materially from those expressed in, or implied by, these forward-looking statements. 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 in this document is expressly qualified by this cautionary statement. To the extent any guidance or forward-looking statements herein constitute a financial outlook, they are included herein to provide readers with an understanding of management's plans and assumptions for budgeting purposes and readers are cautioned that the information may not be appropriate for other purposes. 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.