

Freehold

R O Y A L T Y T R U S T

DISTRIBUTION REINVESTMENT PLAN

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FREEHOLD ROYALTY TRUST

DISTRIBUTION REINVESTMENT PLAN (THE "PLAN")

Features of the Plan include the following:

- Unitholders, other than non-residents of Canada, may elect to reinvest their cash distributions from Trust Units of Freehold Royalty Trust (the "Trust") in Trust Units acquired on the Canadian open market, including through the facilities of the Toronto Stock Exchange, the TSX Venture and/or any other alternative Canadian market, through the facilities of the Toronto Stock Exchange or, at the discretion of Rife Resources Management Ltd. or the replacement manager of the Trust (the "Manager"), in new Trust Units of the Trust.
- Trust Units will be acquired or issued at prevailing market rates and will be credited to the participant's account.
- Participants do not pay any costs associated with the Plan including the payment of brokerage commissions.
- Full investment of all funds is possible since fractional Trust Units are also credited to the participant's account.
- Except as otherwise herein determined, statements of account will be mailed to each participant in each calendar month.
- Reinvestment of cash distributions does not affect tax liability.
- If Unitholders do not participate, cash distributions will continue to be paid in the usual manner.

Purpose

The Plan allows eligible holders of Trust Units to conveniently purchase additional Trust Units by re-investing their cash distributions.

Participation

Except as described below, a registered holder of Trust Units is eligible to join the Plan at any time by completing a "Reinvestment Enrolment – Participant Declaration Form" and sending it to Computershare Trust Company of Canada (the "Trustee" or the "Plan Agent") or by enrolling online at www.computershare.com/investorcentrecanada. A Reinvestment Enrolment – Participant Declaration Form may also be obtained from the Investor Centre or directly from the Plan Agent upon request. Beneficial owners of Trust Units whose Trust Units are not registered in their own names or are held in a specific segregated registered account, such as a numbered account with a bank, trust company or broker, may participate in the Plan after having their Trust Units transferred into their own names or direct the registered holder to enrol their account in the Plan. Once a holder of Trust Units has enrolled in the Plan, participation continues automatically unless terminated in accordance with the terms of the Plan.

Under the terms of the Plan, holders of Trust Units may direct the Trustee to reinvest cash distributions on all of the Trust Units registered in a particular name or manner for the acquisition of new Trust Units, or at the discretion of the Manager to acquire existing Trust Units through the facilities of the Toronto Stock Exchange at prevailing market rates.

A registered holder shall become a participant in the Plan in regard to the investment of distributions as of the first distribution record date following receipt by the Trustee of a properly completed Reinvestment Enrolment – Participation Declaration Form or completed online enrolment. If an authorization form is received by the Trustee after the record date for a particular cash distribution (the "Record Date"), the cash distribution will be paid to the holder of Trust Units in the usual manner and participation in the Plan with regard to cash distributions will commence with the next cash distribution date ("Cash Distribution Date"). Record Dates for cash distributions on the Trust Units are detailed on Schedule A of this Plan.

The Plan is not available to non-residents of Canada.

Method of Purchase

Cash distributions payable on the Trust Units registered in the Plan, will be applied automatically on each Cash Distribution Date to the purchase of Trust Units either through the Canadian open market, which may include the facilities of the Toronto Stock Exchange following the Cash Distribution Date or, at the discretion of the Manager, subject to approval of Freehold Resources Ltd., from treasury. The cost of such Trust Units to purchasers will be the prevailing market cost which will be the average cost of the Trust Units purchased.

Trust Units issued pursuant to the Plan, will initially be registered in the name of Computershare Trust Company of Canada, as trustee for the participants. If Computershare Trust Company of Canada ceases to act as the trustee under the Plan, another trustee will be designated by the Trust.

Price of New Trust Units

The average market price (the "Market Purchase Price") at which the participants purchase new Trust Units will be based upon the average price for which Trust Units are acquired through the Canadian open market, which may include the facilities of the Toronto Stock Exchange for the purposes of the Plan following the Cash Distribution Date. In the event that the Manager elects not to purchase any Trust Units through the facilities of the Toronto Stock Exchange in respect to any Cash Distribution Date, but to issue new Trust Units from treasury, the price at which the new Trust Units shall be issued will be the weighted average price of all Trust Units traded on the Toronto Stock Exchange on the 10 trading days preceding a Cash Distribution Date (the "Treasury Purchase Price").

Costs

There is no charge to participants for reinvesting distributions. The Trustee's fees for handling the reinvestment of distributions will be paid by the Trust. There will be no brokerage charges with respect to Trust Units either issued directly from treasury or open market purchases.

Statement of Account

The Trustee will maintain an account for each participant in the Plan. A statement of account will be mailed by the Trustee to each participant approximately three weeks after each monthly investment provided that the timing of mailing and the relevant period of such statements of account may be changed at the direction of the Manager. This statement will set out the amount of the cash distributions paid on the participant's Trust Units for the relevant period, the number of new Trust Units purchased through the Plan for the period, the dates of these purchases, the applicable purchase price per Trust Unit and the updated total number of Trust Units being held for the participant in the Plan. These statements are a participant's continuing record of the cost of purchases and should be kept for tax purposes. In addition,

each participant will receive the appropriate information annually for reporting distributions for tax purposes.

Trust Unit Certificates

Generally, certificates for new Trust Units purchased through the Plan will be held by the Trustee for participants and reported on the statement of account. This service protects against loss, theft or destruction of Trust Unit certificates. However, participants who require a trust unit certificate but who do not wish to terminate participation in the Plan, may obtain a certificate for any number of whole Trust Units held in their account by duly completing the withdrawal portion of the voucher located on the reverse of a Participant's statement of account and delivering it to the Plan Agent. A certificate will not be issued for a fraction of a Trust Unit.

Plan accounts are maintained in the names in which certificates were registered with the Trust at the time the participant enrolled in the Plan. Consequently, certificates for whole Trust Units withdrawn from the Plan will be registered in exactly the same manner when issued.

Trust Units being held for a participant in the Plan may not be pledged, sold or otherwise disposed of by a participant. The participant who wishes to do so must request that a certificate for the required number of Trust Units be issued before such action may be taken. Certificates will generally be issued to participants within two weeks of receipt by the Trustee of a participant's written request. Both the new certificated Trust Units and the Trust Units remaining in a participant's account will continue to receive cash distribution reinvestment.

Termination of Participation

Participation in the Plan may be terminated by duly completing the termination portion of the voucher located on the reverse of a Participant's statement of account and delivering it to the Plan Agent, signed by the registered holder or his or her agent. If such notice is not signed by the registered holder, sufficient evidence of another's authority to act on behalf of the registered holder must be supplied. If notice of termination is not received by the Trustee at least three business days before the Record Date, settlement of the participant's account will not commence until after the investment has been completed.

Generally, a termination will be processed within two weeks of receipt by the Trustee of a written request for termination or within two weeks after the investment has been completed.

When a participant terminates participation in the Plan or when the Plan is terminated by the Trust, the participant will receive a certificate for the whole Trust Units held in the participant's account and a cash payment for any fraction of a Trust Unit. The cash payment for any fraction of a Trust Unit will be based on the last Market Purchase Price or Treasury Purchase Price preceding the date of receipt of notice of termination from the participant or the date of termination of the Plan by the Trust, as the case may be. In the event of the death of a Participant, participation in the Plan will be terminated by the Plan Agent upon receipt of, written direction to terminate and documentation satisfactory to the Plan Agent, from any person acting in a representative or fiduciary capacity. The Plan Agent will arrange for the delivery of a certificate for the whole number of Trust Units contained in the deceased Participant's account along with a cash payment for any fraction of a Trust Unit in the account. Requests for issuance of a certificate and a cash payment for any fractional Trust Units in the name of an estate must be accompanied by appropriate documentation.

After termination of participation in the Plan, all cash distributions will be paid to the holder of the Trust Units in cash.

Disposition of Trust Units Held in Certificate Form

If a participant sells or transfers all of his or her Trust Units held in certificate form that are enrolled in the Plan, the Trustee will continue to invest the cash distribution of the Trust Units being held for the participant in the Plan until a notice of termination is received by the Trustee.

Offerings

If the Trust makes available to its registered holders of Trust Units any rights to subscribe for additional Trust Units or other securities, rights and certificates will be forwarded to participants in the Plan in proportion to the number of whole Trust Units being held for them. Such rights will not be made available for any fraction of a Trust Unit held for a participant.

Trust Unit Distributions and Trust Unit Splits

Any Trust Unit distribution (other than a Trust Unit distribution paid as a result of participation in the Plan) and any Trust Units resulting from a trust unit split, will be credited to the participant's account based on the whole and fractional Trust Units being held for the participant in the Plan. Certificates for whole Trust Units resulting from such a Trust Unit distribution or Trust Unit split on Trust Units held in certificate form by a Plan participant will be mailed directly to the participant in the same manner as to holders of Trust Units who are not participating the Plan.

Trust Unit Voting

Trust Units held for a participant's account under the Plan are voted in the same manner as Trust Units held in certificate form, either by proxy or by the participation in person. Trust Units for which instructions are not received, will not be voted.

Responsibility of the Trust and the Trustees

Neither the Trust nor the Trustee shall be liable for any act undertaken or omitted in good faith, or have any duties, responsibilities or liabilities except as are expressly set forth in the Plan or are required by law. In particular, the Trust and the Trustee must comply with all applicable laws now or hereafter in force which may impose a duty to permit any properly authorized party to have access to and examine and make copies of any records relating to the Plan.

Participants should recognize that neither the Trust or the Trustee can assure a profit or protect against a loss on Trust Units purchased under the Plan.

Amendment, Suspension or Termination of the Plan

The Trust reserves the right to amend, suspend or terminate the Plan at any time, but such action shall have no retroactive effect which should prejudice the interests of the participants. Participants will be sent written notice of any such amendment, modification, suspension or termination. If the Plan is terminated by the Trust, participants will receive a certificate for whole Trust Units being held for them and a cash payment for any fraction of a Trust Unit.

Any amendment to the Plan will be subject to the receipt of all necessary regulatory approvals including, without limitation, the approval of the Toronto Stock Exchange if the Trust Units are listed on such exchange on the date of the amendment.

Additional Forms

Additional forms and/or plan information may be obtained at any time from the Investor Centre on the Plan Agent's website at www.computershare.com or by calling Computershare's toll-free line at 1-800-564-6253.

Notices

All notices required to be given to a participant in the Plan will be mailed to the participant at the most recent address shown on the records of the Trust.

All communications to the Trustee and requests for forms or information regarding the Plan, should be directed to:

COMPUTERSHARE TRUST COMPANY OF CANADA
9th Floor, 100 University Avenue
Toronto, Ontario
M5J 2Y1

Telephone: 1-800-564-6253
Toll Free Fax: 1-888-453-0330
Email: service@computershare.com

Use of Proceeds

Proceeds received by the Trust from the issuance of new Trust Units under the Plan will be used for general corporate purposes.

Effective Date

The effective date of this Plan is April 1, 1997 as amended and restated effective February 1, 2010.

SCHEDULE A

Record and Cash Distribution Dates:

Cash distributions are paid on a monthly basis. Record dates are the last day of each month, and payment dates are the 15th day following month end.