

**Role and Objective**

The Governance Committee (the Committee) is a committee of the board of directors of Freehold Resources Ltd. (the Board), which has been constituted to assist the Board in respect of the development and monitoring of Freehold Resources Ltd. (Freehold Resources) approach to corporate governance, the nomination of directors for appointment to the Board and the appointment of directors to committees of the Board. The responsibilities of the Committee, with respect to Freehold Resources and Freehold Royalty Trust (the Trust), hereinafter collectively referred to as “Freehold”, are set out below.

**Membership of Committee**

1. The Committee will be comprised of at least three directors, all of whom are independent (as such term is used in National Instrument 58-101 – Corporate Governance Practices (NI 58-101)).
2. The Board will have the power to appoint the Committee Chair.

**Meetings**

1. At all meetings of the Committee, every question will be decided by a majority of the votes cast. In case of an equality of votes, the Committee Chair is not entitled to a second or deciding vote.
2. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board.
3. Meetings of the Committee should be scheduled to take place at least once per year. Minutes of all meetings of the Committee will be taken.
4. The Committee will forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board.

**Mandate and Responsibilities of Committee**

The mandate and responsibilities of the Committee will be as set forth below:

1. Develop for approval by the Board and periodically review Freehold’s approach to governance matters.
2. Review and recommend to the Board for approval disclosure and reports concerning Freehold’s governance practices as required by regulatory authorities.
3. Make recommendations to the Board as to which directors should be classified as independent directors pursuant to any such report.
4. Act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a Board meeting, including the performance of Rife Resources Management Ltd. (the Manager) or the performance of the Board or individual directors. The Chair of the Committee will be responsible for developing a response to any such concerns.

5. Develop and recommend to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function independently of management.
6. Subject to limitations in the Unanimous Shareholder Agreement, consider, and from time to time make recommendations to the Board as to the appropriate size of the Board.
7. Develop for approval by the Board and periodically review orientation programs for new directors and ongoing education programs for all directors.
8. Develop for approval by the Board and periodically review procedures for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director.
9. Annually review and recommend to the Board the appointments to each committee of the Board and any changes to the mandates of the committees.
10. Review, and report to the Board on matters relating to the nomination of directors, other than nominees of the Manager, and in so doing:
  - a) develop criteria for selection of directors and procedures to identify possible nominees, giving consideration to the competencies and skills that the Board considers necessary for the Board as a whole to possess, the competencies and skills possessed by each current director and the competencies and skills each new nominee will bring to the Board;
  - b) review and assess qualifications of Board nominees, including each nominee's capability to devote sufficient time and resources to Freehold;
  - c) submit to the Board for consideration and decision names of the nominees to be brought forward to the next annual meeting of Unitholders or to be appointed to fill vacancies in between annual meetings;
  - d) through the Chair of the Committee, approach nominees;
  - e) consider and recommend to the Board appropriate retirement ages of directors;
  - f) determine if any director's qualifications or credentials since his or her appointment have changed or other circumstances arisen so as to warrant a recommendation that such member resign; and
  - g) assess the performance or effectiveness of:
    - the Manager;
    - the Board as a whole;
    - Board committees; and
    - individual directors.
- The Committee does not review the CEO or other members of senior management independently of its review of the Manager.
11. Through outside counsel, maintain a summary of the duties and liabilities of directors and periodically update and provide such summary to the directors.

12. Periodically review and monitor Freehold's disclosure policy with a view to determining whether Freehold is communicating effectively with Unitholders, other stakeholders, the investment community and the public generally.
13. Annually review and recommend to the Board the appointment of Freehold's external legal counsel.
14. Review and consider the engagement at the expense of Freehold of professional and other advisors to an individual director(s) when so requested by such director(s).
15. Review such other matters of a governance nature as may be directed by the Board from time to time.
16. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling their responsibilities at the expense of Freehold without any further approval of the Board.