

Role and Objective

The Compensation Committee (the Committee) is a committee of the board of directors of Freehold Resources Ltd. (the Board), to which the Board has delegated certain responsibilities relating to Board compensation; compensation of the Manager; review of compensation of the Chief Executive Officer (CEO) and other Officers; and Freehold's participation in the incentive compensation programs for employees of the Manager. The responsibilities of the Committee, with respect to Freehold Resources and Freehold Royalty 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, the majority of whom are independent (as such term is used in Multilateral Instrument 58-101 – Corporate Governance Practices (MI 58-101)).
2. The Board of Directors 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 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. Annually review and recommend to the Board for approval the remuneration of the directors (including remuneration for chairing or serving on a committee of the Board) and any other arrangements pursuant to which monies are payable to a director or a party related to a director.
2. Review the adequacy and form of directors' compensation, including compensation to the Chair and committee chairs, to ensure that it is competitive with companies that are similarly situated and realistically reflects the responsibilities and risks involved in being a director. Directors who are employees of the Manager will not be compensated for their services as directors.
3. Propose the terms and awards of equity compensation for directors.
4. Review the Manager's stated compensation strategy periodically to ensure that management is rewarded appropriately and that the Manager's executive compensation program is related to the Trust's financial performance and returns on the Trust's Units, as well as the performance of the individual executives.

5. Review and recommend to the Board for approval Freehold's annual commitment and funding contribution to the Manager's incentive compensation programs.
6. Take reasonable steps to ensure that compensation plans and employee benefit programs of the Manager are administered in accordance with applicable laws, stock exchange policies and stated compensation objectives.
7. Approve the Committee's annual report on executive compensation for inclusion in the Trust's management information circular, in accordance with applicable rules and regulations, and review and approve, prior to publication, the compensation sections of the information circular.
8. 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.