



2023 Freehold Royalties Ltd. Modern Slavery Report

Freehold Royalties Ltd. ("**we**", "**our**", "**Freehold**" or the "**Corporation**") has created this report to meet our requirements pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Modern Slavery Act**").

Forced labour and child labour (each as defined in the Modern Slavery Act and hereinafter together referred to as "**modern slavery**") are violations of fundamental human rights and are occurring across the globe. As an oil and gas royalty company operating in Canada and the US, we recognize the responsibility we have to ensure our operations and the supply chains that support our operations adhere to the highest ethical standards, which includes no use of modern slavery in our business or supply chains.

The Corporation is a reporting entity as defined in the Modern Slavery Act. This report covers the Corporation's activities and the activities of our subsidiaries listed in Appendix A during our previous financial year, being from January 1, 2023 to December 31, 2023.

The Corporation takes modern slavery and our reporting requirements very seriously and we are committed to ensuring that we adhere to such requirements. We will continue to evaluate and assess our processes with respect to modern slavery in our business over time to ensure we are meeting all applicable reporting requirements and other legislation relating to modern slavery.

Steps Taken During 2023

We did not take any steps in 2023 in relation to reducing the risks of modern slavery occurring in the Corporation's supply chain; however, we are not aware of any high-risk exposure to modern slavery associated with the Corporation's supply chain.

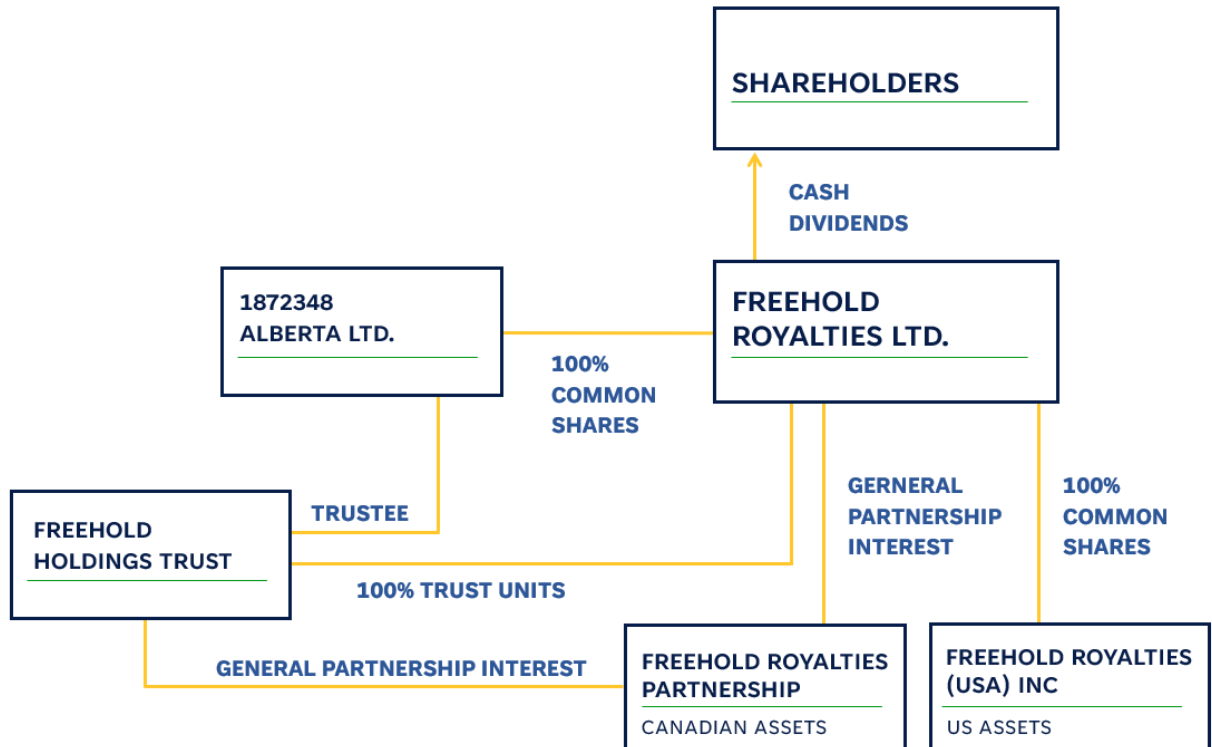
Nonetheless, in early 2024, we initiated an internal policy review in order to identify if any further training or policies would be advisable to further bolster our commitment to ensuring our supply chains are free from modern slavery.

We intend to continue to evaluate our reporting processes to ensure that our reporting with respect to modern slavery meets the statutory requirements.

Structure, Activities and Supply Chains

- **Structure:**

The following diagram sets forth the organizational structure of Freehold:



Business of the Manager

Pursuant to the fourth amended and restated management agreement dated November 9, 2015 among the Corporation, Rife Resources Management Ltd. (the "**Manager**"), Rife Resources Ltd. ("**Rife**"), Freehold Holdings Trust ("**FHT**") and Freehold Royalties Partnership (the "**Partnership**"), the Manager provides comprehensive oil and gas company management and operational services to Freehold, FHT and the Partnership. The Manager is a wholly-owned subsidiary of Rife. Pursuant to an agreement between Rife and the Manager dated November 25, 1996, Rife provides the Manager, on a contract basis, with all necessary personnel, equipment and facilities required to provide management and operational services to Freehold, FHT and the Partnership.

Rife will be filing a separate report pursuant to the Modern Slavery Act.

Employees

As a result of the arrangements with the Manager and Rife as described above, Freehold has no employees. On December 31, 2023, Rife had 99 full and part-time employees in the Calgary office and 6 full-time employees in their field operations, the majority of whom are on contract to the Manager. In addition to providing management services to Freehold, Rife's employees also manage the business of Rife, Canpar Holdings Ltd. and certain other Rife affiliate entities.

- **Operations:**

Freehold manages one of the largest non-government portfolios of oil and natural gas royalties in Canada with an expanding land base in the United States. Our total land holdings encompass approximately 6.2 million gross acres in Canada and includes exposure to approximately 1.1 million gross drilling acres in the US. We have interests in more than 20,000 producing wells and receive royalty income from over 360 industry operators.

- **Supply chains:**

Freehold does not have significant supply chain activity as its role is predominantly as royalty interest owner (working interest assets represented less than 1% of our total production in 2023). As a royalty interest owner, Freehold does not pay any of the capital costs to drill and equip the wells for production on its properties, nor does it incur costs to operate the wells, maintain production, and ultimately restore the land to its original state. All of these costs are paid and coordinated by others. Freehold receives royalty income from gross production revenue (revenue before any royalty expenses and operating costs are deducted).

Accordingly, Freehold's key vendors are professional advisors (legal, audit, tax, reserves, investor relations, human resources, banking, insurance), software applications and regulatory services.

Additional information regarding the corporate structure and operations of the Corporation can be found in our 2023 Annual Information Form, annual financial statements and related management's discussion and analysis for the year ended December 31, 2023, which are posted on our website (<https://freeholdroyalties.com/investors/#filings>) and filed on SEDAR+ (www.sedarplus.com).

Policies and Due Diligence

Policies

The Corporation's Code of Business Conduct and Conflict of Interest Policy (the "**Code**") requires its directors and officers as well as all of Rife's employees and consultants to have high standards of professional and ethical conduct. In addition, the Code requires compliance with the spirit and the letter of all applicable laws, rules and regulations including the Modern Slavery Act and any other legislation relating to modern slavery.

Furthermore, Freehold has a Whistleblower Policy pursuant to which Freehold's directors and officers, as well as all of Rife's employees and consultants can anonymously report wrongdoing. Freehold has committed to promptly and thoroughly investigate any reports and complaints made thereunder.

In addition to the above, we intend to regularly evaluate our approach with respect to modern slavery to ensure the effectiveness of our methodology, including amending existing policies and implementing new policies, as necessary, to mitigate the risks of modern slavery from occurring in our business or operations to the extent determined necessary.

Due Diligence

The Corporation has not historically undertaken any steps to conduct due diligence relating to mitigating the risks of modern slavery occurring in relation to our business or operations; however, we are not aware of any high-risk exposure to modern slavery associated with the Corporation's supply chain. We may in the future consider implementing additional procedures to ensure we are not unknowingly engaged in business with any entities involved in modern slavery.

Activity and Supply Chain Risks

The Corporation is not aware of any high-risk exposure to modern slavery associated with the Corporation's business or supply chains.

Remediation Measures

We are not aware of the existence of modern slavery in our business and the supply chains that support our operations and as such, we have not taken any measures to remediate any forced labour or child labour or to remediate the loss of income to the most vulnerable families that resulted from any measure taken from any of the Corporation's actions.

Employee Training

The Corporation has ensured that the Freehold directors and officers as well as Rife employees are aware of the new reporting requirements under the Modern Slavery Act.

Rife employees annually acknowledge their commitment to adhering to the Code.

Finally, Freehold is actively considering the implementation of specific employee training, but has not yet implemented a program as Freehold is not aware of any high-risk exposure to modern slavery associated with the Corporation's business or supply chains.

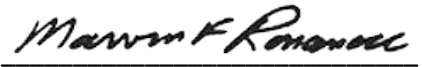
Assessment of Effectiveness

The Corporation has not yet implemented any specific policies or processes to assess our effectiveness in ensuring that modern slavery is not used in the Corporation's business or supply chains, although Freehold closely monitors compliance with the Code through whistleblower reporting, through which there have been no complaints in 2023.

Approval and Attestation of the Report

This report was approved by the Corporation's Board of Directors in respect of the Corporation and its subsidiaries listed in Appendix A on May 7, 2024 pursuant to paragraph 11(4)(b)(ii) of the Modern Slavery Act and will be filed with the Minister of Public Safety and Emergency Preparedness.

In accordance with the requirements of the Modern Slavery Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest, on behalf of the Corporation, and with no personal liability, that the information in this report is true, accurate and complete in all material respects for the purposes of the Modern Slavery Act, for the reporting year listed above.

A handwritten signature in black ink, reading "Marvin Romanow", is positioned above a horizontal line.

Marvin Romanow
Chair of the Board
May 7, 2024

I have the authority to bind the Corporation.

Appendix A Subsidiaries

1. Freehold Royalties (USA) Inc.
2. Freehold Royalties Partnership
3. 1872348 Alberta Ltd.
4. Freehold Holdings Trust