

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

Freehold Royalty Trust (the "**Trust**")
Freehold Royalties Ltd. ("**Freehold Royalties**")
400, 144 - 4th Avenue S.W.
Calgary, Alberta T2P 3N4

2. Date of Material Change:

December 31, 2010

3. News Release:

Press release issued on January 4, 2011 by the Trust and Freehold Royalties and disseminated through Marketwire.

4. Summary of Material Change:

The Trust and Freehold Royalties announced the successful completion of the previously announced plan of arrangement (the "**Arrangement**") pursuant to which the Trust has been converted to a dividend-paying corporation. Pursuant to the Arrangement, previous holders of trust units of the Trust ("**Trust Units**") are entitled to receive an equal number of common shares ("**Common Shares**") of Freehold Royalties.

Within 2 to 3 business days of the Toronto Stock Exchange (the "**TSX**") confirming receipt of all necessary documents in connection with the closing of the Arrangement and related matters, the Trust Units will be delisted from the TSX. Concurrent with the delisting of the Trust Units, the Common Shares of Freehold Royalties Ltd. will be listed on the TSX under the symbol "FRU".

5. Full Description of Material Change:

See Item #4 above.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:

N/A

7. Omitted Information:

N/A

8. Executive Officer:

For further information, please contact

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Freehold Royalties Ltd.
Manager, Investor Relations and Corporate Secretary
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9. Date of Report:

January 4, 2011