SEVENTH AMENDING AGREEMENT
TO THE CREDIT AGREEMENT
DATED MAY 10, 2005

THIS SEVENTH AMENDING AGREEMENT is made effective as of May 20, 2011 (the "**Seventh Amendment Date**"),

AMONG:

FREEHOLD ROYALTIES LTD.
as Borrower

- and -

CANADIAN IMPERIAL BANK OF COMMERCE,
ROYAL BANK OF CANADA and
THE TORONTO-DOMINION BANK
as Lenders

- with -

CANADIAN IMPERIAL BANK OF COMMERCE
as Agent

PREAMBLE:

A. Pursuant to the Credit Agreement dated May 10, 2005 among Freehold Royalty Trust, Freehold Royalty Acquisition Trust 1 and Freehold Royalty Acquisition Trust 2, as borrowers and each being predecessors to Freehold Royalties Ltd., the Agent and the Lenders, as amended by a first amending agreement dated May 24, 2006, a second amending agreement dated March 26, 2007, a third amending agreement dated August 31, 2007, a fourth amending agreement dated May 29, 2008, a fifth amending agreement dated May 22, 2009, a sixth amending agreement dated May 20, 2010 and a confirmation, assumption and amending agreement dated January 1, 2011 (wherein Freehold Royalties Ltd. became the Borrower under the Credit Agreement) (as amended, the "**Credit Agreement**"), the Lenders agreed to provide to the Borrower, *inter alia*, the Credit Facilities.

B. The Parties wish to amend the Credit Agreement on the terms and conditions herein provided.

AGREEMENT:

In consideration of the premises, the covenants and the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged between the parties, the parties hereto agree as follows:

1. **<u>Definitions</u>**. Capitalized terms used in this Seventh Amending Agreement will, unless otherwise defined herein, have the meanings attributed to such terms in the Credit Agreement, as amended hereby.

2. **<u>Extension of Revolving Period</u>**. Effective as of the Seventh Amendment Date, the last day of the Revolving Period is hereby extended to May 26, 2012.

3. **<u>Confirmation of Borrowing Base and Commitments</u>**. The Parties hereby confirm that as at the Seventh Amendment Date the Borrowing Base remains at Cdn. $210,000,000 and the Individual Revolving Facility Commitment Amount and Operating Facility Commitment Amount of each Lender remain as set out in Exhibit 1 hereto.

4. **<u>Amendments</u>**. Effective as of the Seventh Amendment Date, the pricing table at the end of Section 3.10(a) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

<u>Table</u>

Level	Debt to Cash Flow Ratio	Prime/US BR Margin	BA Rate, LIBOR Margin or Financial Letter of Credit Fee	Non-Financial Letters of Credit Fee	Standby Fee
I	≤ 1.50:1	[redacted]	[redacted]	[redacted]	[redacted]
II	> 1.50 : 1 and ≤ 2.00 : 1	[redacted]	[redacted]	[redacted]	[redacted]
III	> 2.00 : 1 and ≤ 2.50 : 1	[redacted]	[redacted]	[redacted]	[redacted]
IV	> 2.50 : 1 and ≤ 3.00 : 1	[redacted]	[redacted]	[redacted]	[redacted]
V	> 3.00 : 1	[redacted]	[redacted]	[redacted]	[redacted]

5. **<u>Extension Fee</u>**. Concurrently with the execution and delivery of this Agreement, the Borrower will pay to the Agent on behalf of each Lender an extension fee equal to [redacted] multiplied by the commitment amount of each such Lender under the Credit Facilities.

6. **<u>Representations and Warranties</u>**. To confirm each Lender's understanding concerning the Borrower and its business, properties and obligations, and to induce the Agent and each Lender to enter into this Seventh Amending Agreement, the Borrower hereby reaffirms to the Agent and each Lender that, as of the date hereof, its representations and warranties contained in Section 13.1 of the Credit Agreement, as amended by this Seventh Amending Agreement, and except to the extent such representations and warranties relate solely to an earlier date, are true and correct in all material respects and additionally represents and warrants as follows:

   (a) the execution and delivery of this Seventh Amending Agreement and the performance by the Borrower of its obligations under this Seventh Amending Agreement (i) are within its corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) have received all necessary governmental approvals (if any required), and (iv) do not and will not contravene or conflict with any provision of applicable Law or of its constating documents; and

(b) the Credit Agreement, as amended by this Seventh Amending Agreement, is a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, winding-up, moratorium or similar Laws relating to the enforcement of creditors' rights generally and by general principles of equity.

7. **Continuing Effect**. Each of the parties hereto acknowledges and agrees that the Credit Agreement, as amended by this Seventh Amending Agreement, and all other documents entered into in connection therewith, will be and continue in full force and effect and are hereby confirmed and the rights and obligations of all parties thereunder will not be effected or prejudiced in any manner except as specifically provided herein.

8. **Further Assurance**. The Borrower will from time to time forthwith at the Agent's request and at the Borrower's own cost and expense make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Agent and the Lenders and as are consistent with the intention of the parties as evidenced herein, with respect to all matters arising under this Seventh Amending Agreement.

9. **Expenses**. The Borrower will be liable for all expenses of the Agent and the Lenders, as applicable, including, without limitation, reasonable legal fees (on a solicitor and his own client full indemnity basis) and other out-of-pocket expenses in connection with the negotiation, preparation, establishment, operation or enforcement of the Credit Facilities and of this Seventh Amending Agreement (whether or not consummated) by the Agent and the Lenders, as applicable.

10. **Counterparts**. This Seventh Amending Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitutes one and the same instrument. Any party hereto may execute this Seventh Amending Agreement by signing any counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Seventh Amending Agreement to be duly executed by their respective authorized officers as of the date first above written.

Borrower:

FREEHOLD ROYALTIES LTD.

By: (signed) *"William O. Ingram"*
Name: William O. Ingram
Title: President
By: (signed) *"Darren Gunderson"*
Name: Darren Gunderson
Title: Vice President Finance and
Chief Financial Officer

Lenders:

CANADIAN IMPERIAL BANK OF COMMERCE, as Agent and Lender

By: signed
Name: [redacted]
Title:

By: signed
Name: [redacted]
Title:

ROYAL BANK OF CANADA, as Lender

By: signed
Name: [redacted]
Title:

THE TORONTO-DOMINION BANK, as Lender

By: signed
Name: [redacted]
Title:

By: signed
Name: [redacted]
Title:

ACKNOWLEDGEMENT:

Freehold Royalties Partnership (formerly named Petrovera Resources) hereby acknowledges and consents to the Seventh Amending Agreement and acknowledges, agrees and confirms that the guarantee dated on May 10, 2005, as previously confirmed, provided by it to the Agent on behalf of the Lenders and others and all representations, warranties, covenants and other obligations set forth therein are binding on Freehold Royalties Partnership and continue in full force and effect as a guarantee of all of the obligations of the Borrower under the Credit Documents (as defined in such guarantee). Freehold Royalties Partnership hereby restates the terms set forth in such guarantee to the extent necessary under applicable law to give effect to the foregoing. Freehold Royalties Partnership hereby further acknowledges and agrees that all security granted by Freehold Royalties Partnership to the Agent on behalf of the Lenders and others in connection with such guarantee, the Credit Agreement and any other documents executed and delivered pursuant thereto or in connection therewith, continue in full force and effect, without in any way impairing or derogating from any of the mortgages, pledges, charges, assignments, security interests and covenants therein contained or thereby constituted, as continuing security for all indebtedness, liabilities and other obligations of Freehold Royalties Partnership under such guarantee.

Acknowledged as of the Seventh Amendment Date.

FREEHOLD ROYALTIES PARTNERSHIP, by its managing partner, **FREEHOLD ROYALTIES LTD.**

By: (signed) *"William O. Ingram"*
Name: William O. Ingram
Title: President

By: (signed) *"Darren Gunderson"*
Name: Darren Gunderson
Title: Vice President Finance and Chief Financial Officer

ACKNOWLEDGEMENT:

Freehold Resources Ltd. (as amalgamation successor to Freehold Resources Ltd. and 1163177 Alberta Ltd.) hereby acknowledges and consents to the Seventh Amending Agreement and acknowledges, agrees and confirms that the guarantee dated October 2, 2007, provided by it to the Agent on behalf of the Lenders and others and all representations, warranties, covenants and other obligations set forth therein are binding on Freehold Resources Ltd. and continue in full force and effect as a guarantee of all of the obligations of the Borrower under the Credit Documents (as defined in such guarantee). Freehold Resources Ltd. hereby restates the terms set forth in such guarantee to the extent necessary under applicable law to give effect to the foregoing. Freehold Resources Ltd. hereby further acknowledges and agrees that all security granted by Freehold Resources Ltd. to the Agent on behalf of the Lenders and others in connection with such guarantee, the Credit Agreement and any other documents executed and delivered pursuant thereto or in connection therewith, continue in full force and effect, without in any way impairing or derogating from any of the mortgages, pledges, charges, assignments, security interests and covenants therein contained or thereby constituted, as continuing security for all indebtedness, liabilities and other obligations of Freehold Resources Ltd. under such guarantee.

Acknowledged as of the Seventh Amendment Date.

FREEHOLD RESOURCES LTD.

By: (signed) *"William O. Ingram"*
Name: William O. Ingram
Title: President

By: (signed) *"Darren Gunderson"*
Name: Darren Gunderson
Title: Vice President Finance and Chief Financial Officer

EXHIBIT 1
TO THE FREEHOLD ROYALTIES LTD.
SEVENTH AMENDING AGREEMENT
DATED MAY 20, 2011

COMMITMENT AMOUNTS

LENDER	INDIVIDUAL REVOLVING FACILITY COMMITMENT AMOUNT
Canadian Imperial Bank of Commerce Royal Bank of Canada The Toronto-Dominion Bank	[redacted]
Total:	Cdn. $195,000,000

OPERATING LENDER	OPERATING FACILITY COMMITMENT AMOUNT
Canadian Imperial Bank of Commerce	Cdn. $15,000,000