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[Freehold Royalties Ltd.](#) ("Freehold") (TSX:FRU) announces that it has closed its previously announced \$321 million (subsequently adjusted to \$318 million and subject to further post closing adjustments) acquisitions of royalty production and mineral title lands from [Penn West Petroleum Ltd.](#) (the "Penn West Transactions").

In conjunction with the closing of the Penn West Transactions, Freehold also completed its previously announced bought deal financing, issuing 20,700,000 common shares at a price of \$18.00 per share (the "Issue Price") for gross proceeds of approximately \$373 million, which included the full exercise of the over-allotment option granted to the underwriters. The bought deal offering was completed through a syndicate of underwriters co-led by RBC Capital Markets and CIBC.

Concurrent with the closing of the bought deal financing, the pension trust funds for employees of Canadian National Railway Company ("CN Pension Trust Funds") invested approximately \$33 million in Freehold through the purchase of 1,833,334 common shares at the Issue Price on a non-brokered private placement basis.

The aggregate gross proceeds raised by Freehold pursuant to the bought deal financing and the investment by the CN Pension Trust Funds totaled approximately \$406 million. Freehold used a portion of the net proceeds from the bought deal financing and investment by the CN Pension Trust Funds to complete the Penn West Transactions with the remainder to pay down a portion of outstanding indebtedness. The outstanding indebtedness was partially incurred by Freehold for other property acquisitions completed this year.

The common shares offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

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