

## JANES ACQUISITION CORP.

February 5, 2021

TO: Unitholders of SIR Royalty Income Fund (TSX: SRV.UN)

### **VARIATION OF OFFER TO PURCHASE TRUST UNITS OF SIR ROYALTY INCOME FUND**

This letter amends and supplements the offer (the “**Original Offer**”) by Janes Acquisition Corp. (the “**Offeror**”) to purchase up to an aggregate of 825,000 trust units (“**Units**”) of SIR Royalty Income Fund (the “**Fund**”), in order to increase the price being offered from \$4.25 per Unit to \$4.75 per Unit in cash (the Original Offer as expressly amended and supplemented by this letter is referred to as the “**Offer**”).

**Except as expressly otherwise set forth in this letter, the terms and conditions set forth in the letter to holders of Units (“Unitholders”) dated January 27, 2021 (the “Original Letter”) in respect of the Original Offer continue to be applicable in all respects.** This letter should be read in conjunction with the Original Letter. Registration of interests in and transfers of Units may currently be made through a book-entry system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). As such, in order to deposit their Units to the Offer, Unitholders must complete the documentation and follow the instructions provided by their investment dealer, broker or other nominee. Investment dealers, brokers and other nominees may set a deadline for the delivery of deposit instructions that is earlier than the Expiry Time (as defined below), and as such Unitholders should contact their investment dealer, broker or other nominee for assistance at their earliest convenience. Unitholders who have already deposited Units to the Offer need not take any additional steps in order to receive the increased offer price of \$4.75 per Unit if Units are taken up and paid for by the Offeror. Deposited Units may be withdrawn at any time prior to the time they are taken up by the Offeror. Participants of CDS should contact the Depository and Information Agent (as defined below) with respect to the withdrawal of deposited Units.

Unless the context requires otherwise or unless otherwise defined herein or amended hereby, defined terms used in this letter have the meanings given to them in the Original Letter.

For additional information, we urge Unitholders to refer to the Offeror’s press release dated of even date herewith and to contact our information agent and depository for the Offer, Laurel Hill Advisory Group (the “**Depository and Information Agent**”) at 70 University Avenue, Suite 1440, Toronto, ON, Canada M5J 2M4, or by toll-free telephone in North America at 1-877-452-7184 or by collect call outside North America at 1-416-304-0211 or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com) for more information.

#### **1 The Offer**

The Offeror has varied the Original Offer by increasing the price per Unit being offered from \$4.25 to \$4.75 in cash. No other terms of the Original Offer have been amended and as a result the maximum number of Units to be purchased under the Offer is 825,000.

The Offer remains open for acceptance until 5:00 p.m. (Toronto time) on Thursday, February 11, 2021, or until such later time that the Offer may be extended or varied (the “**Expiry Time**”), or, in the event the conditions to the Offer are not met, until the Offer is withdrawn by the Offeror, in each case in its sole and absolute discretion.

A Unitholder that validly deposits Units pursuant to the Offer (each, a “**Deposited Unit**”) will appoint representatives of the Offeror as its nominees and proxy in respect of all Deposited Units that are taken up and purchased under the Offer for any meeting of holders of relevant securities of the Fund (whether annual, special or otherwise or any adjournment or postponement thereof). The Offeror is relying on the exemption under section 9.2(4) of National Instrument 51-102 - *Continuous*

*Time is of the essence. Call your broker now to deposit your Units.*

*Disclosure Obligations* to make a public broadcast solicitation for proxies. For further details, please see Section 5 of this letter.

The Offer is not a formal or exempt takeover bid under applicable Canadian securities laws and regulations.

THE OFFER HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR ANY OTHER SECURITIES REGULATORY AUTHORITY (IN CANADA OR ELSEWHERE) OR SECURITIES EXCHANGE, NOR HAS ANY SECURITIES REGULATORY AUTHORITY OR SECURITIES EXCHANGE PASSED UPON THE FAIRNESS OR MERITS OF THE OFFER OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THE OFFER. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

## **2 Conditions of the Offer**

The Offer is subject to and conditional on the terms and conditions set out in Schedule "A" attached to the Original Letter, as amended by this letter.

## **3 Take Up of Units**

If more than the maximum number of Units for which the Offer is made are deposited in accordance with the Offer and not withdrawn at the time of take up of the Deposited Units, the Deposited Units to be purchased from each depositing Unitholder will be determined on a *pro rata* basis according to the number of Deposited Units deposited by each Unitholder, disregarding fractions, by rounding down to the nearest whole number of Deposited Units. If the conditions of the Offer are satisfied or waived by the Offeror, the Offeror will take up all Deposited Units (or if more than 825,000 Deposited Units are tendered, proportionately take up Deposited Units in accordance with the provisions of the Offer) validly deposited under the Offer, and not properly withdrawn, not later than immediately after the Expiry Time (but in any event no earlier than 5:00 p.m. (Toronto time) on Thursday, February 11, 2021) and will pay for such Deposited Units taken up as soon as possible but not later than three (3) business days after such Deposited Units are taken up.

## **4 Consequential Amendments to the Original Offer**

The Original Letter shall be read together with this letter. The Original Letter is amended to the extent necessary to reflect the amendments contemplated by, and the information contained in, this letter.

Except as otherwise set forth or amended by this letter, the terms and conditions of the Original Offer and the information in the Original Letter continue to be applicable in all respects.

## **5 Additional Information**

The Offeror is relying on the exemption under section 9.2(4) of National Instrument 51-102 - *Continuous Disclosure Obligations* to make a public broadcast solicitation of proxies. The following information is provided in accordance with securities laws applicable to public broadcast solicitations.

This solicitation is being made by the Offeror, and not by or on behalf of the management of the Fund. Laurel Hill Advisory Group will receive a minimum fee of \$25,000 for its services as Depositary and Information Agent under the Offer plus ancillary payments and disbursements. Based upon publicly available information, the Fund's principal and head office is at 5360 South Service Road, Suite 200, Burlington, Ontario, L7L 5L1. The Offeror is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian securities laws, conveyed by way of public broadcast, including press release, speech or

publication, and by any other manner permitted under applicable Canadian laws. In addition, the solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person by officers of the Offeror. All costs incurred for the solicitation will be borne by the Offeror or its affiliates.

A registered Unitholder who has given a proxy under the terms of the Offer may, prior to its Deposited Units being taken up and paid for under the Offer, revoke the proxy (i) by completing a proxy signed by the Unitholder or by the Unitholder's attorney authorized in writing bearing a later date and depositing it with the transfer agent of the Fund; (ii) by depositing an instrument of revocation in writing executed by the Unitholder or by the Unitholder's attorney authorized in writing: (x) at the head office of the Fund (namely, Suite 200, 5360 South Service Road, Burlington, Ontario L7L 5L1) at any time up to and including the last business day preceding the day of the meeting, or any adjournment of the meeting, at which the proxy is to be used, or (y) with the Chairperson at the meeting, prior to the exercise of the proxy; or (iii) in any other manner permitted by law, provided that in each circumstance a copy of such revocation has been delivered to the Depositary and Information Agent at its principal office in Toronto, Ontario, Canada prior to the Units relating to such proxy having been taken up and paid for under the Offer. A non-registered Unitholder may, subject to the terms of the Offer, revoke a form of proxy or voting instruction form given to an intermediary at any time by written notice to the intermediary in accordance with the instructions given to the non-registered Unitholder by its intermediary, provided that notice thereof is provided to the Offeror. Non-registered Unitholders should contact their broker for assistance in ensuring that forms of proxies or voting instructions previously given to an intermediary are properly revoked. None of the Offeror and its directors and officers, or, to the knowledge of the Offeror, any associates or affiliates of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Fund's most recently completed financial year, or in any proposed transaction which has materially affected or will materially affect the Fund or any of its subsidiaries. None of the Offeror or, to its knowledge, any of its associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at any upcoming Unitholders' meeting, other than as set out herein.

## **6 Applicable Law**

The Offer shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario and the laws of Canada applicable therein.

## **7 Language**

Each of the Offeror and the Unitholder acknowledges that it has consented and requested that all documents evidencing or relating in any way to this Offer be drawn up in the English language only. *L'initiateur et le porteur de parts reconnaissent chacun pour sa part par les présentes avoir consenti et demandé à ce que tous les documents attestant ou se rapportant de quelque manière que ce soit à la présente Offre soient rédigés en anglais seulement.*

### **JANES ACQUISITION CORP.**

Per: "Lembit Janes"

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Lembit Janes  
President and Secretary

***The Depositary and Information Agent for the Offer is:***



Laurel Hill Advisory Group  
70 University Avenue, Suite 1440  
Toronto, ON M5J 2M4

**North American Toll Free Phone:**  
1-877-452-7184

**Collect Outside of North America:**  
1-416-304-0211

**E-mail:** [assistance@laurelhill.com](mailto:assistance@laurelhill.com)

**By Mail:**  
PO Box 370, STN Adelaide  
Toronto, Ontario  
Canada M5C 2J5

**By Registered Mail or Courier:**  
70 University Avenue, Suite 1440  
Toronto, Ontario  
Canada M5J 2M4

**Facsimile:**  
1-416-646-2415

**Any questions or requests for assistance may be directed by Unitholders to the Depositary and Information Agent at its telephone number and location set out above. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.**