



Dear Shareholders:

You are invited to attend a special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares (the "**Common Shares**") in the capital of Alaris Royalty Corp. (the "**Company**" or "**Alaris**") to be held by way of virtual-only audio webcast at 11:00 a.m. (Calgary time) on August 31, 2020.

At the Meeting you will be asked to consider, and, if thought advisable, to approve a proposed plan of arrangement (the "Arrangement") under Section 192 of the Canada Business Corporations Act to convert Alaris into a publicly-traded income trust named Alaris Equity Partners Income Trust (the "Trust").

The accompanying notice of special meeting (the "**Notice of Meeting**") and the management information circular (the "**Information Circular**") contain a detailed description of the Arrangement and set forth the actions to be taken by you at the Meeting. You should carefully consider all relevant information in the Notice of Meeting and the Information Circular and consult with your financial, legal or other professional advisors if you require assistance.

The Arrangement

Upon completion of the Arrangement, the Trust will indirectly own all the shares of the Company which will continue to carry on the same activities that the Company carried on prior to the Arrangement and all of the directors of the Company will serve as the trustees of the Trust. The current officers of the Trust are the same individuals who are currently the officers of the Company, each of whom will continue in such roles with the Trust following completion of the Arrangement. The Arrangement, if approved, will result in Shareholders (other than Dissenting Shareholders and Non-Eligible US Shareholders) transferring their Common Shares to the Trust for an equivalent number of units of the Trust ("**Trust Units**").

Subject to the completion of the Arrangement and no material change in Alaris' expected cashflow, it is expected that the Trust's distribution will increase over the Company's current quarterly dividend by \$0.02 per quarter (\$0.08 on an annualized basis). Otherwise management expects that the Trust's distribution policy will remain consistent with the Company's current dividend policy and, assuming completion of the Arrangement, that the Trust's first distribution will be payable to Unitholders of record on September 30, 2020, at the increased amount of \$0.31 per Trust Unit for the quarter ended September 30, 2020 (\$1.24 per Trust Unit on an annualized basis) and paid on or about October 15, 2020.

The after-tax return from an investment in Trust Units to Unitholders subject to Canadian income tax will depend, in part, on the composition of the Trust's income for Canadian income tax purposes from which distributions on the Trust Units will be paid (portions of which may be fully or partially taxable or may constitute tax-deferred distributions which are not subject to tax at the time of receipt but reduce a Unitholder's cost base in the Trust Units for tax purposes). Management intends to determine the composition of the Trust's income for Canadian income tax purposes with the intent of maximizing ultimate value to Unitholders.

Board Recommendation & Anticipated Benefits

THE BOARD OF DIRECTORS OF ALARIS (THE "BOARD") HAS UNANIMOUSLY DETERMINED THAT THE ARRANGEMENT IS FAIR TO SHAREHOLDERS AND IN THE BEST INTERESTS OF ALARIS AND UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE ARRANGEMENT RESOLUTION.

The Board made its determination based upon consultation with its legal and financial advisors and, in part, on the Fairness Opinion received from Acumen Capital Finance Partners Limited, as described in the Information Circular. The Board's determination is based on numerous factors described more fully in the accompanying Information Circular and includes (among others) the following anticipated benefits that the Company believes will enhance long-term Shareholder value:

- a materially simplified cross-border investment structure involving fewer foreign jurisdictions, which should reduce compliance and other administrative costs and the Company's exposure to changes in foreign laws;
- increasing the amount of cash available for distribution to Unitholders;
- allowing Alaris to comply with applicable US legislation while maintaining an internal efficiency substantially consistent with Alaris' current structure; and
- reducing Alaris' exposure to foreign, non-US legislative and economic changes, thus enabling Alaris to operate in a more certain environment.

Voting Requirements

To be effective, 66²/₃% of the votes cast by Shareholders (either at the virtual Meeting or by proxy) must approve the Arrangement Resolution. Both the Court of Queen's Bench of Alberta and the Toronto Stock Exchange must also approve the Arrangement. If the Arrangement is approved by the requisite majority of Shareholders at the Meeting, the Arrangement is expected to be completed on or about September 1, 2020. Holders of an aggregate of 1,991,867 Common Shares, including all directors, executive officers and certain other Shareholders of the Company, representing approximately 5.6% of the outstanding Common Shares, have indicated their intention to vote all of the Common Shares beneficially owned by them in favour of the Arrangement Resolution.

Letter of Transmittal

Enclosed with the Information Circular and instrument of proxy is a BLUE Letter of Transmittal containing complete instruction on, among other things, how to exchange your Common Shares for Trust Units as well as certain other certifications. The Letter of Transmittal will be sent to registered Shareholders only. Non-registered (beneficial) Shareholders should contact their brokers, investment dealer, bank, trust company or other intermediary to complete all applicable certifications on their behalf. The applicable Shareholder certifications by registered Shareholders must be delivered to Computershare Investor Services Inc. no later than 5:00 p.m. (Calgary time) on the second Business Day immediately before the Effective Date.

If you are a Beneficial Shareholder and have received these materials from your broker, investment dealer, bank, trust company or other intermediary, please complete and return the Form of Proxy or other authorization form provided to you by your broker, investment dealer, bank, trust company or other intermediary in accordance with the instructions provided herein. Failure to do so may result in your Common Shares being ineligible to vote at the Meeting.

Subject to applicable Law relating to unclaimed property, any share certificate formerly representing Common Shares that is not deposited with all other documents as required pursuant to the terms of the Arrangement on or before the day that is no later than the day prior to the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature and, for greater certainty, the right of the Shareholder to receive the Trust Units or the cheque representing the Shareholder's pro rata share of the cash proceeds from the sale of such Trust Units, as the case may be, together with all dividends, distributions, loans or cash payments thereon held for such Shareholder, shall be deemed to be surrendered.

Shareholder Questions

If you have any questions or need assistance to vote your Common Shares or make the certifications contemplated in the accompanying BLUE Letter of Transmittal, please contact the Company's solicitation agent **Laurel Hill Advisory Group**, by email at assistance@laurelhill.com, or by telephone at **1-877-452-7184 (North American toll-free number) or 416-304-0211 (Outside North America)**.

The Information Circular contains a detailed description of the Arrangement, as well as detailed information about the Company and the Trust. Please give this material your careful consideration and, if you require assistance, we urge you to consult your financial, legal, tax or other professional advisors.

Virtual Meeting

Given the unprecedented impact of the coronavirus disease 2019 (COVID-19) pandemic and out of an abundance of caution and concern for our Shareholders, employees, other stakeholders and community as a whole, we have decided to hold the Meeting by way of a virtual only format via a live audio webcast at <https://web.lumiagm.com/260607551>. Shareholders will all have an equal opportunity to participate in real time at the virtual Meeting, regardless of their geographic location. Shareholders will have the opportunity to ask questions and vote on important matters. For information about how to attend and vote at the virtual Meeting, see pages 7 through 11 of the Information Circular. Whether or not you plan to participate in the Meeting, we urge you to vote and submit your voting instruction or Form of Proxy in advance of the Meeting.

All capitalized terms not otherwise defined in this letter shall have the meaning ascribed thereto in the accompanying Information Circular.

On behalf of Alaris, I would like to thank all Shareholders for their ongoing support as we work towards completion of the Arrangement.

Yours very truly,

(signed) "*Stephen King*"

Stephen King

President and Chief Executive Officer

July 21, 2020