

August 24, 2009.

Fellow Unitholders,

As we near the Annual and Special Meeting of Unitholders on September 4, 2009 in Halifax, Nova Scotia, I would like to take the opportunity to reaffirm the merits of the proposed arrangement (the "Arrangement") between PDM Royalties Income Fund (the "Fund") and Imvescor Inc. ("Imvescor") that you are being asked to vote on.

As you know, we are seeking your support to approve the conversion of the Fund to a new, publicly-traded corporation through the combination with Imvescor's businesses. The new company will be called Imvescor Restaurant Group Inc. ("IRGI") and will be traded on the Toronto Stock Exchange under the symbol IRG. As per the terms of the transactions, unitholders are being asked to approve the Arrangement whereby each unitholder will receive, for each unit held, one common share of IRGI. With your approval, we expect the Arrangement to close on or about October 10, 2009, subject to certain conditions.

This is a transformational transaction for the Fund and I believe that the benefits are long lasting and in the best interest of all unitholders. Key benefits of the Arrangement include:

- **Defined Capital Structure**

With the 2011 Income Trust deadline fast approaching, the Arrangement will put to rest the uncertainty regarding our capital structure and provide our current investors with not only enhanced trading liquidity, but also improve our access to capital for future financings. As well, under the Arrangement, the current highly dilutive 'vend-in' formula for new restaurant additions to the royalty pool will be eliminated.

- **Growth Platform**

Through the Arrangement, investors will be able to benefit from the upside of future restaurant growth which will accrue to all investors equally. Despite the impact of the economic conditions that are currently affecting our industry, the fundamentals of the business model remain strong and we are confident that upon this foundation, IRGI is poised for growth when economic stability returns.

- **Corporate Synergies**

IRGI will benefit from cost savings created by the synergies of the new simplified corporate structure. IRGI will enjoy ownership of PDM's current and future brands and related intellectual property as well as Imvescor's franchising and distribution business. Furthermore, the Arrangement will allow for the consolidation of cash flows that will facilitate financings, business planning and capital spending, and consolidate the debt and assets into a single entity, hence creating financial flexibility while reducing borrowing costs. Overhead and administrative expenses are also expected to be reduced.

- **Improved Transparency**

Under the Arrangement, shareholders will gain increased transparency through a Board of Directors that will answer directly to all shareholders. More importantly, under the Arrangement, all shareholders will be treated equally.

- **Dividend Policy**

IRGI will consider adopting a cash management policy that will allow the company to pay dividends to shareholders, while providing IRGI with flexibility to repay debt and/or repurchase convertible debentures and shares in the market in a manner that will maximize long term shareholder value. Although the Fund believes that the expectation is reasonable, it can give no assurances on such forward-looking statement until the new Board of Directors will come into being if the Meeting is successful.

- **Stronger Leadership Team**

IRGI will benefit from the bench strength of a leading executive and operational management team with over 150 years of combined experience in the restaurant industry, as well as proven track records in expansion and profitable growth in sales and EBITDA. As well, IRGI will be governed by a seasoned board of directors whose interests will be closely aligned with those of shareholders with a common objective to create shareholder value.

RSM Richter Inc., the independent financial advisor to the Trustees, concluded that the Arrangement is fair from a financial point of view and in the best interest of the Fund and all unitholders. As well, RiskMetrics, one of the leading independent providers of proxy voting and corporate governance services whose recommendations are followed by many institutional investors, has recommended that unitholders vote in favour of the Arrangement.

With the Annual and Special Meeting of Unitholders fast approaching on September 4, 2009, unitholders are encouraged to submit their form of proxy in favour of the Combination Transaction before September 2, 2009 at 5:00 pm ADT (Atlantic Time). If you require assistance, consult your financial, tax or other professional advisor. If you are unable to attend the Meeting in person, please complete and deliver the applicable form of proxy to ensure your representation at the Meeting. You may also contact our Information Agent, Kingsdale Shareholder Services, at 1-800-775-4067 for more information on how to vote your proxy or to request a free copy of the Management Circular and related materials.

On behalf of the board of Trustees, we would like to express our gratitude for the support our Unitholders have demonstrated with respect to our decision to take the proposed Arrangement forward. We look forward to the exciting next steps in our constant endeavor to deliver unitholder value.

Yours very truly,

“Brian Flemming”

Chairman of the Board of Trustees