

PRAIRIESKY ROYALTY LTD.

BUSINESS CODE OF CONDUCT

PrairieSky Royalty Ltd. (the "**Company**") is committed to conducting its business ethically and legally. In keeping with that commitment, this Business Code of Conduct and any related policies, practices and guidelines, as approved and implemented by the board of directors of the Company (the "**Board**") and senior management from time to time, will be used in identifying and managing ethical situations and making ethical business decisions.

Application

This Business Code of Conduct applies to employees, contractors, officers and directors of the Company, including any subsidiaries thereof from time to time (collectively, "**covered persons**").

Compliance with Laws and Regulations

Covered persons must comply with all laws, rules and regulations applicable to the Company's business, including the requirements of applicable securities commissions, regulatory authorities and stock exchanges.

Any violations or potential violations of laws, rules and regulations must be reported in accordance with the Company's investigations practice.

Conflict of Interest

The Company expects covered individuals to avoid situations where personal interests could conflict, or appear to conflict, with their duties and responsibilities or the interests of the Company. A conflict of interest may occur where involvement in any activity, with or without the involvement of another party, prevents the proper performance of covered persons' duties for the Company. A conflict of interest may also occur where involvement in any activity creates, or appears to create, a situation where judgment or the ability to act in the best interests of the Company is affected.

Examples of conflicts of interest include, but are not limited to:

- awarding contracts, procuring goods and services or reviewing or approving invoices from a vendor (supplier, contractor or consultant) that is wholly or partly owned or managed by a covered person, or a relative of a covered person;
- negotiating or approving leases with a lessee that is wholly or partly owned by a covered person, or a relative of a covered person;

- entering into agreements with third parties, including in a potential corporate acquisition or merger of or by the Company, in which a covered person, or a relative of a covered person, owns securities or has an ownership interest in such third party; and
- the purchase or sale of lands or royalty interests between the Company and a competitor or other third party in which a covered person has a personal holding or has a competing interest.

Any actual or potential conflict of interest by employees or contractors must be reported to their supervisor, the President & Chief Executive Officer (the "CEO") or any vice-president. Contractors must also comply with their written contracts. Officers and directors must adhere to additional obligations as set out in relevant statutes and the Company's by-laws, including relating to any transactions or agreements in respect of which a director or officer has a material interest, and must inform the Chairman of the Board of any such conflict.

If a conflict is deemed to exist, the individual must formally document such conflict, including the nature of the conflict of interest and what actions will be taken to address the conflict, and the individual's supervisor (as it relates to employees or contractors) or Chairman of the Board (as it relates to officers or directors) will ensure that such individuals are not involved in any decision or operation related to a conflict.

Corporate Opportunities

Covered persons are prohibited from: taking advantage of opportunities discovered through the use of corporate property, information or position; using corporate property, information or position for personal gain; and competing with the Company.

Anti-Fraud

The Company is committed to protecting its reputation, revenue, property, information and other assets from fraud – whether by the public, contractors, agents or its own directors, officers or employees.

Any individual who knows or has reason to suspect that a fraud has occurred must immediately notify their supervisor, the CEO or any vice-president. Supervisors must immediately report such information in accordance with the Company's investigations practice. Retaliation will not be tolerated against any individual who reports a suspected fraud in accordance with the Company's investigations practice.

The Company will fully investigate any suspected acts of fraud, misappropriation or similar irregularity in accordance with the Company's investigations practice. The Company will pursue every reasonable effort, including court-ordered restitution, to obtain recovery of the Company's losses from the offender or other appropriate sources.

Disclosure

The Company's disclosure policy outlines procedures and guidelines that ensure the consistent, transparent, balanced, regular and timely public disclosure and dissemination of material and non-material information

relating to the Company. As specified in the Company's disclosure policy, the Company is required to provide full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to, securities commissions, regulatory authorities and stock exchanges, as well as in other public communications made by the Company. Covered persons are not permitted to speak on behalf of the Company unless they are designated as authorized spokespersons of the Company.

Confidentiality

Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed. Confidential information belongs to the Company and must not be disclosed unless specific authorization is given to do so or such disclosure is legally mandated. Knowledge of confidential information about another party gained in the course of work duties at the Company is protected in the same manner as confidential information about the Company.

Access to and communication of confidential information by covered persons shall be limited to individuals who have a clear "need to know" such information for purposes of the business of the Company and such persons will be advised that the information is to be kept confidential, and where appropriate, shall be requested to confirm their commitment to non-disclosure of such confidential information in the form of a written confidentiality agreement or written acknowledgement.

Securities Trading and Insider Reporting

The Company's securities trading and insider reporting policy set out the applicable trading restrictions on securities of the Company held directly, indirectly or with control of or direction over by insiders (including employees or contractors in possession of undisclosed material information) as well as the reporting obligations of certain insiders. Covered persons should refer to the Company's securities trading and insider reporting policy before engaging in any transaction of the Company's or another party's securities.

Where information not yet publicly disclosed regarding the Company or a third party becomes known to a covered person, they must avoid acquiring or disposing of any business interest, including the Company's or another party's securities (where the context demands), whether directly or through another person or discussing such information with any other person, including covered persons. Similarly, friends, relatives and associates of covered persons must not benefit from such information.

If a covered person is unsure whether information has been publicly disclosed, they should consult with legal counsel of the Company for guidance before engaging in any transaction in any securities of the Company or another party or disclosing such information to another person.

Trading in Restricted Securities

The Company's restricted securities trading policy sets out certain trading restrictions on securities of the Company and issuers engaged in the oil and natural gas business in Western Canada, many of which carry on active business with the Company. The policy also addresses reporting and pre-trading clearance protocols and obligations of employees, contractors, officers and directors, all of whom are covered by the

policy. Covered persons should refer to the Company's restricted securities trading policy before engaging in any transaction of the Company's or another party's securities.

If a covered person is unsure whether information has been publicly disclosed, they should consult with legal counsel of the Company for guidance before engaging in any transaction in any securities of the Company or another party.

Fair Dealing

Covered persons should endeavour to deal fairly with the Company's customers, suppliers, contractors, industry and business partners, competitors, employees and any other stakeholders. Covered persons should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Competition and Antitrust

Covered persons must not engage in activities that would constitute, or reasonably appear to constitute, an unreasonable restraint of trade, unfair trade practice or other anti-competitive course of conduct in violation of competition and antitrust laws.

Covered persons should receive input and guidance from legal counsel of the Company if they are unsure whether their activities may be regulated by these laws.

Inducements and Gifts

The Company does not allow the acceptance or giving of gifts, favours, personal advantages, services payments, loans, or benefits of any kind, other than those of nominal value that can be made as a generally accepted business practice. Employees and contractors should seek further input from their supervisors if they have any doubt as to whether accepting a gift would be appropriate in the circumstances.

Prevention of Corruption

Unlawful or unethical behaviour in the Company's workforce, including soliciting, accepting or paying bribes or any other illicit payments for any purpose, is not tolerated. Situations where judgment might be influenced by, or appear to be influenced by, such unlawful or unethical behaviour must be avoided. Payment or acceptance of any "kickbacks" from or to a contractor or other external party is also prohibited.

Privacy

The Company is committed to protecting the privacy of personal information about covered persons collected, used and disclosed in the conduct of its business. Personal information refers to information about an identifiable individual (except business contact information used for business purposes) including information about prospective, present or former covered persons.

People, Health, Safety and Environment

Covered persons are expected to provide a respectful, inclusive workplace free from harassment, discrimination, violence and intimidation. Discrimination by covered persons on the basis of gender, race, colour, age, national origin, religion, disability, sexual orientation, marital status or any other characteristic protected by applicable laws is unacceptable.

Covered persons must also respect and comply with applicable health, safety and environmental laws, rules and regulations.

All incidents of harassment, discrimination, violence, intimidation, hazards, near misses, accidents or violations, regardless of intent or magnitude, must be reported by covered persons in accordance with the Company's investigations practice.

Political Activities

In no circumstances shall any covered person be permitted to use or associate their position or office with the Company with any personal political activity or donation or in any circumstances in which any such association could be reasonably inferred.

Covered persons may choose to become involved in political activities as long as they undertake these activities on their own behalf and may, on a personal level, give to any political party or candidate, but reimbursement by the Company is prohibited.

Lobbying Activities

The Company complies with applicable lobbying legislation which imposes reporting requirements on specified lobbying communications with certain officers and employees of federal, provincial or municipal governments that are deemed to be designated public office holders. If a covered person is unsure whether their communications with a public official are regulated, they should consult with legal counsel of the Company.

Acceptable Use of Systems and Assets

Covered persons have an obligation to use corporate assets in accordance with fundamental principles of reasonable and acceptable use. The Company's corporate information, data, information system assets, digital communications, internet access, office equipment, tools, vehicles, supplies, facilities and services are provided for authorized business purposes. Employees and contractors should consult their supervisor for further guidance related to acceptable use.

Maintaining Books and Records

All business transactions that covered persons have participated in must be properly authorized, properly recorded and supported by accurate documentation in reasonable detail.

Books and records must be kept and maintained to fulfill relevant legal requirements. Recording and reporting information, including information related to operations, environment, health, safety, training, human resources and financial matters, must be done honestly, accurately and with care.

The Company's books and records must reflect in reasonable detail its transactions in a timely, fair and accurate manner in order to permit the preparation of accurate financial statements in accordance with generally accepted accounting principles and maintain recorded accountability for assets and liabilities. The accuracy of asset and liability records must be maintained by comparing the records to the existing assets and liabilities at reasonable intervals and taking appropriate action with respect to any differences.

Covered persons have a duty to submit any good faith questions or report any concerns regarding questionable accounting, auditing or disclosure matters or controls or similar matters relating to the Company's books and records in accordance with the Company's investigations practice. The Company's disclosure policy also specifies the Company's requirements in disclosing financial information.

Observance of the Business Code of Conduct

Covered persons are personally accountable for learning, endorsing and promoting this Business Code of Conduct and applying it to their own conduct and field of work. Covered persons will be asked to review this Business Code of Conduct and may be requested to confirm, through written or electronic declaration, that they understand their individual responsibilities and will conform to its requirements.

Contractors are required to comply with this Business Code of Conduct and all of the Company's applicable policies and practices. Contractors are also expected to develop and enforce with their staff their own policies and/or practices that are consistent with this Business Code of Conduct and its associated requirements and, if requested, acknowledge their compliance in writing.

Employees or contractors with questions about this Business Code of Conduct or specific situations are encouraged to refer the matter to their supervisor, or if appropriate, the CEO or any vice-president. Applicable resource groups, such as legal counsel of the Company, may also be contacted.

Officers and directors with questions about this Business Code of Conduct or specific situations are encouraged to refer the matter to the CEO, the Chairman of the Board or legal counsel of the Company.

Violations of the Business Code of Conduct

The Company's investigations practice outlines how a report will be treated once it is made and includes whistleblower protection for complainants. The Company will not allow retaliation for reports made lawfully in accordance with the Company's investigations practice.

Violation of the Business Code of Conduct or its associated policies, practices and guidelines may result in disciplinary action up to and including termination of employment or contract, as applicable.

Covered persons who witness or discover a violation of the Business Code of Conduct or its related policies, practices and guidelines have an obligation to report the violation. Covered persons who have reason to suspect a violation may have occurred, must also report the suspected violation.

Waivers and Amendments

No waiver of this Business Code of Conduct may be made where the conduct subject to the waiver contravenes any applicable law, rule, regulation or stock exchange requirement.

Waivers of this Business Code of Conduct for officers or directors may only be made by the Board and will be promptly disclosed to the extent required by law, rule, regulation or stock exchange requirement.

Waivers of this Business Code of Conduct for employees or contractors may only be granted by a vice-president or the CEO with the prior written concurrence of a member of the Board.

The Board will review and amend this Business Code of Conduct as necessary to ensure it complies with regulatory requirements. Amendments to this Business Code of Conduct will be publicly disclosed to the extent required by law, rule, regulation or stock exchange requirement.

Effective: April 11, 2014, amended and restated February 27, 2017