



The treatment and disclosure of information about the business activities and affairs of public corporations is governed by a strict set of laws and regulations applicable to the business of PrairieSky Royalty Ltd. (the "**Company**"). This Disclosure Policy (this "**Policy**") applies to employees, contractors, officers and directors of the Company, including any subsidiaries thereof from time to time (collectively, "**covered persons**").

This Disclosure Policy outlines the procedures and practical guidelines for the consistent, transparent, balanced, regular and timely public disclosure and dissemination of material information (as defined below) and non-material information by covered persons.

The Company works to ensure that communications with the public about the Company are: (i) factual, timely, accurate and balanced; and (ii) broadly disseminated in accordance with all applicable legal and regulatory requirements.

Scope

This Policy covers all forms of communication, including written statements made in documents filed with securities regulators, the Company's annual and quarterly reports, news releases, media advisories, letters to shareholders, presentations by management and information contained on the Company's website and other electronic communications and oral statements made in meetings and telephone conversations with analysts, investors, interviews with the media, speeches, industry conferences, press conferences, conference calls and social media activities.

Disclosure Panel

The board of directors of the Company (the "**Board**") has established a panel (the "**Disclosure Panel**") that is responsible to oversee the practices contained in this Policy. The Disclosure Panel consists of the President & Chief Executive Officer ("**CEO**"), the Vice-President, Finance & Chief Financial Officer ("**CFO**") and a designated member of investor relations (or, in each case, another member of senior management when delegated by such persons). Any action by a delegate of a Disclosure Panel member must be reported forthwith to the Disclosure Panel member.

The Disclosure Panel, with the advice of legal counsel of the Company, will set thresholds for a preliminary assessment of materiality, will determine whether information is deemed material and when events justify or require public disclosure.

The Disclosure Panel will meet as circumstances dictate. It is essential that the Disclosure Panel is fully informed of all pending and potential material developments or events affecting or involving the Company in order to evaluate and discuss those developments and events and to determine the appropriateness

and timing of the public release of information. Minutes and other records of the determinations of the Disclosure Panel will be kept with the records of the Company.

Where information should remain confidential for permitted reasons, the Disclosure Panel will determine how that confidential information will be controlled. When disclosure of material information may be required, it is the responsibility of the appropriate member of senior management with responsibility for the matter to promptly contact legal counsel of the Company or another member of the Disclosure Panel to determine the appropriate action to be undertaken.

The Disclosure Panel will review and update, if necessary, this Policy on an annual basis to ensure it complies with changing regulatory requirements. The Disclosure Panel will report to the Board on an annual basis through the Governance and Compensation Committee any significant infractions of this Policy or any recommended changes to this Policy.

Material Information

Any information relating to the business and affairs of the Company or another party (where the context demands, whether publicly-traded or not) that results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's securities or securities of such other party (where the context demands) is considered "**material information**".

Determining whether an event or information is material information will be made by the Disclosure Panel. In determining materiality, a number of factors will be taken into consideration, including the nature of the information itself, the volatility of the Company's securities prices and the prevailing market conditions.

Examples of developments or information that may be determined to be material may include, but are not limited to, the following:

- major corporate and/or property acquisitions or dispositions;
- major petroleum discoveries or re-evaluations of major assets by lessees, which significantly change expected royalties receivable by the Company;
- changes to the Company's dividend;
- significant changes in capital investment plans by lessees, corporate objectives or corporate strategies;
- significant changes in management;
- significant litigation;
- events of default under financing or other key agreements;
- changes in capital structure;
- changes in share ownership that may affect the control of the Company; or
- take-over bids, issuer bids or other business combinations.

This list is not exhaustive, but is intended to provide examples of developments or information that may require public disclosure.

Disclosure of Material Information

All persons investing in the Company's securities must have equal and timely access to information that may affect their investment decisions regarding those securities. The Company will disclose material information concerning the business and affairs of the Company to the public as is practically possible and, in any event, within one trading day, except when otherwise required for the purpose of maintaining the confidentiality of the information.

Delay in Disclosing Material Information

Under certain circumstances, the Company may keep material information confidential for a limited period of time because immediate disclosure may be unduly detrimental to the Company or such material information may not be disclosable due to another party's confidentiality restrictions or uncertainty of events. The determination of when not to disclose material information immediately will be made by the Disclosure Panel. Undisclosed material information shall be kept confidential by all covered persons and handled in accordance with the Company's Business Code of Conduct.

Trading Prohibitions and Blackout Periods

Covered persons shall not trade the Company's securities or securities of another publicly-traded party (where the context demands) while in possession of undisclosed material information. For further information on securities trading, trading prohibitions and blackout periods, refer to the Company's Securities Trading and Insider Reporting Policy.

Authorized and Designated Corporate Spokespersons

In order to achieve clarity and consistency in the information and messages delivered publicly, the Company designates a limited number of spokespersons responsible for communication with the investment community or the media. The Company's primary spokespersons are:

- Chairman of the Board;
- CEO;
- CFO;
- a designated member of investor relations; and
- a spokesperson designated in the event of an emergency or crisis.

Under certain circumstances, other spokespersons include:

- all other members of senior management with respect to matters within their area of responsibility; and
- any other member of investor relations, if any.

Individuals holding one of these offices may, where necessary and appropriate, designate other covered persons to speak on such individual's behalf for the Company, as back-ups or to respond to specific inquiries.

Covered persons who are not authorized spokespersons must not respond to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized

spokesperson. All investor or media inquiries shall be directed to the designated member of investor relations.

Material News Releases, Non-Material Advisories and Standby Statements

Material News Releases

Once the Disclosure Panel determines that an event or development is material, it will authorize the issuance of a news release containing the material information (a "**material news release**") unless the Disclosure Panel determines that such developments must remain confidential for the time being. In the latter case, appropriate confidential filings shall be made, and control of such undisclosed material information shall be instituted. Should a statement containing undisclosed material information inadvertently be made in a selective forum, the Company shall immediately issue a material news release in order to fully disclose that information.

Information contained in a material news release must be factual and balanced; neither over-emphasizing favourable news nor under-emphasizing unfavourable news. Unfavourable news must be disclosed just as promptly and completely as favourable news. Material news releases should contain sufficient detail to enable investors to appreciate the true substance and importance of the information so that an investor may reasonably make informed investment decisions. The guiding principle is to communicate clearly and accurately the nature of the information.

If a proposed material news release is to be issued during stock exchange trading hours, advance notice must be provided to market surveillance for the applicable stock exchange to enable a trading halt, if deemed necessary by such stock exchange. If a material news release is issued outside of trading hours, where required by any applicable stock exchange, market surveillance for the applicable stock exchange should be notified before the market opens.

Annual and interim financial results will be publicly released immediately following the Board or committee of the Board ("**Audit Committee**") approval of the Company's financial statements. News releases announcing annual or interim financial results and the filing with applicable regulators of year-end disclosure documents (consolidated financial statements and related management's discussion and analysis, Annual Information Form and other required or related documents) do not require Disclosure Panel approval prior to issuance, but shall otherwise be treated under this Policy in the same manner as a material news release.

Material news releases will be disseminated through an approved news wire service that provides simultaneous national and/or international distribution ("**broad dissemination wire service**"), will be transmitted to all applicable stock exchanges, relevant regulatory bodies, major business wires, national financial media and the local media in areas where the Company has its headquarters and operations and will be filed as required by applicable securities laws, except where securities law or other legal requirements restrict the dissemination or transmittal of such news release.

Material news releases will be posted on the Company's external website and SEDAR concurrent with or immediately after release over the news wire, with a clear indication of the dates of the respective material news release.

Non-Material Advisories

Where the Company wishes to issue a news release, media advisory or similar communication which could not reasonably be considered to be potentially material to the Company ("**non-material advisory**"), covered persons involved shall provide a copy of the contemplated communication to the delegated member of investor relations (or their delegate) to confirm that the information is not potentially material and to obtain approval of the proposed content before the issuance of such non-material advisory. Where the delegated member of investor relations is unable to determine that the content of any proposed news release is clearly non-material, the matter shall be referred to the Disclosure Panel for determination.

Non-material advisories:

- may include, but are not limited to, notices of upcoming meetings, events, conferences, survey results, community investment sponsorships and non-material company initiatives;
- may, but are not required to be issued via a broad dissemination wire service, and may be issued or disseminated in a manner appropriate in the circumstances, which may include social media;
- will ordinarily be posted on the Company's external website concurrent with or immediately after issuance over any applicable news wire or other method of dissemination; and
- shall be posted on the Company's external website for such time as the information remains useful or relevant.

Standby Statements

Where non-material information may be required by the news media or investment community, an "if-called standby statement" will be prepared describing the circumstance and the Company's position. If-called standby statements may be published via social media during a reputational or operational emergency.

Conference Calls / Webcasts

Conference calls and webcasts may be held after the issuance of a material news release. At the beginning of the call, the Company spokesperson will provide appropriate cautionary language with respect to any forward-looking information, and, where applicable, direct participants to publicly available documents containing the assumptions and sensitivities and a full discussion of the risks and uncertainties. All such calls and webcasts shall be preceded by a material news release containing all relevant material information, including details on the date, time and how to participate in the call.

Investor relations may also hold conference calls and simultaneous webcasts to provide information to the public relating to the Company that does not constitute material information.

Rumours

The Company will not comment, affirmatively or negatively, on rumours or speculation. Should a stock exchange on which the Company's securities are listed for trading request that the Company make a definitive statement in response to a market rumour that is causing significant volatility in the Company securities, the Disclosure Panel will consider the appropriateness of the requested disclosure. If the Disclosure Panel decides to comment on a rumour, then the Company will issue a news release and the same shall be treated for purposes of dissemination in the same manner as a material news release.

Contacts with Analysts, Investors and the Media

All inquiries from the investment community or the media must be referred to a member of investor relations. Selective disclosure in individual or group meetings of undisclosed material information is prohibited by securities laws and regulations. If the Company intends to discuss material information at an analyst meeting, shareholder meeting, news conference or conference call, such discussion must be preceded by a material news release. Designated spokespersons may also meet with analysts and investors on an individual or small group basis, or participate in conferences, as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Policy. The information provided in such meetings must be previously disclosed public information or non-material.

Reviewing Analyst Draft Reports and Models

The Company may review, upon request, analysts' draft research reports or models for the purpose of pointing out errors in fact based on publicly disclosed information. Conversations with analysts shall be limited to an explanation of information that is in the public domain. In the event of an analyst inquiry with respect to their estimates, the Company may only question the analyst's assumptions if the estimate is significantly different among the range of estimates in the public domain. In order to avoid appearing to "endorse" an analyst's report or model, the Company will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

Distributing Analyst Reports

Analyst reports are proprietary products of the analyst's firm. Re-circulating or providing a link to a report by an analyst may be viewed as an endorsement by the Company of the report. For these reasons, covered persons shall not distribute analyst reports to persons outside of the Company or post or include links to such reports on the Company's external website.

Forward-Looking Information

Where forward-looking information ("**FLI**") is disclosed in continuous disclosure documents, speeches, investor presentations, conference calls or other publicly available documents, the following guidelines will be observed:

- FLI, if deemed material information, will be disseminated as a material news release;
- FLI will be clearly identified as forward looking;

- FLI will be accompanied by an advisory statement, which cautions the reader about the risks and uncertainties that may cause the actual results to differ materially from those projected in the statement, and identify all material assumptions used in the preparation of the FLI; and
- FLI will be accompanied by a statement that disclaims the Company's intention or obligation to update or revise FLI, whether as a result of new information, future events or otherwise, except as required by law.

Notwithstanding a disclaimer of the Company's intention or obligation to update or revise FLI, should subsequent events prove past statements about current trends to be materially off target, the Company may choose to issue a material news release explaining the reasons for the difference or other appropriate metrics. Further, the Company shall update previously disclosed material FLI as required in National Instrument 51-102 – *Continuous Disclosure Obligations* (or any other applicable laws).

Managing Expectations

Utilizing its regular public dissemination of quantitative and qualitative information, the Company may, where it deems appropriate, make efforts to ensure that analysts are using correct corporate information as a basis for any analyst reports. In doing so, the Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express endorsement or comfort with analyst's estimates.

If the Company has determined that it will be reporting results materially below or above expectations resulting from either guidance or FLI provided by it, including factual matters provided or confirmed to analysts, and such results (or the deviation from such expectations) constitutes material information, the Company will disclose this information immediately in a material news release in order to enable discussion without risk of selective disclosure.

The Company may also, where it deems appropriate, disclose that it will be reporting results materially below or above publicly held expectations where such expectations are based solely on the opinions and views of analysts and not on information provided by it, and which information will be disclosed in the same manner as a material news release.

The Company shall however undertake no obligation, except as required by law, to ensure that analysts are using certain corporate information as basis for their reports or to disclose that it will be reporting results materially below or above publicly held expectations where such expectations are based solely on the opinions and views of analysts and not on information provided by the Company.

Disclosure Record

Investor relations will maintain a three-year file containing all public information about the Company, including continuous disclosure documents such as material news releases, recorded conference calls and corporate presentations, and also maintain a file containing all non-material advisories for a period of two years.

Disclosure of Financial Information

The Company is required to provide full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to, the applicable securities commissions, regulatory authorities and stock exchanges, as well as in other public communications made by the Company.

All covered persons responsible for the preparation of the Company's financial disclosures, or who provide financial information as part of the process, must ensure that such disclosures are prepared and such information is provided honestly, accurately and in compliance with the Company's disclosure controls and procedures.

Covered persons shall take steps to ensure that no information is concealed from the Company's external auditors, Board, Audit Committee or members of senior management of the Company required to certify certain disclosures, including reserves disclosure. Covered persons should be aware that it is illegal to fraudulently influence, coerce, manipulate or mislead an external auditor who is auditing the Company's financial statements.

All financial results should be released to a news wire service and filed as required by applicable securities laws immediately following the approval by the Board or Audit Committee.

Electronic Communications, Website and Social Media

The web master will oversee the Company's external and internal website and will work with designated content owners to ensure that the information on the sites is accurate, complete, up-to-date and has been approved by a member of investor relations and legal counsel of the Company. Guidelines concerning content and the retention period for posted information will be established. No undisclosed material information will be posted on the Company's external or internal websites.

Material information and financial information posted on the Company's external and internal website, including text and audiovisual material, shall show the date such material was issued. Disclosure on the Company's external or internal website alone does not constitute adequate disclosure of material information for purposes of securities laws or regulations. Any disclosure of material information, including updates to such information for material changes, on the Company's external or internal website will be preceded by the issuance of a material news release.

The web master will maintain a log indicating the date that material information is posted and/or removed from the website. The minimum retention period for material information on the Company's external website is three years.

Links to a third-party website should include a notice that advises the reader that they are leaving the Company's external website and that the Company is not responsible for the contents of the other site. The Legal Notice section of the Company's external website shall also contain a disclaimer equivalent to the foregoing with respect to links to third-party websites.

Various departments of the Company will respond to electronic inquiries depending upon the nature of the inquiry. Only publicly disclosed material information or non-material information shall be utilized in responding to electronic inquiries.

In order to ensure that no undisclosed material information is inadvertently disclosed, covered persons are prohibited from participating in social media, internet chat rooms or newsgroup discussions on matters pertaining to the Company's activities or its securities, except as specifically permitted by the Company.

Any covered person who encounters any type of discussion that appears to have been made in a manner inconsistent with this Policy, the Company's Securities Trading and Insider Reporting Policy or Business Code of Conduct or with any of the Company's other policies, practices and guidelines, should advise a member of senior management immediately. Any such discussion may be monitored and enforcement action may be taken depending upon the circumstances.

Investor Conferences

When possible, the Company will work with conference organizers in an effort to webcast presentations made to investment conferences and will provide notice, via news release or other advisory, of upcoming webcast presentations. Investment conference presentations, containing updated information, will be posted on the Company's external website once they have been delivered.

Violations of the Disclosure Policy

Violations of this Policy could result in a breach of securities laws and regulations, which could result in sanctions against the Company or covered persons. These sanctions may be in the form of fines, imprisonment or damages awarded to injured parties and an accounting for benefits.

Violations of this Policy or relevant laws may result in disciplinary action up to and including termination of employment or contract, as applicable. The Company may refer violations of this Policy or relevant laws to the appropriate regulatory authorities.

Actions that violate or appear to violate this Policy must be reported in accordance with the Company's investigations practice.

All questions regarding this Policy should be directed to a member of the Disclosure Panel or legal counsel of the Company.

Effective: April 11, 2014