

PFIC Annual Information Statement

- 1 This information statement applies to the taxable year of PrairieSky Royalty Ltd. ("PrairieSky") for the year ended December 31, 2016.
- 2 Shareholders' pro-rata share (per share) of the ordinary earnings and net capital gain of PrairieSky for the taxable year of PrairieSky specified in paragraph (1):

Month	Per Share	
	US \$	
	Ordinary Earnings	Capital Gain
January	0	0
February	0	0
March	0	0
April	0	0
May	0	0
June	0	0
July	0	0
August	0	0
September	0	0
October	0	0
November	0	0
December	0	0
TOTAL	0	0

- 3 The amount of cash and fair market value of other property distributed or deemed distributed by PrairieSky to shareholders during the taxable period specified in paragraph (1) is as follows:

Month	Per Share	
	US \$	
	Cash	FMV of property
January	0.08	0
February	0.08	0
March	0.08	0
April	0.05	0
May	0.05	0
June	0.05	0
July	0.05	0
August	0.05	0
September	0.05	0
October	0.05	0
November	0.04	0
December	0.04	0
TOTAL	0.67	0

- 4 PrairieSky will permit the shareholder to inspect and copy PrairieSky's permanent books of account, records, and other such documents as may be maintained by PrairieSky that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided in section 1293 (e) of the Code, are computed in accordance with US income tax principles.

PrairieSky Royalty Ltd.

Date: February 27, 2017

By: "signed"
Pamela P. Kazeil

Title: Vice-President, Finance & CFO