

INVESTIGATIONS PRACTICE POLICY

PrairieSky Royalty Ltd. ("**PrairieSky**" or the "**Company**") is committed to conducting its business ethically and legally. In keeping with that commitment, the purpose of this Investigations Practice Policy (the "**Policy**") is to provide an effective, consistent and appropriate procedure by which all incidents that potentially violate the Company's 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, or statutes, regulations, rules and policies applicable to the Company or the workplace (collectively referred to herein as "**potential violations**" or "**complaints**") are properly received, reviewed, investigated, documented and brought to an appropriate resolution.

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

Reporting

As part of our efforts to ensure the integrity of PrairieSky, the Company encourages covered persons who have concerns regarding any suspected violations of our Business Code of Conduct to raise them with the appropriate people.

Covered persons who witness or discover a violation or potential violation of our Business Code of Conduct have an obligation to immediately report the violation or potential violation in accordance with this Policy unless otherwise stated in the Business Code of Conduct.

Reports of violations or potential violations may be made orally or in writing. To enable a thorough investigation, covered persons are required to provide as much specific information as possible including names, dates, places and events that took place, their perception of why an incident may be a potential violation and what action is recommended to be taken.

Confidentiality and Anonymity

The Company will respect the confidentiality of any complaint received under this Policy to the extent possible, and will accept anonymous written communications. Although complainants are encouraged not to utilize the anonymous reporting medium except as a last resort due to the inherent difficulty of following up on anonymously reported violations, anonymous reports will be investigated in the same manner as any other complaint to the extent possible considering the anonymous nature of the complaint.

Who to Contact

Complainants are encouraged to first report a potential violation to their immediate manager. If a satisfactory response is not received, or if such person is uncomfortable

reporting a potential violation to their immediate manager, they may contact the Chief Operating Officer ("**COO**").

Where a satisfactory response is not received, or if any person is uncomfortable reporting a potential violation to their immediate manager or the COO, they may report any potential violation to (i) the Chair of the Audit Committee (as a subcommittee formed by the Board) or (ii) the Whistleblower Hotline.

Chair of the Audit Committee

A report of a potential violation to the Chair of the Audit Committee must be in writing and provided in a sealed envelope, marked: "To be opened by the Chair of the Audit Committee only", addressed to:

Chair of the Audit Committee
PrairieSky Royalty Ltd.
Suite 1700, 350 7 Avenue SW
Calgary, Alberta T2P 3N9

The Company will promptly forward, unopened, any envelopes addressed in this manner to the Chair of the Audit Committee. The report of a potential violation should include a telephone number where the complainant can be contacted if the Audit Committee deems it appropriate.

Whistleblower Hotline

Alternatively, if any person is uncomfortable reporting a potential violation in the manner described above, the Complainant is encouraged to utilize the Company's Whistleblower Hotline, which allows a Complainant to anonymously report concerns to the Chair of the Audit Committee and the Chair of the Board of Directors. The purpose of the Whistleblower Hotline is to provide covered persons and external stakeholders with a mechanism by which they can raise concerns in a confidential anonymous process.

- Phone toll free: 1.800.661.9675
- Online at www.prairiesky.confidenceline.net

Investigation of Complaints

All potential violations that are identified and reported in accordance with this Policy will be reviewed, and if appropriate, investigated. Investigations will be conducted in a discreet, confidential, professional, unbiased and timely fashion and will comply with all applicable legal requirements.

To protect confidentiality, the Company will only involve individuals required to properly conduct an investigation, and individuals contacted during the investigation will be

informed of the confidential nature of the investigation and will be advised to maintain such discussions on a strictly confidential basis. All requests for anonymity will be respected, unless a security issue is identified.

Covered persons are required to fully cooperate and assist in any investigation by the Company. If a covered person fails to cooperate or provides false information in an investigation, the Company will take effective remedial action commensurate with the severity of the offence, which may result in disciplinary action up to and including termination of employment or contract, as applicable, and, if warranted, legal proceedings.

In the case of a complaint concerning questionable accounting, auditing or disclosure matters or controls or similar matters relating to the Company's books and records that involves accounting, internal accounting controls or auditing matters (including questionable accounting or auditing matters), the complaint will be referred to the Chair of the Audit Committee of the Board on a timely basis. The Audit Committee will review and consider any complaints or concerns received and take any action that it deems appropriate.

Complainants will, where appropriate, be advised of the completion of the investigation.

Complainant Protection

Any person that reports an incident under this Policy will be protected from threats of discharge, demotion, suspension, discrimination or any other retaliatory action, including changes to compensation or terms and conditions of employment, that are directly related to the disclosure in such reports, if such person: (i) discloses the information in good faith; (ii) believes it to be substantially true; (iii) does not act maliciously or make false allegations, and (iv) does not seek any personal or financial gain.

In addition, the Company and covered persons may not, with the intent to retaliate, take any action harmful to any person, whether or not employed by the Company, for providing to a law enforcement officer any truthful information about the commission of any criminal offence.

Any person who believes they have been unfairly or unlawfully retaliated against in respect of a report made under this Policy may file a complaint with their manager, or with any vice-president or the COO in instances where they are uncomfortable filing the complaint with your manager. If such person is uncomfortable filing the complaint with their manager, any vice-president or the COO, that person may file a complaint with the whistleblower hotline, as outlined herein.

False and Malicious Allegations

The Company assumes that all reports under this Policy are made in good faith, are real, legitimate and significant enough to warrant an investigation. The Company will regard



the making of any deliberately false or malicious allegations by a covered person as a serious disciplinary offence which may result in disciplinary action up to and including termination of employment or contract, as applicable.

Miscellaneous

The Company may engage outside resources as deemed advisable and shall review this Policy on a periodic basis.