

Reserves Committee Mandate

Effective: February 27, 2017

1. INTRODUCTION

The Reserves Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of PrairieSky Royalty Ltd. (the "**Company**"). Its primary function is to assist the Board in reviewing the externally disclosed oil and gas reserves data of the Company. The Committee will also review the reserves data of the independent engineers charged with evaluating the Company's reserves.

2. COMPOSITION OF COMMITTEE

The Committee shall consist of not less than three directors, the majority of whom are independent pursuant to the requirements set forth in Section 3.5(1) of National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities (as implemented by the Canadian Securities Administrators and as amended from time to time) ("**NI 51-101**").

The Board Chairman shall be a non-voting member of the Committee (see discussion under the heading "Quorum" below for further details). Committee members will include only duly elected directors of the Company. At the request of the Committee, certain members of the Company's senior management and others may attend Committee meetings on an ad hoc or a regular basis, as required.

3. APPOINTMENT OF COMMITTEE MEMBERS

Members of the Committee shall be appointed or continued as necessary at a meeting of the Board, provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Committee upon ceasing to be a member of the Board. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

4. CHAIR

The Board shall appoint the Chair of the Committee (the "**Chair**"), who shall be an independent director. If the Chair is unavailable or unable to attend a meeting of the Committee, the Chair shall ask another member to chair the meeting, failing which a member of the Committee present at the meeting shall be chosen by a majority of members of the Committee present at such meeting to preside over the meeting.

5. COMMITTEE MEETINGS

The Committee shall meet at least annually at the call of the Chair prior to public release of the annual reserves estimates. The Chair may call additional meetings as required. In addition, a meeting may be called by the Board Chairman, the President & Chief Executive Officer or by any member of the Committee.

Committee meetings may be held in person, by means of electronic, telephone or other

communication facilities as to permit all persons participating in the meeting to hear each other or by combination of any of the foregoing.

At all meetings of the Committee every question will be decided by a majority of the votes cast on the question. In case of an equality of votes, the Chair presiding at any meeting shall not be entitled to a second or casting vote.

6. NOTICE OF MEETING

Notice of the time and place of every Committee meeting may be given orally, or in writing, or by facsimile, or by electronic means to each member of the Committee at least 48 hours prior to the time fixed for such meeting.

A Committee member may in any manner waive notice of the meeting. Attendance of a Committee member at a meeting shall constitute waiver of notice of the meeting except where a Committee member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

7. QUORUM

A majority of Committee members, present in person, by electronic, telephone or other communication facilities or by a combination thereof, shall constitute a quorum. In addition, if an ex officio, non-voting member's presence is required to attain a quorum of the Committee, then the said member shall be allowed to cast a vote at the meeting.

8. ATTENDANCE AT MEETINGS

The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee. The Committee may, by specific invitation, have other resource persons in attendance.

Directors, who are not members of the Committee, may attend Committee meetings, on an ad hoc basis, upon prior consultation and approval by the Chair or by a majority of the members of the Committee.

The Committee shall meet "in-camera" with the qualified reserves evaluators or auditors prior to the public release of the annual reserves estimates, and at such other times as the qualified reserves evaluators or auditors and the Committee consider appropriate.

9. MINUTES

The Committee shall appoint a secretary who need not be a member of the Committee. The secretary shall keep minutes of the meetings of the Committee. Minutes of Committee meetings shall be sent to all Committee members. The full Board shall be kept informed of the Committee's activities by a report following each Committee meeting.

10. SPECIFIC RESPONSIBILITIES

In carrying out its mandate, the Committee shall:

1. act in an advisory capacity to the Board;
2. review the Company's procedures relating to the disclosure of information with respect to oil and gas reserves data, including its procedures for complying with the disclosure requirements and restrictions contained in NI 51-101, and in connection therewith shall:
 - (a) consider the adequacy of such procedures,
 - (b) review the procedures for providing information to the qualified reserves evaluators or auditors,
 - (c) review compliance with applicable regulations and policies, and
 - (d) make appropriate reports and recommendations to the Board concerning the disclosure of the Company's oil and gas reserves data;
3. annually review the selection of the qualified reserves evaluators or auditors chosen to report to the Board on the Company's oil and gas reserves data, including:
 - (a) considering the expertise of the proposed firms, and, in particular, the responsible individuals,
 - (b) considering the independence of the proposed firms,
 - (c) in the case of a proposed change in the evaluators from the previous year, determining the reasons for such proposed change and whether any disputes have arisen between the previous qualified reserves evaluators or auditors and the management of the Company, and
 - (d) making a recommendation to the Board with respect to such selections;
4. annually review and approve the expected fees of the independent reserve evaluators; and
5. review the Company's annual reserves estimates, including statements and reports pertaining to the Company's oil and gas activities required to be prepared pursuant to NI 51-101, prior to public disclosure thereof, including:
 - (a) review of the scope of work of the qualified reserves evaluators or auditors,
 - (b) review the reserves estimates of the qualified reserves evaluators or auditors,
 - (c) review of any material change to the Company's reserves,

- (d) meet separately with the Company's management and with the qualified reserves evaluators or auditors with respect to such estimates, and
- (e) make recommendations to the Board with respect to the content, filing and release of such disclosure, as applicable.

11. Miscellaneous

- The Committee may engage outside resources as deemed advisable.
- The Committee shall review this mandate on a periodic basis.