

Shareholder Engagement Policy

Effective: February 11, 2019

1. INTRODUCTION

The board of directors (the "**Board**") of PrairieSky Royalty Ltd. ("**PrairieSky**") believes in the importance of engaging in constructive communication with PrairieSky's shareholders. Constructive engagement with shareholders can provide valuable insight that will assist the Board in maintaining the high standards of governance to which the Board is committed. The Board, acting on the recommendation of the governance and compensation committee of the Board (the "**Governance and Compensation Committee**"), has adopted this Shareholder Engagement Policy to promote open and sustained dialogue with PrairieSky's shareholders.

PrairieSky seeks to communicate with its shareholders in a wide variety of ways, including through its website, annual responsibility reports, news releases, annual and quarterly reports, management information circulars, annual information forms, investor presentations, royalty playbooks, group meetings and industry conferences, annual meetings of shareholders and one-on-one meetings with shareholders. PrairieSky holds conference calls for quarterly earnings releases and major corporate developments as soon as practicable after they are publicly disclosed, and such calls are open to be heard by the public. Details of the time, place and method of accessing any such call and instructions as to where are broadly disseminated.

PrairieSky describes the structure and composition of the Board and its committees on its website and in its annual management information circulars. In addition, PrairieSky's corporate governance practices and a discussion and analysis of executive and director compensation are communicated annually in PrairieSky's management information circular. Shareholders are encouraged to attend PrairieSky's annual meetings of shareholders, as they provide a valuable opportunity to discuss PrairieSky's performance, strategy, corporate governance practices, executive and director compensation and other important matters with management and the Board Chair, as appropriate.

2. ENGAGEMENT WITH SHAREHOLDERS

Management is principally responsible for shareholder communications and engagement. Shareholders may communicate their views to management by contacting:

PrairieSky Royalty Ltd.
Attention: Chief Executive Officer
1700, 350-7th Avenue S.W.
Calgary, Alberta T2P 3N9
Email: investor.relations@prairiesky.com

In addition, the Board wishes to ensure there is the opportunity for direct dialogue between the Board Chair, on behalf of directors, and shareholders. Shareholders are encouraged to initiate communications directly with the Board Chair. To do so, shareholders should communicate their questions or concerns to the independent directors through the Chairman of the Board by delivering a sealed envelope or email, in each case marked "Confidential", to:

PrairieSky Royalty Ltd.
Attention: Chairman of the Board
1700, 350-7th Avenue S.W.
Calgary, Alberta T2P 3N9
Email: james.estey@prairiesky.com

Purely for administrative purposes, correspondence to the Chairman may be opened or viewed by the Corporate Secretary.

The Board Chair, on behalf of the Board, may also reach out to key shareholders periodically, either directly or with the assistance of PrairieSky's executive officers and offer to meet with them to discuss any matters of interest.

- Board structure and composition;
- Board oversight of strategy;
- Board performance;
- Executive compensation;
- Board and CEO succession planning;
- Board oversight of risk, including conflicts;
- Board oversight of accounting, auditing and internal controls;
- Corporate governance practices and disclosure; and
- Board decision-making process.

Among the topics that are more appropriate for management to discuss with shareholders are:

- Corporate strategy;
- Financial performance;
- Mergers, acquisitions or dispositions;
- Changes in management; and
- Dividends, financings and other events regarding PrairieSky's securities.

A request for a meeting with Board Chair on behalf of the directors should: (i) identify whether the person requesting the meeting is a PrairieSky shareholder (and the level of such shareholdings); (ii) include a list of the individuals who would accompany the shareholder at the meeting; (iii) provide an overview of the topics sought to be discussed (which will subsequently be formalized in an agenda); and (iv) describe any intention to communicate the nature and results of the meeting to other persons. The Board Chair may decline a request for a meeting due to scheduling considerations (including to

avoid creating too many demands on the directors' time), if the proposed discussion topics are not considered suitable or for any other reason deemed appropriate in their sole discretion.

Any meeting by the Board Chair with shareholders, shareholder organizations or governance groups will be focused on the pre-determined topics identified and will be subject to applicable laws, including PrairieSky's Disclosure Policy. The President and Chief Executive Officer or other members of management may be invited to attend such meetings but may be asked to leave for certain portions of the discussion. However, shareholders should be aware that the Board Chair reserves the right to review all matters discussed with PrairieSky's management.

The Governance and Compensation Committee will ensure that shareholder engagement is considered annually and discussed in the Committee's annual report to the Board. In addition, PrairieSky's President and Chief Executive Officer reports regularly on any significant feedback received from shareholders on corporate governance, executive compensation and other relevant matters.

This Shareholder Engagement Policy will be reviewed annually and will be made publicly available on PrairieSky's website.