PRAIRIESKY ROYALTY LTD

CORPORATE PRESENTATION

HIGH MARGINS, *ZERO CAPITAL*

December 2016

PrairieSky Royalty Snapshot

Symbol

TSX: PSK

Land Position (1)

7.8 million acres of Fee Land

6.9 million GORR acres

Balance Sheet (2)

Positive working capital, no debt

Current Dividend

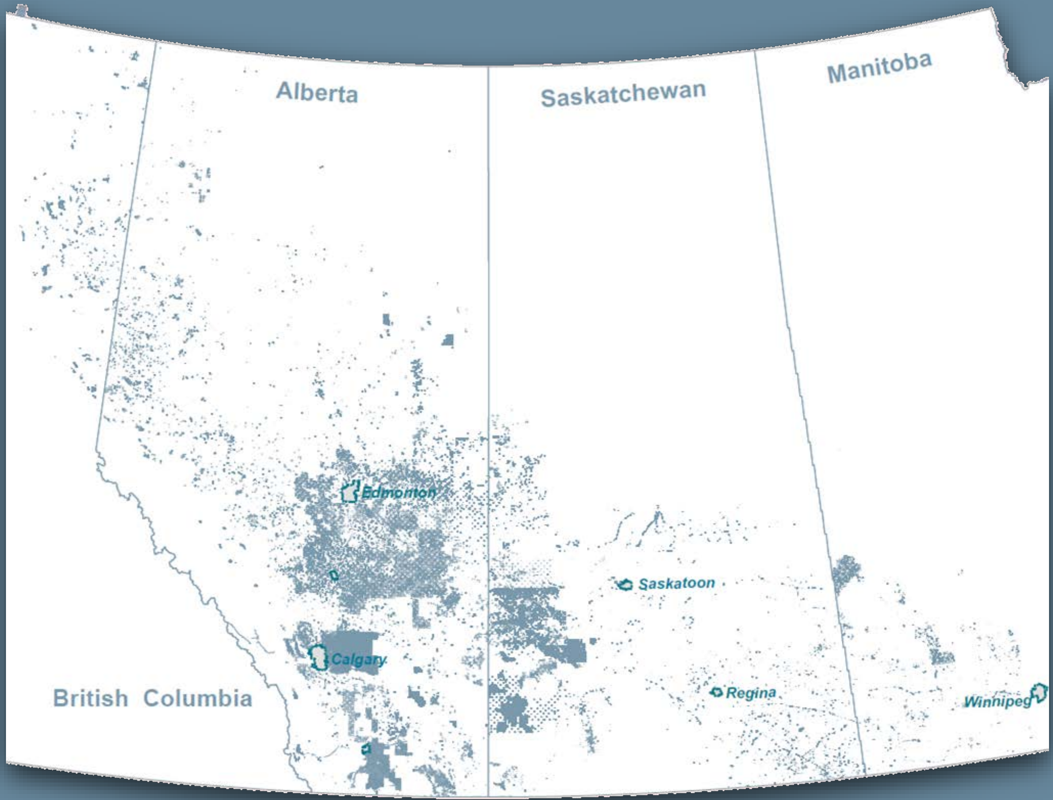
$0.72 per share per annum

Shares Outstanding (2)

228.4 million

Director & Officer Ownership

2.5 million shares

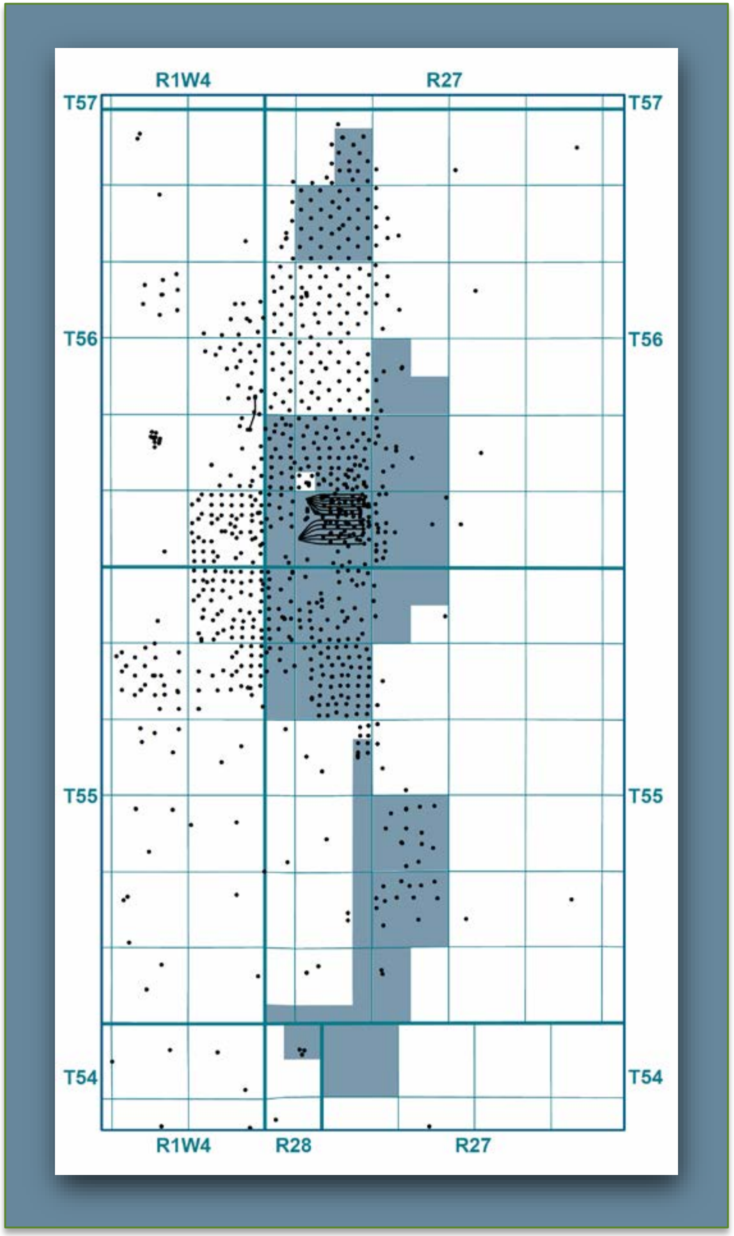


(1) Fee Lands refer to lands with Petroleum and/or Natural Gas rights and exclude 1.1 million acres of Coal Only rights. GORR lands include GRT and Crown Interest Lands

(2) As at September 30, 2016

ONION LAKE ROYALTY ACQUISITION

- Acquired 3.95% gross overriding royalty in the Onion Lake heavy and thermal oil project
  - Long life, low decline assets with top quartile economics
  - Currently producing 8,400 bbls/d (~335 bbls/d net royalty production to PrairieSky)
    - Thermal project producing 6,400 bbls/d
    - ISOR ~2.4
    - Primary CHOPS development producing 2,000 bbls/d
  - Exposure to future phases of thermal project (additional 12,000 bbls/d gross production)
    - Targeted sanctioning of Phase 2 (6,000 bbls/d) in H1 2017, on production 2019
    - Future third 6,000 bbls/d phase on lands surrounding and south of current development
- Aggregate consideration of $109 million funded from cash on hand
- Acquired additional $55 million of tax pools



Introduction to PrairieSky Royalty

7.8 million acres of Fee Lands dating back to 1881 and 6.9 million acres of GORR lands (1)

- Lands located throughout the heart of the oil and gas producing basins in Alberta and Saskatchewan
- License to ~12,000 km^2 of 3D seismic and ~44,000 km of 2D seismic

Business model supports dividend payments

- Operating margin of 98% and operating netback of 83%(2)
- No debt

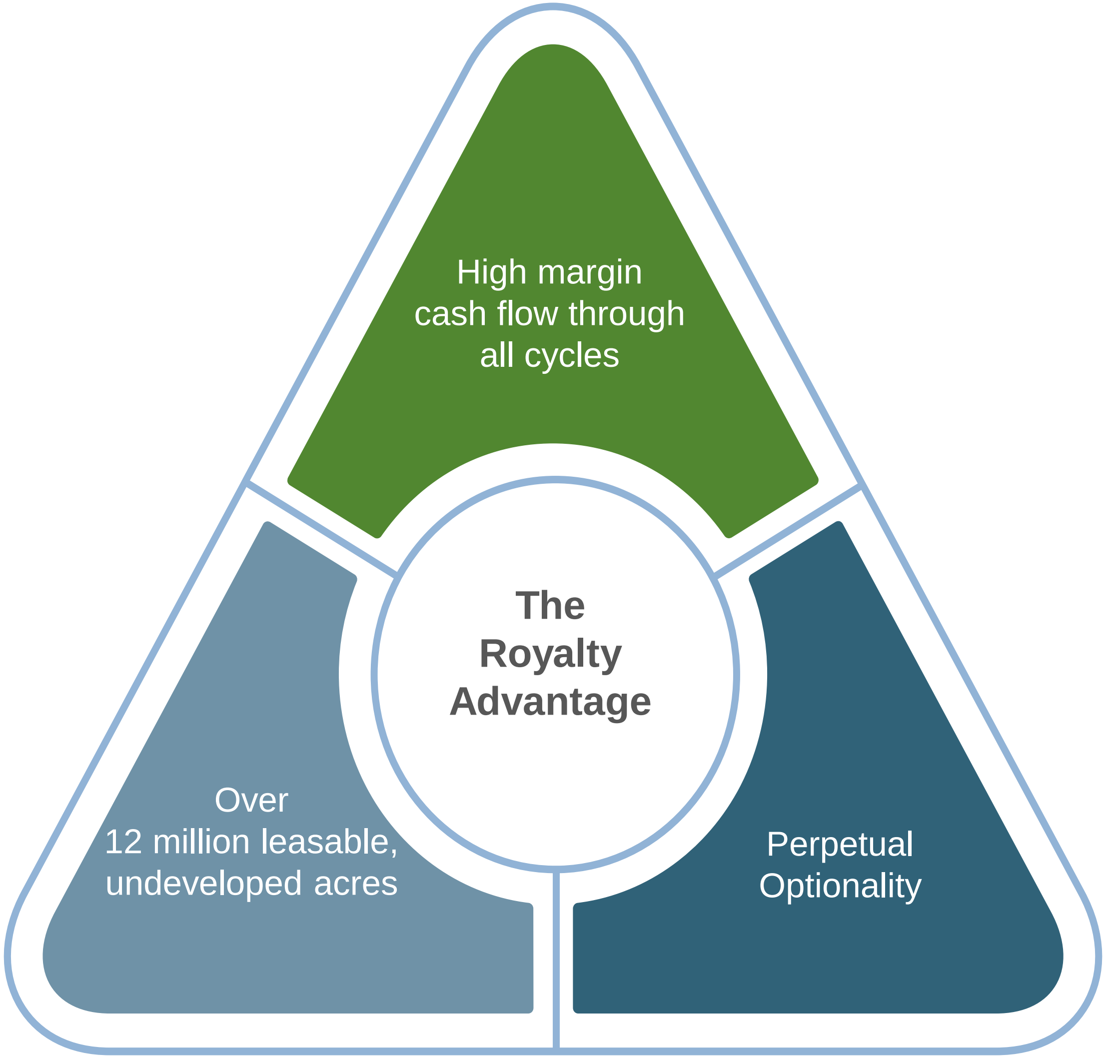
Low risk revenue base

- No capital commitments, operating costs, abandonment liability or reclamation charges associated with working interest ownership
- Over 78% of royalty revenue paid from Fee lands

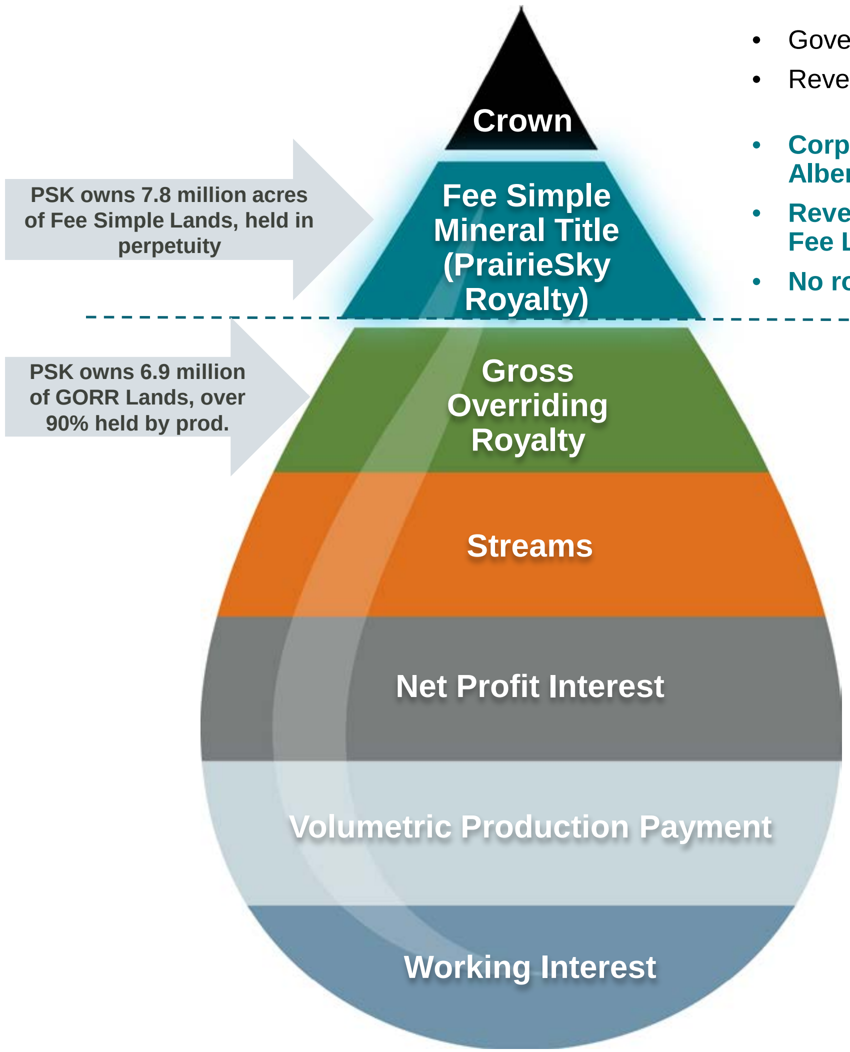
Experienced team aligned with shareholder interests

- Management team with an understanding of the value of royalties
- Technical team with strong continuity with the asset base
- Directors and officers ownership of 2.5 million shares

(1) Fee Lands refer to lands with Petroleum and/or Natural Gas rights and exclude 1.1 million acres of Coal Only rights. GORR lands include GRT and Crown Interest Lands
(2) For the three months ended September 30, 2016. Operating margin represents royalty revenue less production & mineral tax expense. Operating netback represents operating margin less G&A expense.


High margin
cash flow through
all cycles
The
Royalty
Advantage
Over
12 million leasable,
undeveloped acres
Perpetual
Optionality

Royalty Hierarchy



- Government owns mineral rights (~90% of Alberta)
- Revenue received from E&P companies with producing wells located on Crown lands

- **Corporations/individuals own the mineral rights (~9% and ~1% respectively in Alberta) in perpetuity**
- **Revenue from third party E&P companies with producing wells located on Fee Lands**
- **No royalties payable to the Crown**

- Finite life (term of lease / life of well bore)
- Royalty rate obtained usually lower than other royalties (+/- %). Contractual agreement creates financial obligation for the producer

- Typically an upfront cash payment for the right to a proportion of future production
- Purchaser obtains a percentage of an asset's total production of a specific commodity
- Ongoing cash payments required by stream holder

- Payments are made based on profitability of a defined area
- Potential for large fluctuation in payments with the royalty collector exposed to the operating costs in the field but has no exposure to environmental liability

- Structured investment that relates to a specific volume of production
- Deal expires after a pre-determined amount of time
- Asset is non-operated and typically carries no environmental liability

- Acreage is leased from either the Crown or Fee title holders
- Exposure to capital costs, operating costs, abandonment and environmental liabilities generally in proportion to ownership interest

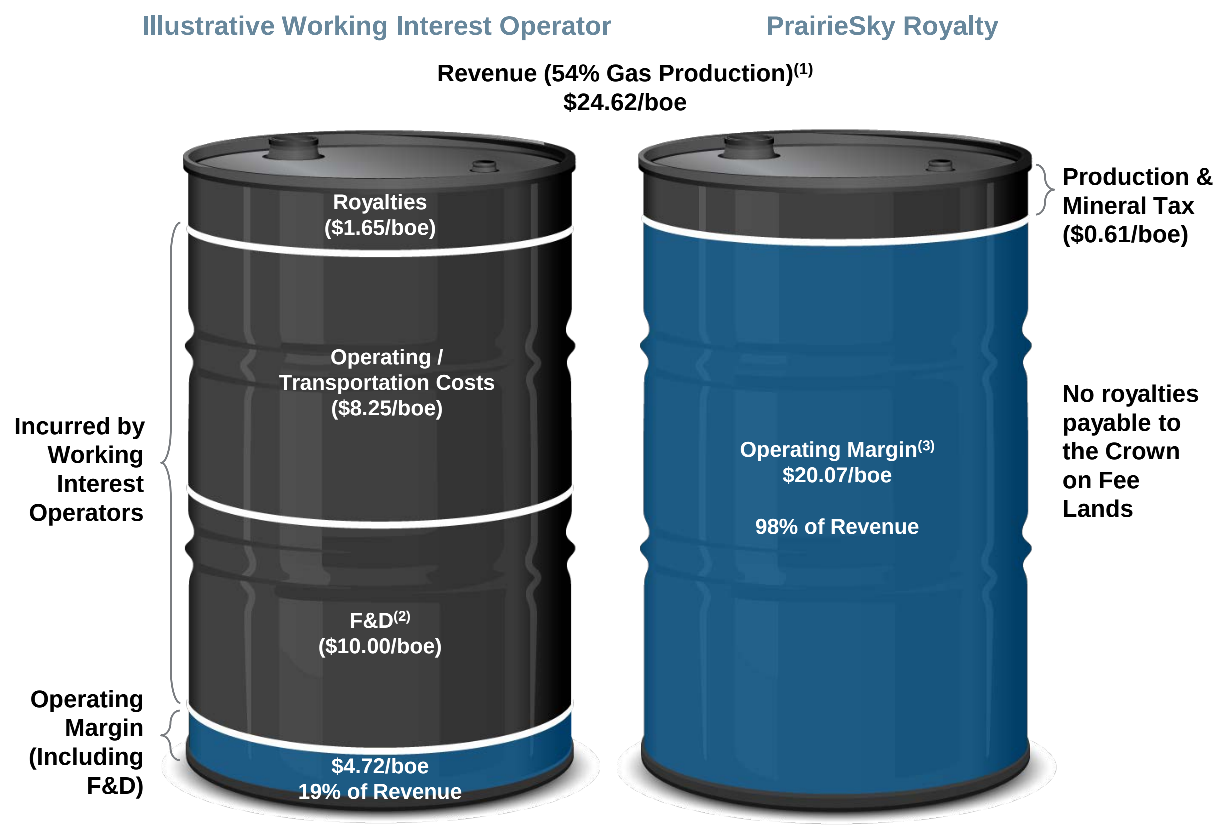
As you move down the royalty hierarchy, costs increase and lease terms decrease.

Higher Margin, Lower Risk

PrairieSky Royalty offers higher margins than conventional working interest production

- Providing the same revenue per boe, a royalty barrel realizes significantly higher margins than working interest models
- No abandonment or environmental liabilities
- No capital spending requirements

Margin Summary ($/boe)



(1) Excludes the impact of Other Revenues (eg, lease rentals, bonus consideration, etc.). For three month period ended September 30, 2016.
(2) Excluding acquisitions and net change in future development capital.
(3) Operating margin is calculated as average realized price ($/boe), less Production & Mineral Tax expense ($/boe), divided by the average realized price ($/boe). Amounts per boe for PrairieSky Royalty are for three months ended September 30, 2016.

A Unique and Diversified Approach to Investing in Oil & Gas

Third Party Operators

- Approximately 345 lessees paying royalties on PrairieSky Royalty lands
- Operators on PrairieSky Royalty Fee Lands include Majors, Independents, Mid Cap and Small Cap producers

Commodity

- 76% of product revenue derived from liquids volumes (1)
- Liquids volumes make up approximately 46% of production (1)

Geology

- Production from over 30 formations from high risk, deep targets to low risk shallow oil and natural gas

(1) For the three month period ended September 30, 2016

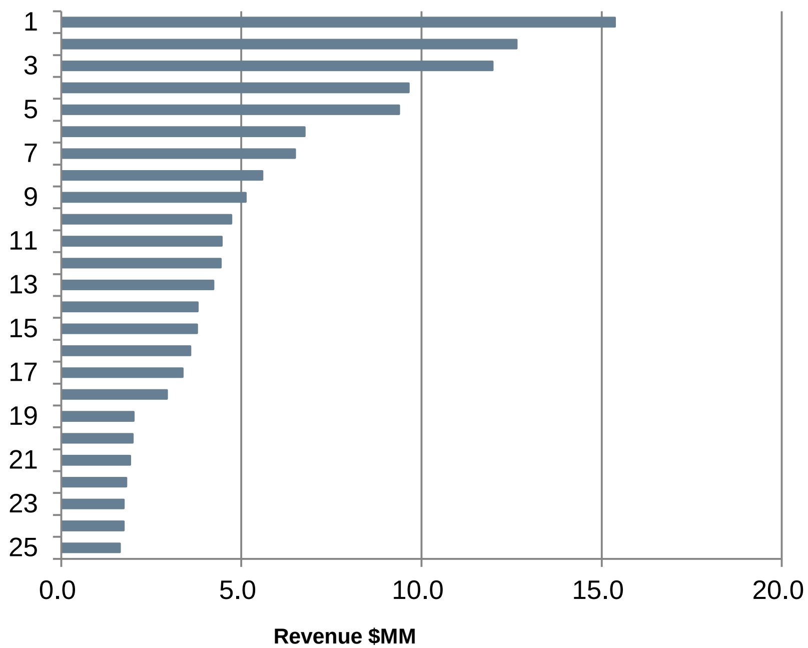
Diversity in Top Payers

Top 10 payers represent 50% of product revenue, while the top 25 payers represent 74% of product revenue

- Exposure to various operators with diverse expertise ranging from private companies to Majors
- No single producer makes up >10% of total revenue

12 months of Revenue by Top 25 Companies ($MM)

- Exposure to various operators with diverse expertise ranging from private companies to Majors
- No single producer makes up >10% of total revenue



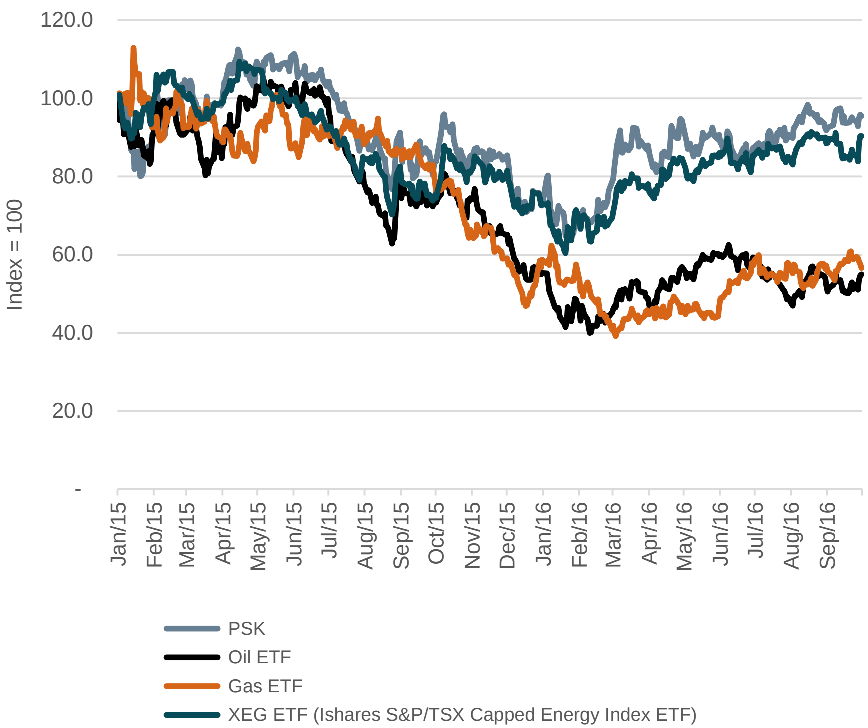
Top 25 Payers

- Apache
- Bonterra
- Conoco
- Devon
- Encana
- Husky Energy
- Manitok Energy
- Northern Blizzard
- Penn West Exploration
- Pine Cliff
- Spur Resources
- Teine Energy
- Whitecap Resources
- Bonavista Energy
- Canadian Natural Resources
- Crescent Point
- Ember
- Granite Oil
- KNOC
- NAL Resources
- Pengrowth Energy
- Petrus Resource
- Raging River Exploration
- TAQA North
- Venturion Oil

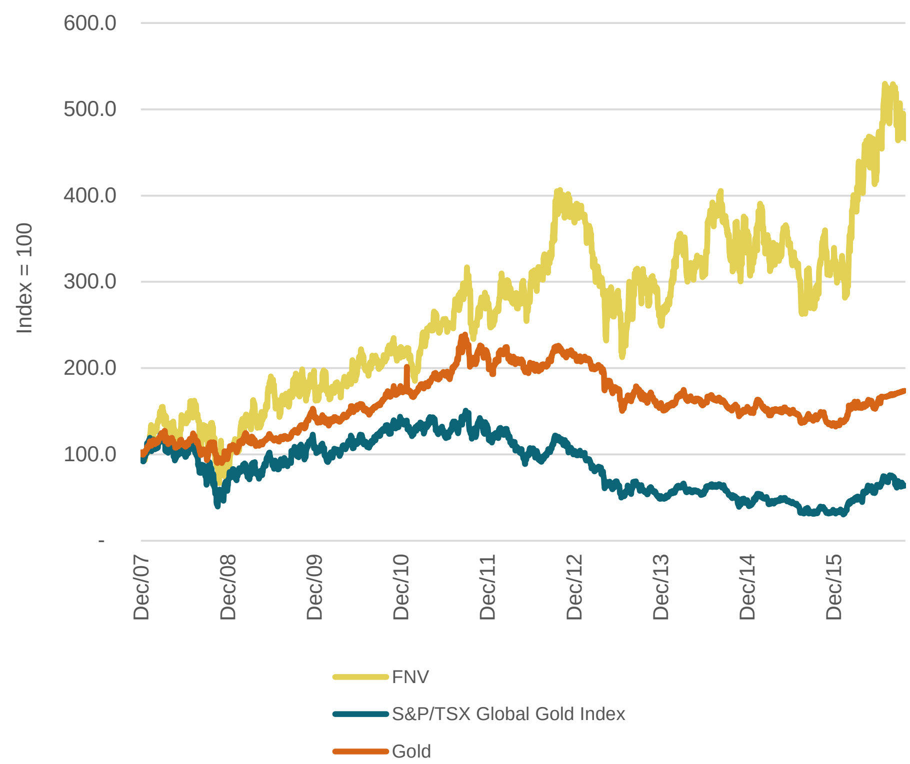
Underlying Commodity Exposure without Liabilities

- PrairieSky Royalty provides unlevered, unhedged exposure to the underlying commodity without operational risk and working interest liabilities
- Limited impact on funds flow margin during the various commodity cycles
- Pure royalty company, Franco Nevada, aligned with gold index and gold pricing in early days, over time differentiating itself

PrairieSky Royalty 2015-2016 Performance



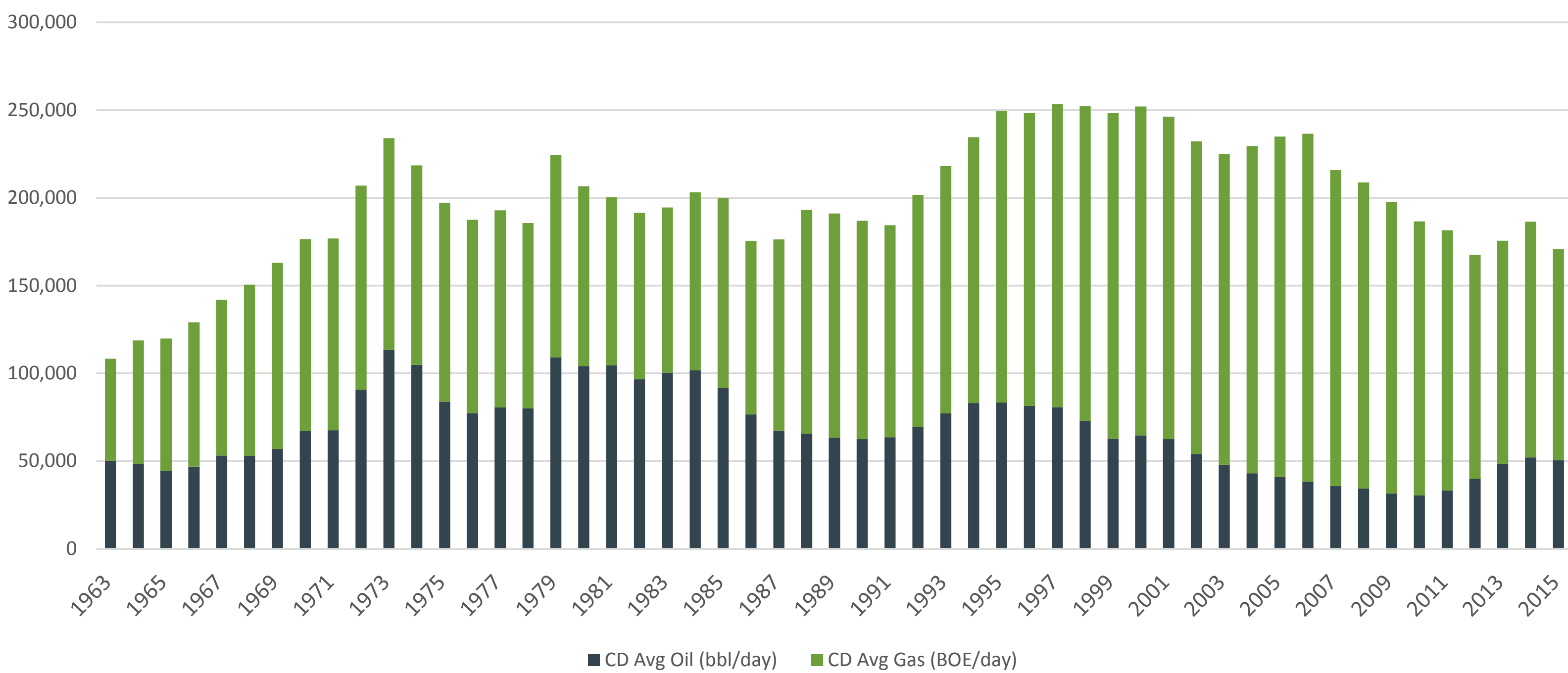
Franco Nevada Performance Since Inception



Production History on our Fee Lands

- PrairieSky Royalty has experienced continued investment on its Fee Land since 1962 (earliest record of public data) without significant capital commitment
- Production base exhibits a relatively stable decline rate of ~24%, requiring low levels of reinvestment on its lands to maintain production

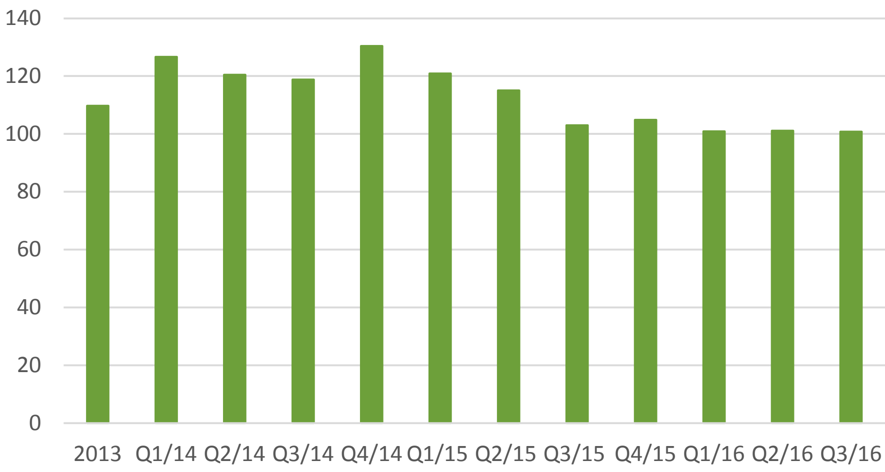
Historical Gross Production on PSK Fee Lands



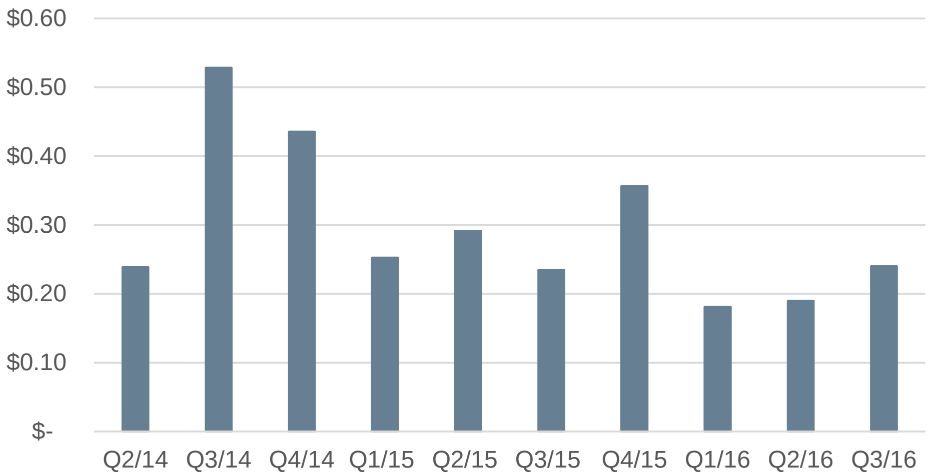
Source: Accumap

PrairieSky Royalty Per Share Results

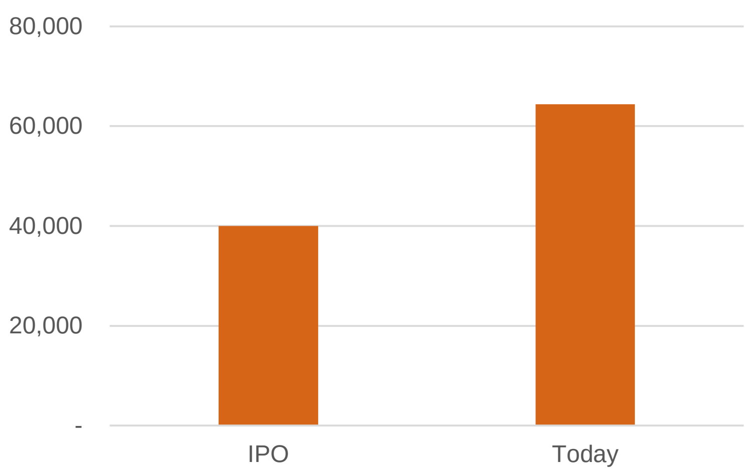
Production per Million Shares



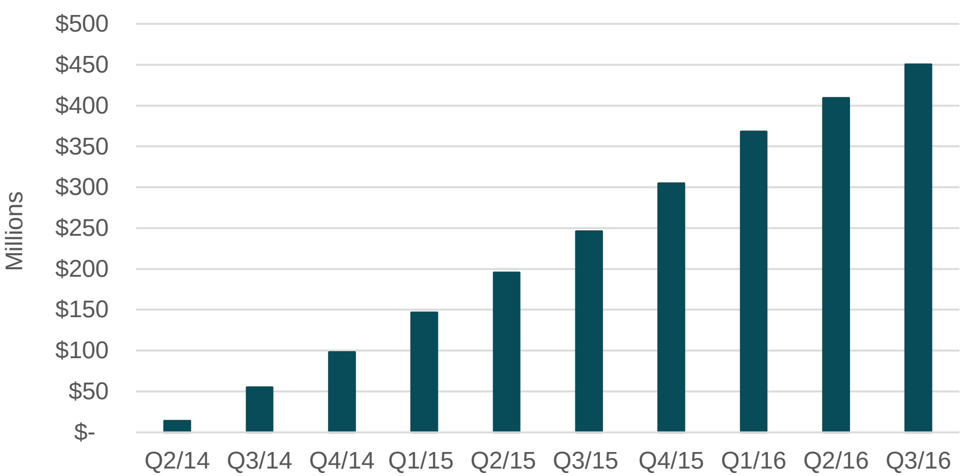
Free Cash Flow per Share



Acres per Million Shares[1]



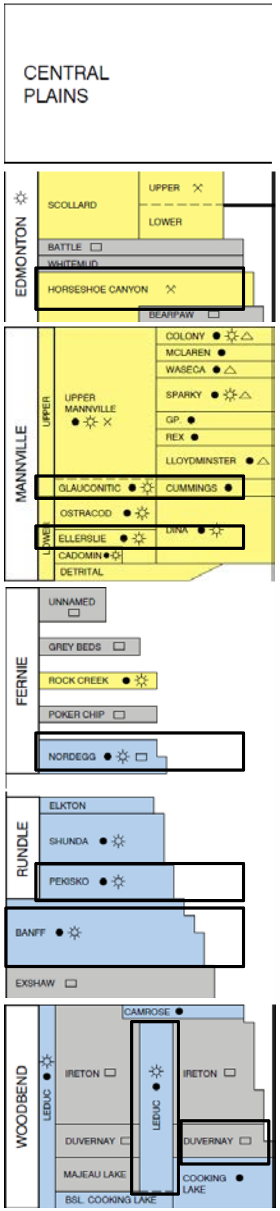
Cumulative Dividends



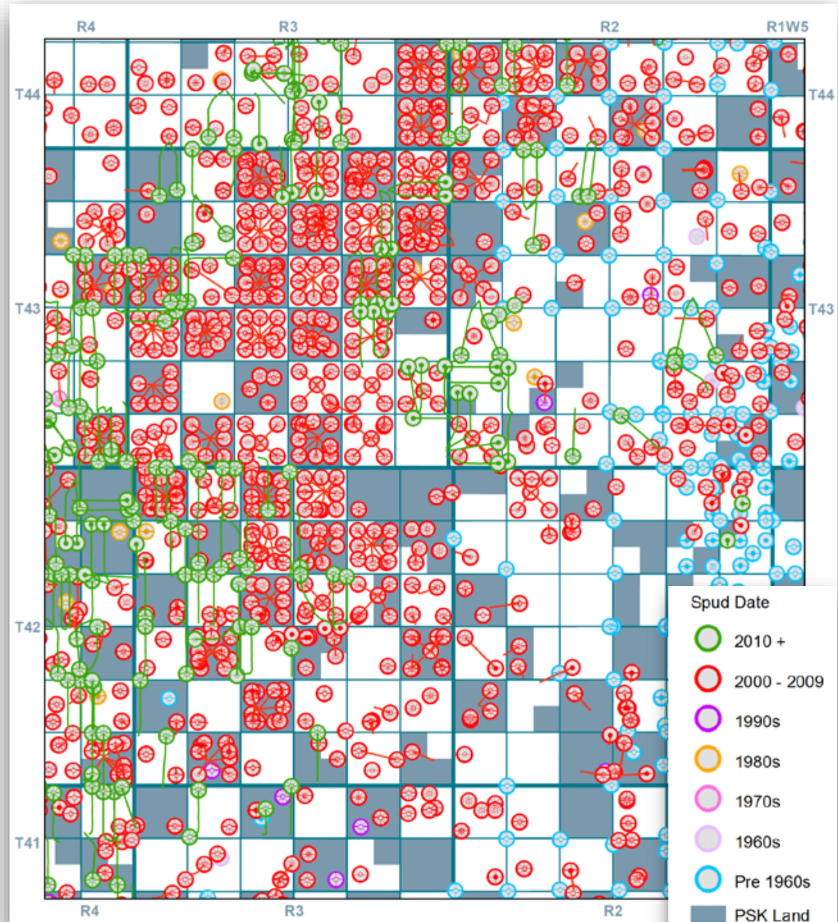
[1]Acres per share based on shares outstanding at period end.

High Quality Royalties = Optionality

Multi-Zone Potential



- Exploration and development has taken place since the 1950's in the form of new pool discoveries as well as through redevelopment with evolving technology

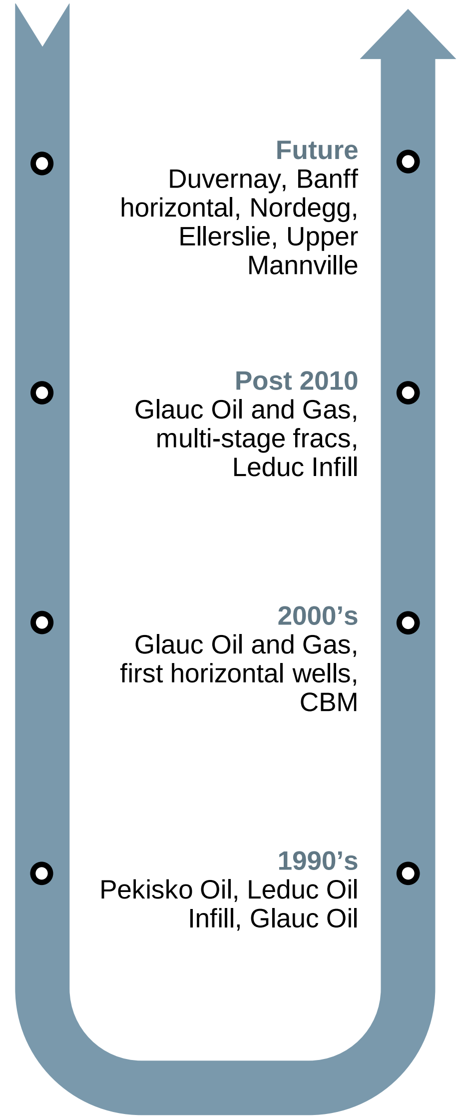


1950's
Homeglen Rimbey Leduc Oil

1960's
Nordegg Natural Gas

1970's
Hoadley Barrier Glauc Gas

1980's
Glauc Gas, Banff, Pekisko and Ellerslie Oil



1990's
Pekisko Oil, Leduc Oil Infill, Glauc Oil

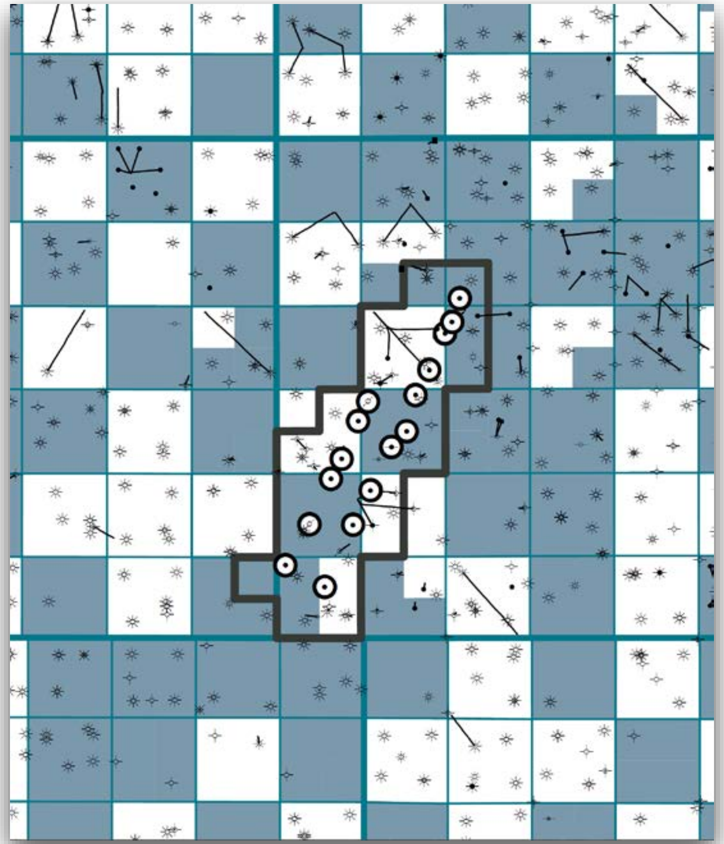
2000's
Glauc Oil and Gas, first horizontal wells, CBM

Post 2010
Glauc Oil and Gas, multi-stage fracs, Leduc Infill

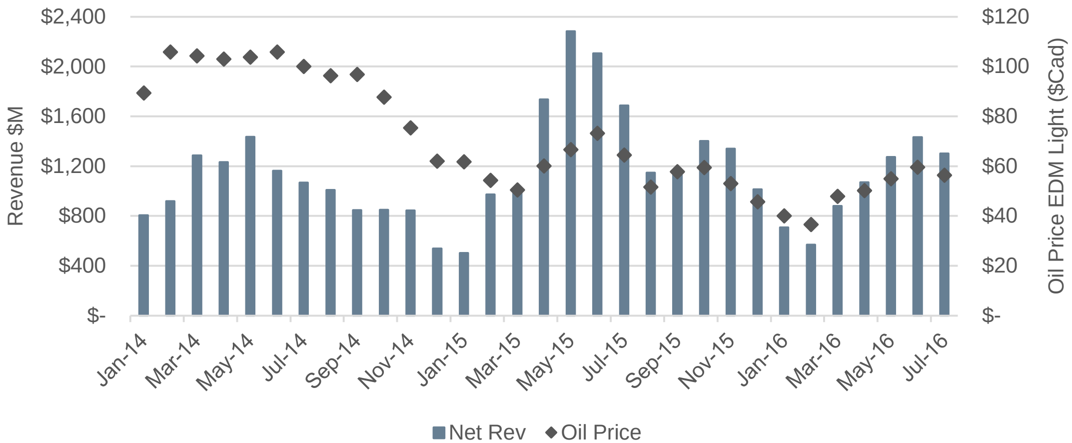
Future
Duvernay, Banff horizontal, Nordegg, Ellerslie, Upper Mannville

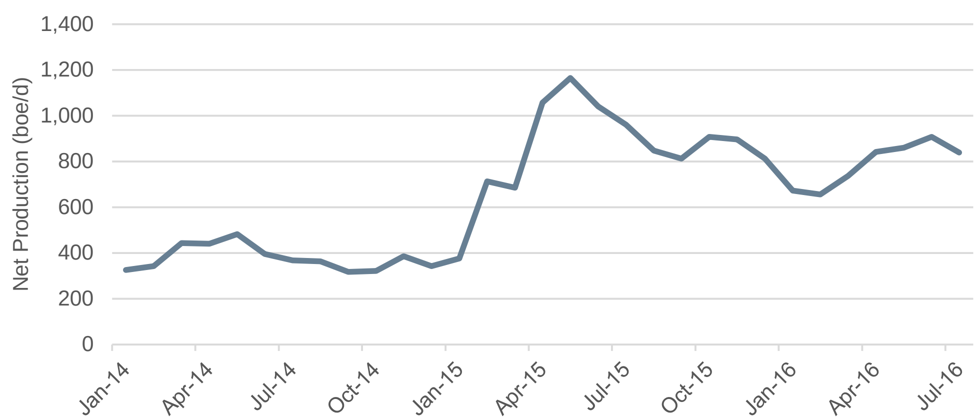
New Discoveries and Enhanced Oil Recovery

- First discovery in 2011 with delineation drilling occurring in 2012 and 2013. Rates restricted due to competitive drainage concerns until early 2015 when the pool was unitized under one single operator and placed under a water injection scheme.
- Production peaked at over 5,300 bbl/d but has been producing at a steady rate of over 4,800 bbl/d.
- Despite declining oil prices, net revenue to PSK increased significantly in 2015 from 2014.



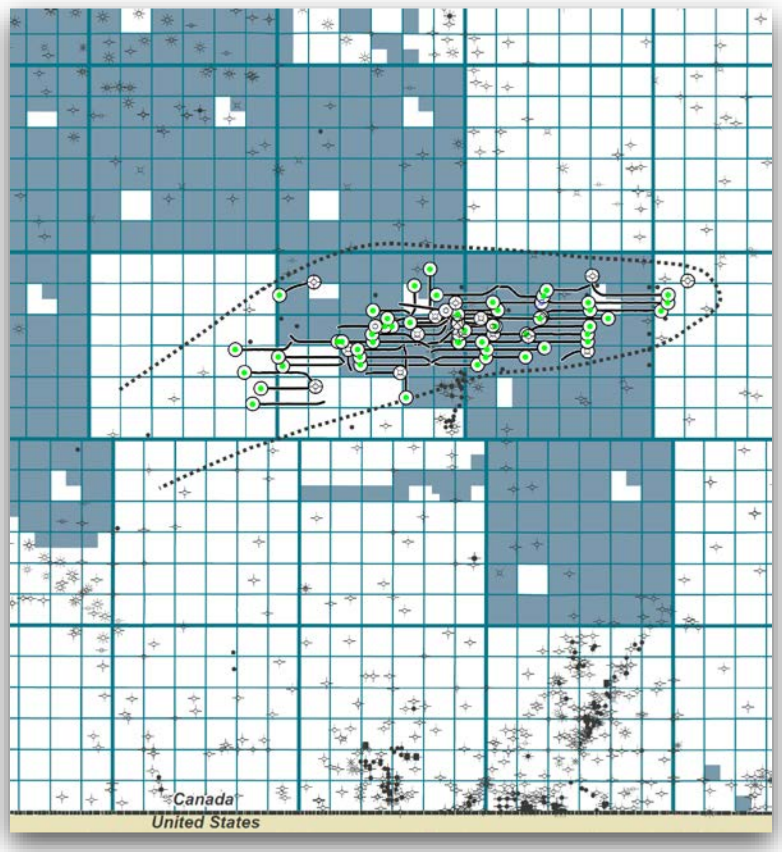
Source: IHS

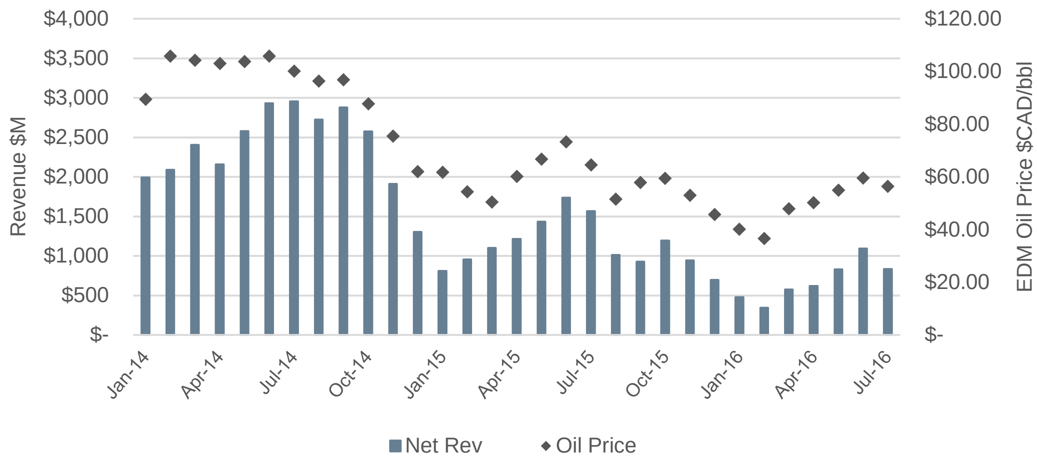


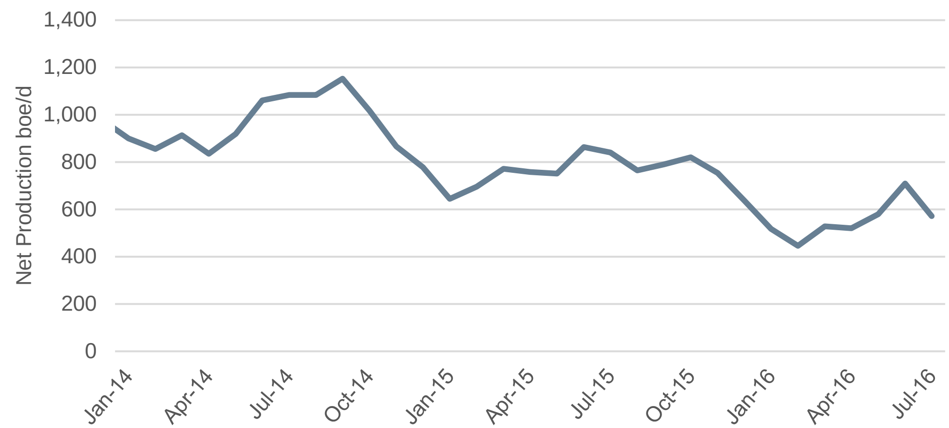


Bakken Light Oil - EOR

- First discovered in late 2011, the pool has recovered over 4.3 Mmbbl of oil on PrairieSky lands with net royalty volumes of 1.1 Mmbbl received .
- Monthly net volumes have averaged approximately 640 bbl/d of oil in in the last 12 months.
- The pool has been under a gas injection pilot scheme which has shown positive effects with shallowing decline in offsetting wells. The operator plans to expand the gas flood to cover more of the field in 2016 in addition to their infill development plans.

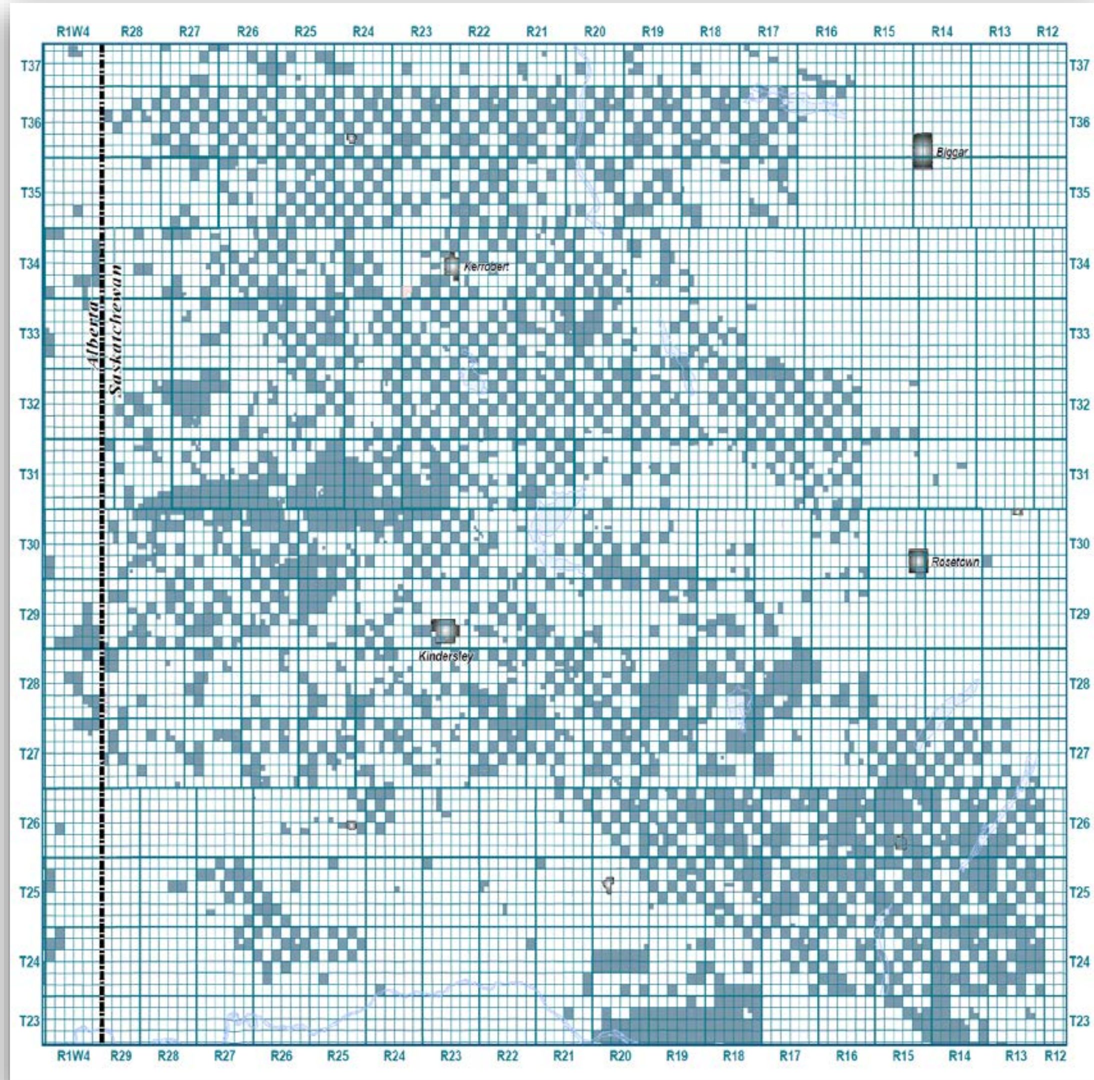






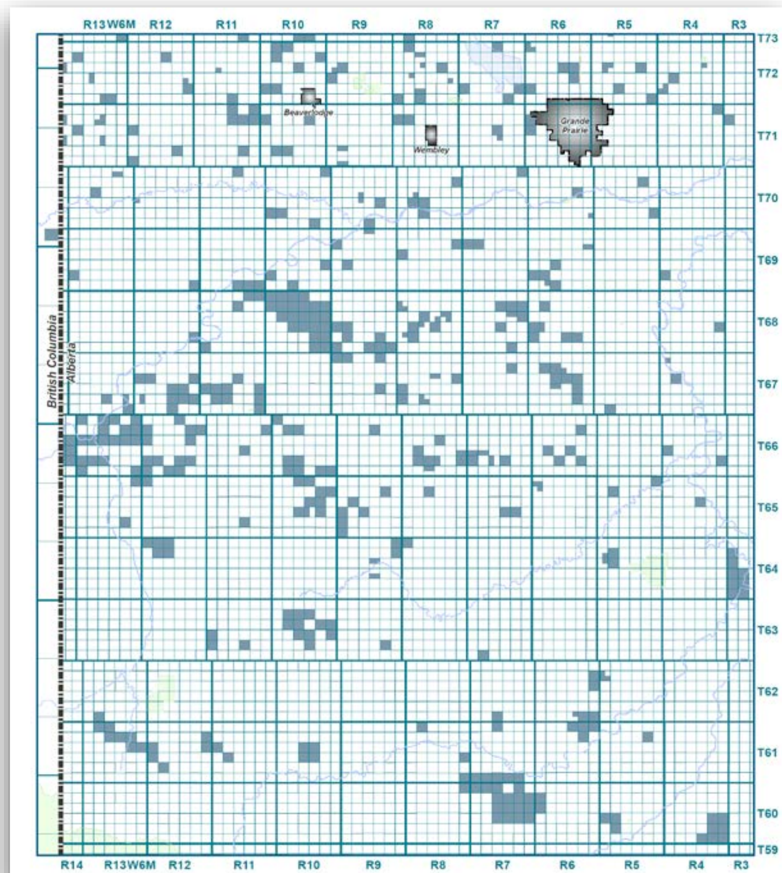
Viking Continues to Attract Capital in Today's Commodity Environment

- Viking remains a key play for many producers based on superior economics, short cycle times and low capital requirements
  - Continued capital efficiency improvements - sub $1 million to bring well on-stream and quick payouts
  - Wells produce > 50 years
- Over 10 Mmboe of oil in place per section
  - Modest technology improvements capturing more of resource
- Viking players accomplishing per share growth

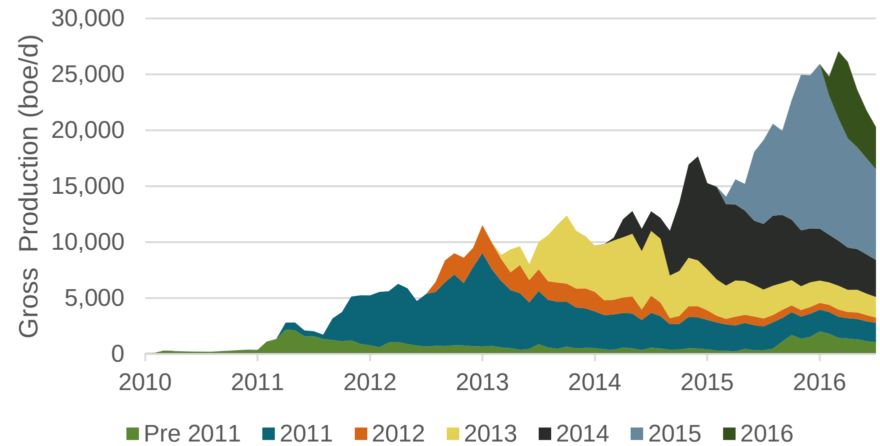


Multi-Zoned, Prolific Spirit River Exposure

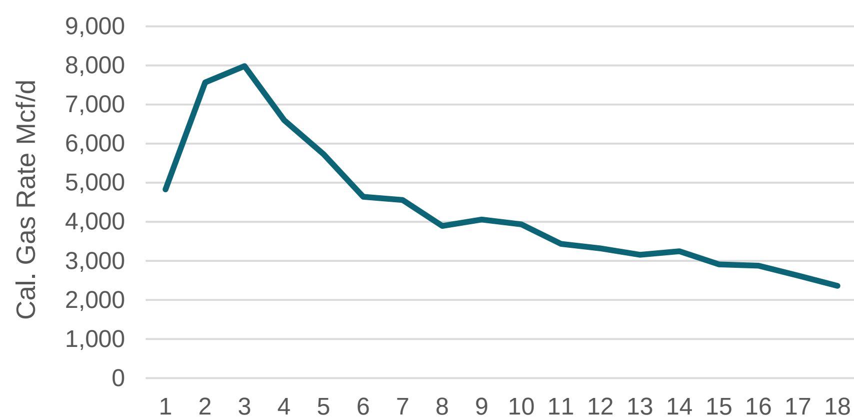
- Horizontal drilling and improved completions have resulted in improved drilling results from the prolific Spirit River (Wilrich, Fahler, Notikewin) in northwestern Alberta
- IPs, EURs and costs make the Spirit River competitive with the Marcellus and Utica
- Highest quality payors in Western Canada
    - Shell, Peyto, Tourmaline



Gross HZ Spirit River Royalty Production on GORR Lands



Kakwa HZ Spirit River Wells on GORR Lands (26 wells)

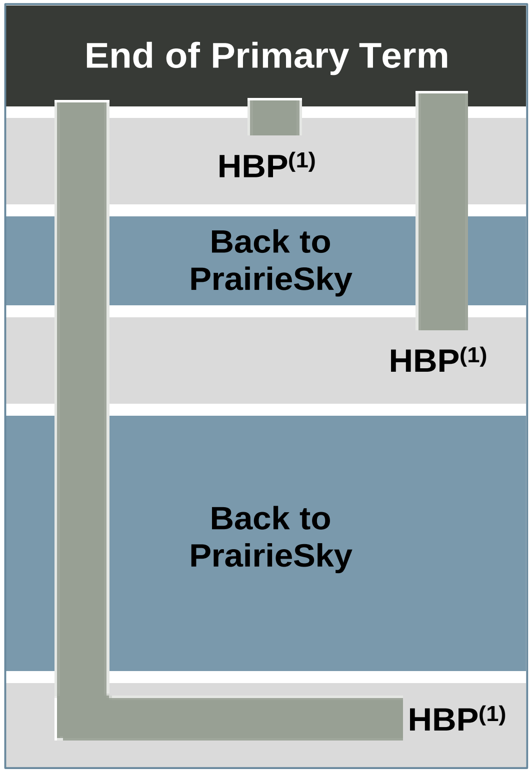


Source: Accumap, Visage

Recycling the Land Base

The perpetual nature of Fee Lands allows PrairieSky Royalty to continually recycle lands and grow its revenue base

- At the end of the primary lease term, any lands / rights not held by production revert back to PrairieSky Royalty
  - Primary lease term is typically up to five years long
  - Current potential for over one million acres to revert back to PrairieSky Royalty with surface to basement petroleum and/or natural gas rights
- PrairieSky Royalty can re-lease to third parties who plan to more actively exploit, explore and/or develop those opportunities
  - PrairieSky Royalty owns an irrevocable perpetual license to certain proprietary seismic data of Encana (~12,000 km2 of 3D and ~44,000 km of 2D)
- New drilling and production technologies can be utilized to pursue previously underexploited zones
- PrairieSky Royalty can adjust royalty terms to ensure the company remains competitive with adjacent Crown or freehold lands



(1) Held by Production ("HBP")

Capital-Free Growth and Diversification

	PrairieSky Royalty	E&Ps	Midstream
Cost-Free Growth	✓ No capital investment required ✓ Future embedded royalties and cash flow through perpetual land ownership ✓ No environmental liabilities associated with working interests ✓ Technology increases recovery factors	× Requires significant capital or acquisitions for growth × Responsibility for environmental liabilities ✓ Technology increases recovery factors	× Requires significant capital for growth × Requires significant capital for maintenance × Responsibility for environmental liabilities
Stable/Diversified Asset	✓ 14.7 million acres, over 36,000 producing wells, approximately 345 payors	✓/× Generally concentrated to in certain plays (operator/asset) × Requires maintenance and facilities capital	✓ Contractual commitments (certainty of fees, volumes)
Capital Structure	✓ Positive working capital, nil debt ✓ $159.4 million of cash ($0.70/share) at September 30, 2016	× Moderate to high leverage	× Moderate to high leverage

PrairieSky Royalty 2016 free cash flow yield of ~3% and no capex requirements.

Free Cash Flow Generation for Future Dividends and Buybacks

Future Free Cash Flow (2016-2026)

PrairieSky Royalty will deliver significant free cash flow even in a low growth, low commodity price environment.

Leadership Team

Executive Team

- **Andrew M. Phillips, President & CEO / Director**
  - Previously, CEO of Home Quarter Resources (acquired by a public oil and gas company in 2014)
  - Over 15 years of experience in the oil & gas industry with past senior roles at Evolve Exploration, Profico Energy Management and Renaissance Energy
- **Cameron M. Proctor, Chief Operating Officer**
  - Previously, EVP, Chief Legal Officer and Director of Sinopec Canada and prior thereto VP, General Counsel and Corporate Secretary of Daylight Energy
  - Former lawyer with Blake, Cassels & Graydon LLP
- **Pam Kazeil, VP Finance & Chief Financial Officer**
  - Previously, EVP and Chief Financial Officer of Sinopec Canada and prior thereto VP, Finance of Daylight Energy
  - Formerly VP Finance of Sword Energy Ltd. and held increasingly senior roles at its predecessor, Thunder Energy Trust, including VP Finance and CFO
- **Michelle Radomski, VP Land**
  - Previously, VP Land at Range Royalty Management Ltd. with over 30 years of experience in the oil & gas industry
  - Past President of the Canadian Association of Petroleum Landmen

Board of Directors

- **James M. Estey, Chair of the Board**
  - Retired Chairman of UBS Securities Canada Inc., and has more than 30 years of experience in financial markets
  - Chairman of Gibson Energy Inc. and a lead director of New Gold Inc.
- **Margaret A. McKenzie**
  - Former Vice President, Finance and Chief Financial Officer of Range Royalty and prior thereto was Vice President, Finance and Chief Financial Officer of Profico Energy Management Ltd.
  - Director of two private energy companies, Bonavista Energy Corporation, Encana Corporation, and Inter Pipeline Ltd.
- **Sheldon Steeves**
  - Director of Enerplus Corporation and NuVista Energy Ltd
  - Previously President & CEO of EchoEx; Executive Vice President & COO at Renaissance Energy Ltd.
- **Grant A. Zawalsky**
  - Managing Partner of Burnet, Duckworth & Palmer LLP (Barristers and Solicitors)
  - On the board of directors of NuVista Energy Ltd., Whitecap Resources Inc. and Zargon Oil & Gas Ltd., and is Corporate Secretary of ARC Resources Ltd., Bonavista Energy Corporation and RMP Energy Inc.
- **Andrew M. Phillips, President & CEO / Director**

Senior leadership team offers unique expertise with royalty assets, significant technical capabilities and broad, long-standing industry relationships.

FORWARD-LOOKING STATEMENTS

This presentation includes certain statements regarding PrairieSky Royalty Ltd.'s ("PrairieSky Royalty") future plans and operations as at October 25, 2016, and contains forward-looking statements that we believe allow readers to better understand our business and prospects. Forward-looking statements contained in this presentation include our expectations with respect to the following:

- the expectation that there will be no operating costs, capital costs, environmental liabilities, or abandonment and reclamation obligations associated with development of the Royalty Properties;
- the expected outlook of PrairieSky Royalty;
- PrairieSky Royalty's business and growth strategy and anticipated sources of future income;
- industry drilling, development and licensing activity on our Royalty Properties, our exposure to emerging opportunities, and the potential impact of thereof on production and reserves;
- potential for future growth of revenue and production from new or emerging plays, technological advancement, and optimization of legacy production;
- cash flow generation without capital expenditures; and
- producer activity on our lands, including with respect to infill and stepout drilling on existing plays.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond our control, including the impact of general economic conditions, changes in regulations, industry conditions, volatility of commodity prices, lack of pipeline capacity, currency fluctuations, imprecision of reserve estimates, receipt of royalty payments in a timely manner, environmental risks, changes in tax or other legislation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, and our ability to access sufficient capital from internal and external sources. The foregoing and other risks are described in more detail in PrairieSky Royalty's Annual Information Form dated February 29, 2016 which is available on either our website www.prairiesky.com or SEDAR at www.sedar.com.

With respect to forward-looking statements contained in this presentation, we have made assumptions regarding, among other things, the ability of the lessees and working interest owners on the Royalty Properties to maintain or increase production and reserves from these properties; the ability and willingness of the lessees and working interest owners on the Royalty Properties to comply with, and PrairieSky Royalty to enforce, lease terms and contractual provisions, as applicable, in order to receive payments; the ability of the lessees or working interest owners on the Royalty Properties to operate in a safe, efficient and effective manner; the timely receipt of any required regulatory approvals by lessees or working interest owners on the Royalty Properties; the willingness and financial capability of the lessees and working interest owners to continue to develop and invest additional capital in the Royalty Properties; the ability of the lessees and working interest owners on the Royalty Properties to obtain financing on acceptable terms to fund capital expenditures; field production rates, decline rates and the well performance and characteristics of the Royalty Properties; the ability to replace and increase crude oil, natural gas and NGL reserves and production associated with the Royalty Properties through acquisitions and third party development; the timing, cost and ability of third parties to access, maintain or expand necessary facilities and/or secure adequate product transportation and storage; the ability of the operators of the properties in which PrairieSky Royalty has a royalty interest in, to successfully market their respective petroleum and natural gas products or, for royalty payments taken-in-kind by PrairieSky Royalty, if any, the ability of PrairieSky Royalty or a third party marketer to successfully market PrairieSky Royalty's in-kind petroleum and natural gas products; surface rights access being granted to third parties on PrairieSky Royalty's properties; the benefits of the seismic data anticipated to be used by PrairieSky Royalty and sub-licensed to lessees on the PrairieSky Royalty's properties; the level of costs and expenses to be incurred by PrairieSky Royalty, including with respect to interest, general and administrative expenses and income tax expenses; the ability of PrairieSky Royalty to obtain and retain qualified staff and services in a timely and cost efficient manner; the absence of any material litigation or claims against PrairieSky Royalty; the general stability of the economic and political environment and the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which PrairieSky Royalty has an interest in oil and natural gas properties; and future crude oil, natural gas and NGL prices and currency, exchange and interest rates.

Readers and investors are cautioned that the assumptions used in the preparation of such forward looking information and statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Our actual results, performance, or achievement could differ materially from those expressed in, or implied by, these forward-looking statements. We can give no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits we will derive from them. Statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the PrairieSky Royalty's business including the impact of general economic conditions, industry conditions, volatility of commodity prices, lack of pipeline capacity, currency fluctuations, imprecision of reserve estimates, Crown royalty rates and incentives, environmental risks, taxation, regulation, changes in tax or other legislation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, and our ability to access sufficient capital from internal and external sources. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of PrairieSky Royalty are included in reports on file with applicable securities regulatory authorities, including but not limited to PrairieSky Royalty's The foregoing and other risks are described in more detail in PrairieSky Royalty's Annual Information Form dated February 29, 2016 which is available on either our website www.prairiesky.com or SEDAR at www.sedar.com. Readers are cautioned that the foregoing lists of factors are not exhaustive.

Any forward-looking statement is made only as of the date of this presentation, and PrairieSky Royalty undertakes no obligation to update or revise any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by applicable securities laws. New factors emerge from time to time, and it is not possible for PrairieSky Royalty to predict all of these factors or to assess in advance the impact of each such factor on PrairieSky Royalty's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward looking statements. The forward-looking information contained in this document is expressly qualified by this cautionary statement.

CONVERSIONS OF NATURAL GAS TO BOE

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil (boe). We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 boe ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.

CURRENCY AND REFERENCES TO PRAIRIESKY ROYALTY

All information included in this presentation is shown on a Canadian dollar basis.

For convenience, references in this document to the "Company", "we", "us", "our", and "its" may, where applicable, refer only to PrairieSky Royalty.

ADDITIONAL INFORMATION

Additional information about PrairieSky Royalty, including PrairieSky Royalty's Q2 2016 MD&A and Interim Condensed Financial Statements and notes thereto for the period ended September 30, 2016 and PrairieSky Royalty's Annual Information Form dated February 29, 2016, are available on SEDAR at www.sedar.com or PrairieSky Royalty's website at www.prairiesky.com.

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