



PRAIRIESKY ROYALTY DECLARES QUARTERLY DIVIDEND AND PROVIDES UPDATE ON NORMAL COURSE ISSUER BID

Calgary, Alberta (September 9, 2020)

PrairieSky Royalty Ltd. ("**PrairieSky**" or the "**Company**") (TSX: PSK) announced today that its Board of Directors has declared a quarterly dividend of CDN \$0.06 per common share, payable in cash on October 15, 2020 to shareholders of record on September 30, 2020. This dividend is designated as an "eligible dividend" for Canadian income tax purposes.

PrairieSky is also pleased to provide an update on its previously announced normal course issuer bid (the "NCIB"). During the period from July 1, 2020 to September 9, 2020, the third quarter to date ("Q3TD"), PrairieSky has purchased for cancellation a total of 7,215,000 common shares under the NCIB. Shares were purchased at a weighted average price of \$9.34 per share, for a total purchase price of \$67.4 million. Share purchases were funded using funds from operations and PrairieSky's credit facility, which PrairieSky expects to pay down using excess cash flow above its quarterly dividend.

PrairieSky's President and Chief Executive Officer, Andrew Phillips, commented, "We view the 7.2 million common share repurchase as an opportunistic acquisition at an attractive point, well below the intrinsic value of the Company. PrairieSky shareholders will continue to receive a fully-funded dividend and will own approximately 3% more of the business, equating to an acquisition of 468,000 acres of royalty lands and approximately 560 BOE per day of current royalty production. As our assets sit on the some of the best parts of the development cost curve, management views this as the highest quality acquisition available in the current environment. We also expect the share repurchase will enhance the dividend growth potential of the business over time. The Company expects to pay down the entirety of the debt incurred to make the share repurchases within the next 12 months, assuming current commodity prices, and has the flexibility to make further opportunistic share repurchases or acquisitions, which are a key component of our capital allocation strategy."

On May 13, 2020, PrairieSky announced that it had received approval from the Toronto Stock Exchange (the "TSX") to renew its NCIB for an additional one-year period beginning on May 19, 2020, and expiring no later than May 18, 2021. The NCIB allows the Company to purchase up to 11,600,000 common shares, which represented approximately 5% of the common shares outstanding of 232,426,991 as of May 5, 2020. Since renewing its NCIB, PrairieSky has repurchased a total of 7,425,000 common shares at a weighted average price of \$9.34 per share, for a total purchase price of \$69.4 million. As previously announced, all common shares repurchased by PrairieSky under the share repurchase program will be cancelled.

The Company's board of directors may consider, from time to time, applying to the TSX to increase the amount of NCIB purchases. Decisions regarding increases to the NCIB will be based on market conditions, share price, best use of available capital, and other factors including other opportunities to expand our portfolio of royalty assets.

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. The use of any of the words "expect", "anticipate", "may", "will", "should", "believe", "intends", and similar expressions are intended to identify forward-looking statements. Forward-looking statements contained in this press release include our expectations with respect to paying down debt within the next 12 months, future commodity prices and the cash flow generation capacity of the business, expectations of the dividend growth potential of the business over time, the number of common shares which may be purchased under the NCIB in the future and the factors in determining the timing and quantum of such purchases.

With respect to forward-looking statements contained in this press release, we have made several assumptions including that the common shares will from time to time trade below their value, that the Company will complete purchases of common shares pursuant to the NCIB and those described in detail in our MD&A and the Annual Information Form for the period ended December 31, 2019. 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 achievements 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.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond our control, including the market price of the common shares being too high to ensure that purchases benefit the Company and its shareholders, impact of general economic conditions, industry conditions, volatility of commodity prices, stock market volatility and failure to execute purchases under the normal course issuer bid. The foregoing and other risks are described in more detail in PrairieSky's MD&A, and the Annual Information Form for the period ended December 31, 2019 under the headings "Risk Management" and "Risk Factors", respectively, each of which is available at www.sedar.com.

Further, any forward-looking statement is made only as of the date of this press release, and PrairieSky 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 to predict all of these factors or to assess in advance the impact of each such factor on PrairieSky'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 statements contained in this document are expressly qualified by this cautionary statement.

ABOUT PRAIRIESKY ROYALTY LTD.

PrairieSky is a royalty-focused company, generating royalty revenues as petroleum and natural gas are produced from its properties. PrairieSky has a diverse portfolio of properties that have a long history of generating funds from operations and that represent the largest and most concentrated independently-owned fee simple mineral title position in Canada. PrairieSky's common shares trade on the Toronto Stock Exchange under the symbol PSK.

FOR FURTHER INFORMATION PLEASE CONTACT:

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