

PRAIRIESKY RECOGNIZED AS A GLOBAL SUSTAINABILITY LEADER IN 2021 ESG RANKINGS

Calgary, Alberta (February 1, 2022)

PrairieSky Royalty Ltd. (TSX: PSK) ("PrairieSky" or the "Company"), Canada's leading energy royalty business, is pleased to announce that it has once again received industry leading scores from several globally recognized rating agencies for 2021. These results demonstrate our carbon neutral status⁽¹⁾ and ongoing commitment to environmental stewardship, social responsibility, and governance (ESG) and are set forth below.

ESG Rankings 2021:

<u>Rating Agency</u>	<u>PrairieSky Score/Ranking</u>	<u>Description of Score/Ranking</u>
Sustainalytics ESG Risk (All Industries)	64 out of 15,125	Moved to the top 0.5% of all companies in Sustainalytics global coverage universe ⁽²⁾ and awarded "Negligible Risk" ESG Risk Rating.
Sustainalytics ESG Risk (Oil and Gas Producers)	1 out of 260	Maintained top overall global ⁽²⁾ ranking and awarded Sustainalytics "2022 Industry Top-Rated Badge" .
MSCI ESG Risk Ratings	AA	Achieved "Leader" status, denoting companies leading the industry in managing the most significant ESG risks and opportunities. Measurement of resilience to long-term, industry material environmental, social and governance risks on a relative ranking from AAA to CCC. Increased 2021 rating to AA from A.
CDP – Climate Change 2021	A-	Maintained leadership status (in top 13%) compared against the North American average of C and the global average of B-
CDP – Supplier Engagement Rating	A-	Achieved leadership status (in top 24%) compared against the North American average of B- and the global average of C.
ISS Environmental Quality Score	1	Denotes highest possible score (achieved in 2020 and 2021)
ISS Social Quality Score	1	Denotes highest possible score (achieved during 2021)
S&P Corporate Sustainability Assessment (CSA)	83rd Percentile	Improved year over year from 71 st percentile to 83 rd percentile, surpassing the threshold required for certain index inclusions. In May 2021, PrairieSky was added to the S&P/TSX 60 ESG Index and in February 2022 PrairieSky was included in The Sustainability Yearbook 2022 for corporate sustainability excellence.
Globe and Mail Governance Rankings	#42	Top quartile, ranking 42 out of 210 companies in the S&P/TSX Composite Index assessing quality of governance practices. Improved overall score to 90 out of 100 from 88 out of 100.

⁽¹⁾ Carbon neutral refers to PrairieSky's Scope 1 and Scope 2 emissions which are net zero.

⁽²⁾ PrairieSky's ranking as of February 1, 2022.

During 2021, we maintained net zero Scope 1 and Scope 2 emissions and we improved our already leading ratings/rankings with multiple independent ESG research agencies, as further detailed below. "Our industry is taking action to advance best practices in governance, social responsibility and environmental stewardship," said PrairieSky CEO Andrew Phillips. "To be recognized as a leader in both Canada and the world through our ratings by international agencies such as Sustainalytics, MSCI, ISS, S&P and CDP underscores our commitment and the importance of this area to our business and long-term strategy."

To further demonstrate our commitment to ESG, we incorporated sustainability-linked performance criteria to establish a Sustainability-Linked Loan credit facility in 2021. Sustainability performance criteria is measured by Sustainalytics, a global leader in independent ESG research, ratings and analytics. Sustainalytics currently ranks PrairieSky as #1 out of 260 global oil and gas producers and #64 out of 15,125 global companies across all industries (February 1, 2022). This improved ranking will reduce PrairieSky's borrowing costs in 2022 in accordance with the credit agreement.

Sustainalytics Highlights:

PrairieSky was recognized as a leader across all industries by Sustainalytics Company ESG Risk Ratings, ranking #64 out of 15,125 in Sustainalytics' Global coverage universe, within the top 0.5% of rated companies and receiving "Negligible Risk" status. On an industry specific basis, PrairieSky ranked #1 among oil and gas producers and was awarded the "2022 Industry Top-Rated Badge". The Sustainalytics ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. Company specific information and ratings by Sustainalytics, including information regarding PrairieSky, are available at www.sustainalytics.com/.

S&P Global Corporate Sustainability Assessment (CSA) Highlights:

PrairieSky Royalty Ltd. has been included as a member of The Sustainability Yearbook 2022 by S&P Global, which showcases the best performing companies among industry peers using material ESG metrics and based on the 2021 CSA. S&P Global ESG Scores provide ESG insight built upon multiple layers of ESG data underpinned by over 130 questions and approximately 1000 data points. The CSA assessed over 7,500 companies for potential inclusion in the Yearbook. In order to be listed in the Yearbook, companies must be within the top 15% of their industry and must achieve a score within 30% of their industry's top performing company.

More information is available at www.spglobal.com/esg/solutions/data-intelligence-esg-scores.

MSCI Highlights:

PrairieSky improved year over year in MSCI's ESG Risk Ratings, achieving "Leader" status with a "AA" rating in 2021 and also a 10/10 ESG Controversies Score, denoting nil controversies. MSCI indicated that the upgrade to AA status highlights PrairieSky's positioning relative to industry peers on multiple key issues such as carbon emissions, biodiversity and land use, human capital development, community relations and governance, including highlighting MSCI's assessment of PrairieSky's "strong business ethics policies and practices relative to peers".

MSCI is a leading provider of critical decision support tools and services for the global investment community, enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. The MSCI ESG Risk Ratings cover over 8,500 companies (14,000 issuers including subsidiaries) and more than 680,000 equity and fixed income securities globally, are used by over 1,400 investors worldwide, and form the basis of MSCI's 1,500+ equity and fixed income ESG indexes. More information is available at www.msci.com.

CDP Highlights:

Climate Change

PrairieSky was awarded an A- rating in the 2021 CDP Climate Change survey results. A detailed and independent methodology is used by CDP, a recognized global leader in environmental reporting, with a full list of company scores available on the CDP website at www.cdp.net/en/companies/companies-scores.

An A- rating denotes global leadership and top quartile performance in our industry group as measured by CDP. Within the CDP ratings, PrairieSky received top "A" ratings for Governance, Risk Disclosure and Scope 1 and 2 emissions and an A- rating for Risk Management Processes. Detailed information regarding PrairieSky's environmental record, including an independent verification of carbon neutrality, can be viewed on PrairieSky's website at www.prairiesky.com/responsibility/our-approach/.

CDP's scoring methodology assesses companies on the comprehensiveness of their disclosure, awareness and management of environmental risks and demonstration of best practices associated with environmental leadership. In 2021, over 590 investors holding over US\$110 trillion in assets and 200+ major purchasers with US\$5.5 trillion in procurement spend, requested companies to disclose through CDP's platform. Over 13,000 companies responded to CDP's survey in 2021, the highest number of respondents ever.

Supplier Engagement

PrairieSky was also awarded an A- in the CDP Supplier Engagement Rating. A detailed and independent methodology is used by CDP with a full list of company scores and the supplier engagement methodology rating available on the CDP website at www.cdp.net.

An A- rating denotes global leadership and top quartile performance in our activity group as measured by CDP and indicated that PrairieSky is implementing current best practices in its supply chain engagement and management.

ISS Environmental and Social Ratings:

PrairieSky engages with ISS annually through a comprehensive submission in line with ISS' ESG research questionnaire. PrairieSky has maintained a 1 rating on Environmental since 2020 and achieved a 1 rating on Social during 2021, being the highest rating under ISS' Quality Score ratings framework. ISS' ESG ratings platform is designed to provide corporate and country ESG research and ratings to enable its clients to identify material social and environmental risks and opportunities.

Ongoing Sustainability Reporting and Diversity Initiatives:

PrairieSky includes comprehensive ESG disclosures in its annual Responsibility Report and other information contained on its website at www.prairiesky.com/responsibility/our-approach/. Our Responsibility Report includes our Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and World Economic Forum (WEF) reference index and our progress report on principles set forth in the UN Global Compact. We also publish an annual Task Force on Climate-Related Financial Disclosures (TCFD) Report. Annually, we receive independent assurance verifying key environmental data, greenhouse gas emissions and other key performance indicators included in our Responsibility Report. The assurance statement is available on PrairieSky's website. PrairieSky expects to issue its 2021 Responsibility Report by mid-year 2022.

PrairieSky continues to be a leader in diversity and inclusion and is proud to have women in leadership roles at the Board, Executive and Senior Management level with over 80% of our managers and over 70% of all employees across the organization comprised of women. In 2021, PrairieSky reached our diversity target of having over 30% female representation on our Board of Directors with the appointment

of Leanne Bellegarde, QC in June 2021 (currently 38% of independent Board members are women). PrairieSky was honored once again as a *2021 Report on Business - Women Lead Here Recipient*, being one of 71 companies identified at the forefront of women in leadership positions and a providing a benchmark for gender diversity in corporate Canada. For more information see www.theglobeandmail.com/business/rob-magazine/article-women-lead-here-our-annual-survey-on-gender-diversity-in-corporate/.

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 PrairieSky providing a 2021 Responsibility Report by mid-year 2022.

With respect to forward-looking statements contained in this press release, we have made several assumptions including that new and additional information will be provided and the timing thereof. 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. The foregoing and other risks are described in more detail in PrairieSky's Management's Discussion and Analysis, and the Annual Information Form for the year ended December 31, 2020 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 company, generating royalty production 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 consolidated 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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