



PRAIRIESKY ROYALTY CLOSES ACQUISITION OF WESTERN CANADIAN ROYALTY ASSETS AND EXPANDS SUSTAINABILITY-LINKED LOAN

Calgary, Alberta (December 15, 2021)

PrairieSky Royalty Ltd. ("**PrairieSky**" or the "**Company**") (TSX: PSK) is pleased to announce that it has closed the previously announced acquisition from Heritage Royalty of over 1.9 million acres of royalty lands throughout Alberta, Saskatchewan and Manitoba (the "**Royalty Lands**") including over 1.7 million net acres of fee simple mineral title lands; and (ii) extensive seismic assets that are complementary to the Royalty Lands, for total cash consideration of \$728 million (the "**Acquisition**"). The Acquisition has an effective date of December 31, 2021.

Concurrent with closing the Acquisition, PrairieSky expanded its unsecured revolving Sustainability-Linked Credit Facility ("**SLL Credit Facility**") to \$725 million from \$425 million. The SLL Credit Facility provides for a permitted increase to \$800 million, subject to lender consent. The maturity date of the SLL Credit Facility remains February 28, 2025, and pricing and covenants are unchanged. The expanded SLL was used to partially fund the Acquisition. The previously announced \$500 million term loan provided by TD Securities Inc. (the "**Term Loan**") was not drawn upon to fund the Acquisition and was terminated concurrent with expansion of the SLL Credit Facility.

On December 15, 2021, PrairieSky announced that it had completed its bought deal offering of 17,169,500 common shares at a price of \$13.40 per common share, for aggregate gross proceeds of approximately \$230.1 million (the "**Offering**"). The net proceeds of the Offering were used to partially fund the Acquisition.

FORWARD LOOKING STATEMENTS & INFORMATION

This press release includes certain statements regarding PrairieSky's future plans and operations and contains forward-looking statements that we believe allow readers to better understand our business and prospects. The information in this press release could differ materially from those anticipated in the forward-looking statements and information. 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, industry conditions, volatility of commodity prices, lack of pipeline capacity, currency fluctuations, imprecision of reserve estimates, royalties, 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. In addition, PrairieSky is subject to numerous risks and uncertainties in relation to acquisitions. These risks and uncertainties include risks relating to the potential for disputes to arise with counterparties, and limited ability to recover indemnification under certain agreements. The foregoing and other risks are described in more detail in PrairieSky's management's discussion and analysis, PrairieSky's annual information form for the year ended December 31, 2020 and PrairieSky's final short form prospectus dated December 10, 2021 in respect of the Offering,

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:

Andrew Phillips
President & Chief Executive Officer
PrairieSky Royalty Ltd.
(587) 293-4005

Pamela Kazeil
Vice President, Finance & Chief Financial Officer
PrairieSky Royalty Ltd.
(587) 293-4089

Investor Relations
(587) 293-4000
www.prairiesky.com