JUNE 15, 2015

PRAIRIESKY ROYALTY LTD.

BOUGHT TREASURY OFFERING OF COMMON SHARES

TERM SHEET

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Issuer:	PrairieSky Royalty Ltd. ("PrairieSky" or the "Company").
Issue:	Treasury offering of 5,760,000 common shares (the "Common Shares").
Amount:	$180,000,000, prior to the over-allotment option.
Over-Allotment Option:	The Company has granted the underwriters an option, exercisable at the Issue Price, in whole or in part, at any time until 30 days following the Closing Date, to purchase up to an additional 10% of the Issue to cover over-allotments, if any.
Issue Price:	$31.25 per Common Share.
Use of Proceeds	The net proceeds of the Issue are anticipated to be used to fund future acquisition opportunities and for general corporate purposes.
Dividends	Dividends are payable on a monthly basis. The first dividend that purchasers of the Common Shares offered hereunder will be eligible to receive, provided they continue to hold such Common Shares on the record date, is the dividend expected to be paid on or about August 17, 2015 to shareholders of record on July 31, 2015. The payment of dividends is not guaranteed and the amount and timing of any dividends payable will be at the discretion of the board of directors of the Company.
Form of Offering:	Bought public offering by way of a short form prospectus to be filed in all provinces and territories of Canada. Offered in the United States on a private placement basis pursuant to Rule 144A of the U.S. Securities Act of 1933 and internationally pursuant to applicable private placement exemptions. A copy of the preliminary short form prospectus and final short form prospectus will each be available at www.sedar.com.
Listing:	Application will be made to list the common shares on the TSX. The existing common shares of PrairieSky are listed on the TSX under the symbol "PSK".
Eligibility:	Eligible for RRSPs, RRIFs, RESPs, DPSPs, RDSPs and TFSAs.
Syndicate:	A syndicate of underwriters led by CIBC.
Underwriting Fee:	4.0%
Closing Date:	July 7, 2015.