*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. Accordingly, the securities may not be offered or sold in the United States of America (the "**United States**") or to U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".*

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Vice President, Finance and Chief Financial Officer of Prairie Provident Resources Inc. at 1100, 640 – 5th Avenue S.W., Calgary, Alberta T2P 3G4, telephone (403) 292-8000, and are also available electronically at www.sedar.com.*

SHORT FORM PROSPECTUS

New Issue **September 28, 2018**

PRAIRIE PROVIDENT RESOURCES

PRAIRIE PROVIDENT RESOURCES INC.

$1,500,060
3,261,000 Flow-Through Shares
$0.46 per Flow-Through Share

$2,500,290
6,411,000 Subscription Receipts
each representing the right to receive one Unit
$0.39 per Subscription Receipt

This short form prospectus qualifies for distribution: (i) 3,261,000 common shares ("**Common Shares**") of Prairie Provident Resources Inc. ("**Prairie Provident**" or the "**Company**") to be issued as "flow-through shares" with respect to "Canadian exploration expenses" ("**CEE**") within the meaning of the *Income Tax Act* (Canada) (together with the regulations thereto, the "**Tax Act**") ("**Flow-Through Shares**") at a price of $0.46 per Flow-Through Share (the "**Flow-Through Issue Price**") for aggregate gross proceeds of $1,500,060 (the "**Flow-Through Offering**"); and (ii) 6,411,000 subscription receipts ("**Subscription Receipts**") of the Company at a price of $0.39 per Subscription Receipt (the "**Subscription Receipt Issue Price**") for aggregate gross proceeds of $2,500,290 (the "**Subscription Receipt Offering**" and, collectively with the Flow-Through Offering, the "**Offering**"). See "*Details of the Offering*" and "*Certain Canadian Federal Income Tax Considerations*".

The Company will agree, pursuant to the Subscription Agreements (as defined herein), to incur eligible CEE (the "**Qualifying CEE**") after the Offering Closing Date (as defined herein) in the aggregate amount of not less than the total amount of the gross proceeds raised from the issue and sale of the Flow-Through Shares pursuant to the Flow-Through Offering, and to renounce the Qualifying CEE so incurred to the purchasers of the Flow-Through Shares effective on or prior to December 31, 2018. In the event that the Company is unable to renounce $0.46 of Qualifying CEE effective on or prior to December 31, 2018 for each Flow-Through Share purchased or the amount renounced is reduced pursuant to subsection 66(12.73) of the Tax Act, the Company will indemnify each Flow-Through Share subscriber for the additional taxes payable by such subscriber as a result of the Company's failure to incur and renounce the Qualifying CEE as agreed.

On September 13, 2018, Prairie Provident entered into an agreement (the "**Arrangement Agreement**") with Marquee Energy Ltd. ("**Marquee**") to effect the corporate acquisition (the "**Acquisition**") by the Company of the outstanding shares of Marquee (the "**Marquee Shares**") by way of an arrangement under section 193 of the *Business Corporations Act* (Alberta) ("**ABCA**"), pursuant to which Marquee shareholders will, on implementation, receive 0.0886 of a Common Share in exchange for each Marquee Share. Subject to satisfaction or waiver of conditions, the Acquisition is expected to close before November 30, 2018, or such other date as may be agreed upon by the Company and Marquee (the "**Acquisition Closing Date**"). See "*Recent Developments*".

The Subscription Receipts will be governed by a subscription receipt agreement (the "**Subscription Receipt Agreement**") to be entered into on or before the Offering Closing Date between the Company, Alliance Trust Company, as escrow agent (the "**Escrow Agent**"), and MRCC (as defined herein), as Underwriter (as defined herein). Each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration or further action on the part of the holder thereof, one unit (a "**Unit**") of the Company upon the satisfaction of the Escrow Release Conditions (as defined herein) and the delivery to the Escrow Agent of the Escrow Release Notice (as defined herein) by the Company and the Underwriter. Each Unit will consist of one Common Share (a "**Unit Share**") and one-half of one Common Share purchase warrant of the Company (each, a "**Warrant**"). Each whole Warrant will entitle the holder thereof to acquire, subject to adjustment in accordance with the Warrant Indenture (as defined herein), one Common Share (a "**Warrant Share**") at an exercise price of $0.50 per Warrant Share at any time prior to 5:00 p.m. (Calgary time) on the date that is 24 months following the Offering Closing Date. The Warrants will be governed by a warrant indenture (the "**Warrant Indenture**") to be entered into between the Company and Alliance Trust Company, as warrant agent (the "**Warrant Agent**"). The Unit Shares and the Warrants comprising the Units will separate immediately upon the issuance of such securities in accordance with the terms of the Subscription Receipt Agreement. See "*Description of the Securities being Distributed – Warrants*".

The gross proceeds of the Subscription Receipt Offering (the "**Escrowed Proceeds**") will be held by the Escrow Agent, and invested in short-term obligations of, or guaranteed by, the Government of Canada (or other approved investments) until the earlier of: (i) the receipt by the Escrow Agent of the Escrow Release Notice; and (ii) the Termination Time (as defined herein). The Acquisition is expected to close on the Acquisition Closing Date. Upon receipt by the Escrow Agent of a notice (the "**Escrow Release Notice**") from the Underwriter and the Company to the effect that: (i) all conditions precedent to the completion of the Acquisition have been satisfied or waived in accordance with the terms of the Arrangement Agreement (any such waiver to be consented to by the Underwriter in writing, acting reasonably); and (ii) the Company has received all necessary regulatory and other approvals regarding the Subscription Receipt Offering, the Flow-Through Offering and the Acquisition (collectively, the "**Escrow Release Conditions**"), provided the Escrow Release Conditions are satisfied on or before the Termination Time, the Escrowed Proceeds and the interest earned thereon (less such portion of the Underwriter's fee payable on the Subscription Receipts to the Underwriter together with any interest earned thereon) will be released to the Company. Upon the satisfaction of the Escrow Release Conditions and the delivery to the Escrow Agent of the Escrow Release Notice by the Company and the Underwriter, each holder of Subscription Receipts will receive one Unit for each Subscription Receipt held, without payment of additional consideration or further action on the part of the holder thereof. The Unit Shares and Warrants comprising the Units will be available for delivery commencing on the second business day after the delivery of the Escrow Release Notice.

If: (i) the closing of the Acquisition has not occurred by 5:00 p.m. (Calgary time) on December 6, 2018 or such later date as may be consented to by MRCC in writing; (ii) the Arrangement Agreement is terminated in accordance with its terms; or (iii) the Company has advised the Underwriter or the public that it does not intend to proceed with the Acquisition (in each case, the earliest of such dates being the "**Termination Time**"), the gross proceeds of the Subscription Receipts Offering will be reimbursed *pro rata* to the holders of Subscription Receipts together with each holder's *pro rata* portion of interest earned thereon, if any (less any applicable withholding tax). Payment of such amounts by the Company shall be satisfied by mailing or delivering payment by cheque or wire transfer to the registered holders of the Subscription Receipts at their respective registered addresses no later than the second business day following the date on which the Termination Time occurred. The Escrowed Proceeds will be applied towards payment of such amount. In the event that the Acquisition closes concurrently or prior to the closing of the Subscription Receipt Over-Allotment Option (as defined herein), the Company will issue Unit Shares and Warrants, rather than Subscription Receipts, under the Subscription Receipt Over-Allotment Option. The Flow-Through Shares, the Subscription Receipts, the Unit Shares, the Warrants and the Warrant Shares are collectively referred to herein as the "**Offered Securities**".

The issued and outstanding Common Shares are listed on the Toronto Stock Exchange ("**TSX**") under the trading symbol "PPR". On September 12, 2018, the last trading day prior to the public announcement of the Offering, the closing price per Common Share on the TSX was $0.42. On September 27, 2018, the last trading day prior to the date of this short form prospectus, the closing price per Common Share on the TSX was $0.37.

The Company has applied to have the Offered Securities listed on the TSX. Listing is subject to the approval of the TSX in accordance with its applicable listing requirements, and to the Company fulfilling all such requirements (including, in the case of the Subscription Receipts and the Warrants, distribution to a minimum number of public shareholders). Closing of the Offering is conditional upon the TSX having conditionally approved, on or before the Offering Closing Date, the listing of the Flow-Through Shares, the Unit Shares issuable pursuant to the Subscription Receipts, and the Warrant Shares issuable on exercise of the Warrants.

There is no market through which the Subscription Receipts or the Warrants may be sold and purchasers may not be able to resell the Subscription Receipts purchased under this short form prospectus or the Warrants issuable pursuant to such Subscription Receipts, if any. This may affect the pricing of the Subscription Receipts and the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "*Risk Factors*".

The terms of the Flow-Through Shares and the Subscription Receipts offered hereunder were determined by negotiation between the Company and Mackie Research Capital Corporation (the "**Underwriter**" or "**MRCC**"). See "*Plan of Distribution*".

	Offering Price to the Public	**Underwriter's Fee**(1)	**Net Proceeds to Prairie Provident**(2)
Per Flow-Through Share	$0.46	$0.0322	$0.4278
Total (Flow-Through Offering)	$1,500,060	$105,004	$1,395,056
Per Subscription Receipt	$0.39	$0.0273	$0.3627
Total (Subscription Receipt Offering)	$2,500,290	$175,020	$2,325,270
Total(3)	$4,000,350	$280,025	$3,720,326

Notes:

(1) The Company has agreed to pay the Underwriter a fee in an amount equal to: (i) 7.0% of the gross proceeds in respect of the Flow-Through Shares (payable upon the closing of the Flow-Through Offering on the Offering Closing Date); and (ii) 7.0% of the gross proceeds in respect of the Subscription Receipts (payable as to 50% upon the closing of the Subscription Receipt Offering on the Offering Closing Date and 50% upon delivery of the Escrow Release Notice). If the Termination Time occurs, then the Underwriter's fee in respect of the Subscription Receipts will be limited to the 50% paid upon closing of the Subscription Receipt Offering on the Offering Closing Date. See "*Plan of Distribution*".

(2) Excluding interest, if any, on the Escrowed Proceeds and before deducting the expenses of the Offering, estimated to be $300,000, which (together with the aggregate Underwriter's fee) will be paid by Prairie Provident from the general funds of the Company.

(3) The Company has granted to the Underwriter: (i) the option (the "**Flow-Through Over-Allotment Option**") to offer for sale up to an additional 489,150 Flow-Through Shares, representing 15% of the base Flow-Through Offering, at the discretion of the Underwriter at a price equal to $0.46 per Flow-Through Share, on the same terms and conditions as the Flow-Through Offering; and (ii) the option (the "**Subscription Receipt Over-Allotment Option**" and, collectively with the Flow-Through Over-Allotment Option, the "**Over-Allotment Options**") to purchase up to an additional 961,650 Subscription Receipts, representing 15% of the Subscription Receipt Offering, at the discretion of the Underwriter at a price equal to $0.39 per Subscription Receipt, on the same terms and conditions as the Subscription Receipt Offering. Each Over-Allotment Option is exercisable, in whole or in part, at any time up to 30 days following the Offering Closing Date to cover over-allotments, if any. If the Underwriter exercises each Over-Allotment Option in full, the total Offering price to the public, the aggregate Underwriter's fee payable to the Underwriter in respect of the Flow-Through Shares and the Subscription Receipts and the net proceeds to the Company (before deducting expenses) will be approximately $4,600,403, $322,028 and $4,278,375, respectively. This short form prospectus also qualifies the grant of the Over-Allotment Options and the distribution of any Flow-Through Shares or Subscription Receipts issued pursuant to the exercise of the Over-Allotment Options (and any Unit Shares and Warrants issuable pursuant to the Subscription Receipts and any Warrant Shares issuable on the exercise of Warrants). See "*Plan of Distribution*".

The following table sets forth the number of Flow-Through Shares and Subscription Receipts that may be issued by the Company pursuant to the Over-Allotment Options:

Underwriter's Position	Maximum Number of Securities	Exercise Period/Acquisition Date	Exercise Price
Flow-Through Over-Allotment Option	489,150 Flow-Through Shares	30 days from the Offering Closing Date	$0.46 per Flow-Through Share
Subscription Receipt Over-Allotment Option	961,650 Subscription Receipts	30 days from the Offering Closing Date	$0.39 per Subscription Receipt

MRCC acted as a strategic adviser to the Company and will receive a fee upon the closing of the Acquisition. Consequently, the Company may be considered a "connected issuer" of MRCC within the meaning of applicable Canadian securities laws. See "*Relationship between Prairie Provident and the Underwriter*".

A purchaser who acquires: (i) Flow-Through Shares if the Flow-Through Over-Allotment Option is exercised after the Offering Closing Date forming part of the Underwriter's over-allocation position; or (ii) Subscription Receipts forming part of the Underwriter's over-allocation position, acquires such securities under this short form prospectus, including in the case of the Subscription Receipts if the over-allocation position is ultimately filled through the exercise of the Subscription Receipt Over-Allotment Option or secondary market purchases.

The Offering is subject to the approval of certain legal matters on behalf of the Company by Bennett Jones LLP and on behalf of the Underwriter by Burnet, Duckworth & Palmer LLP.

The Flow-Through Shares and the Subscription Receipts shall be taken up by the Underwriter, if at all, on or before a date that is not later than 42 days following the date of receipt for the final short form prospectus. Prairie Provident has been advised by the Underwriter that, in connection with the Offering, the Underwriter may effect transactions that stabilize or maintain the market price of the Subscription Receipts, Common Shares and Warrants at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. Unless the context otherwise requires, references herein to the "Flow-Through Offering", the "Subscription Receipt Offering", the "Offering", the "Flow-Through Shares" and the "Subscription Units" include the Flow-Through Shares issuable pursuant to the Flow-Through Over-Allotment Option and the Subscription Receipts issuable pursuant to the Subscription Receipt Over-Allotment Option, as applicable. See "*Plan of Distribution*".

Pursuant to, and in accordance with, the terms and conditions of the Underwriting Agreement, referred to under the heading "*Plan of Distribution*", the Underwriter has agreed to purchase as principal (in respect of the Subscription Receipts) and offer for sale (in respect of the Flow-Through Shares), on a bought deal basis, the Flow-Through Shares and the Subscription Receipts, and the Company has agreed to issue and sell all but not less than all of the Flow-Through Shares and the Subscription Receipts.

The Underwriter proposes to offer the Flow-Through Shares and the Subscription Receipts initially at the Flow-Through Issue Price and the Subscription Receipt Issue Price, respectively. After a reasonable effort has been made to sell all of the Flow-Through Shares and the Subscription Receipts at the respective prices specified, the Underwriter may subsequently reduce the selling prices to investors from time to time in order to sell any of the Flow-Through Shares (to the extent that the Underwriter purchases any Flow-Through Shares as principal) or Subscription Receipts, as applicable, remaining unsold. Any such reduction will not affect the proceeds received by the Company. See "*Plan of Distribution*". Subscriptions for the Flow-Through Shares and the Subscription Receipts will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without prior notice. Closing of the Offering is expected to occur during the week of October 8, 2018, or such other date as may be agreed upon by the Underwriter and the

Company, but in any event not later than the date that is 42 days following the date of the receipt for the final short form prospectus (the "**Offering Closing Date**").

The Flow-Through Shares, Subscription Receipts, Unit Shares, Warrants and Warrant Shares will be registered and deposited directly with CDS & Co., as nominee for CDS Clearing and Depository Services Inc. ("**CDS**"), under the non-certificated system administered by CDS. No certificates evidencing the Flow-Through Shares, Subscription Receipts, Unit Shares, Warrants or Warrant Shares will be issued to purchasers except in certain limited circumstances. Purchasers of Flow-Through Shares, Subscription Receipts, or if applicable, Unit Shares and Warrants, will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the applicable securities is purchased.

An investment in the securities offered hereunder is speculative and involves a high degree of risk. The risk factors described under the headings "*Risk Factors*" and "*Cautionary Note Regarding Forward-Looking Information*" in this short form prospectus and under the headings "*Risk Factors*" and "*Forward-Looking Statements*" in the AIF (as defined herein), which is incorporated herein by reference, should be carefully reviewed and evaluated by prospective purchasers before purchasing the securities being offered hereunder. An investment in the Flow-Through Shares, the Subscription Receipts, the Unit Shares and Warrants issuable pursuant to the Subscription Receipts and the Warrant Shares issuable on the exercise of the Warrants is suitable only for those investors who are willing to risk a loss of their entire investment.

Patrick McDonald, Terence (Tad) Flynn and Ajay Sabherwal are directors of the Company and reside outside of Canada. Each of them has appointed the following agent for service of process: Bennett Jones LLP, 4500 Bankers Hall East, 855 - 2nd Street S.W., Calgary, Alberta, T2P 4K7.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, or resides outside of Canada, even if the party has appointed an agent for service of process.

The Flow-Through Shares and the Subscription Receipts may be sold only in those jurisdictions where offers and sales are permitted. This short form prospectus is not an offer to sell or a solicitation of an offer to buy the Offered Securities in any jurisdiction where it is unlawful. Investors should rely only on the information contained in this short form prospectus and the documents incorporated herein by reference. The Company has not authorized anyone to provide investors with different information. The Company is not offering the Flow-Through Shares or the Subscription Receipts in any jurisdiction in which the Offering is not permitted. Investors should not assume that the information contained in this short form prospectus is accurate as of any date other than the date of this short form prospectus. Subject to the Company's obligations under applicable Canadian securities laws, the information contained in this short form prospectus is accurate only as of the date of this short form prospectus regardless of the time of delivery of this short form prospectus or of any sale of the Flow-Through Shares and the Subscription Receipts.

The head office of the Company is located at 1100, 640 - 5th Avenue S.W., Calgary, Alberta, T2P 3G4 and its registered office is located at 4500 Bankers Hall East, 855 - 2nd Street S.W., Calgary, Alberta, T2P 4K7.

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GLOSSARY

Defined Terms

In this short form prospectus, unless otherwise indicated or the context otherwise requires, the following terms shall have the respective meanings set forth below:

"**2018 Budget**" has the meaning ascribed thereto under the heading "*Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada – Taxation of Resident Holders of Subscription Receipts – Pro Rata Share of Interest on Escrowed Proceeds*";

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**Acquisition**" means the acquisition by Prairie Provident of Marquee by way of arrangement under section 193 of the ABCA whereby Marquee shareholders will receive 0.0886 of a Common Share for each Marquee Share;

"**Arrangement Agreement**" means the arrangement agreement dated September 13, 2018 between Prairie Provident and Marquee in respect of the Acquisition;

"**Acquisition Closing Date**" means the date on which the Acquisition closes, which is expected to be on or before November 30, 2018, or such other date as may be agreed upon by the Company and Marquee;

"**AIF**" has the meaning ascribed thereto under the heading "*Documents Incorporated by Reference*";

"**Beneficial Owner**" has the meaning ascribed thereto under the heading "*Description of the Securities being Distributed – Non-Certificated Securities*";

"**CCEE**" has the meaning ascribed thereto under the heading "*Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada – Taxation of Resident Holders of Flow-Through Shares – Canadian Exploration Expense*";

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**CEE**" means "Canadian exploration expense" within the meaning of the Tax Act;

"**Certificates**" has the meaning ascribed thereto under the heading "*Description of the Securities being Distributed – Book-Entry Only System*";

"**CNIL**" has the meaning ascribed thereto under the heading "*Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada – Taxation of Capital Gains and Capital Losses – Cumulative Net Investment Loss*";

"**COGE Handbook**" has the meaning ascribed thereto under the heading "*Reserves Data Disclosure*";

"**Common Shares**" means common shares of the Company;

"**Controlling Individual**" has the meaning ascribed thereto under the heading "*Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada – Eligibility for Investment*";

"**Counsel**" has the meaning ascribed thereto under the heading "*Certain Canadian Federal Income Tax Considerations*";

"**CRA**" has the meaning ascribed thereto under the heading "*Certain Canadian Federal Income Tax Considerations*";

"**Escrow Agent**" means Alliance Trust Company, in its capacity as escrow agent under the Subscription Receipt Agreement;

"**Escrowed Proceeds**" means the gross proceeds of the Subscription Receipt Offering;

"**Escrow Release Conditions**" means (i) all conditions precedent to the completion of the Acquisition have been satisfied in accordance with the terms of the Arrangement Agreement or waived (any such waiver to be consented to by the Underwriter in writing, acting reasonably); and (ii) the Company has received all necessary regulatory and other approvals regarding the Subscription Receipt Offering, the Flow-Through Offering and the Acquisition;

"**Escrow Release Notice**" means the notice to be delivered by the Company and the Underwriter to the Escrow Agent to the effect that the Escrow Release Conditions have been satisfied;

"**Exempt Plan**" has the meaning ascribed thereto under the heading "*Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada – Eligibility for Investment*";

"**Flow-Through Issue Price**" means $0.46 per Flow-Through Share;

"**Flow-Through Offering**" means the distribution of 3,261,000 Flow-Through Shares (3,750,150 Flow-Through Shares if the Flow-Through Over-Allotment Option is exercised in full) at the Flow-Through Issue Price per Flow-Through Share for aggregate gross proceeds of $1,500,060 ($1,725,069 if the Flow-Through Over-Allotment Option is exercised in full);

"**Flow-Through Over-Allotment Option**" means the option granted by the Company to the Underwriter to offer for sale up to an additional 489,150 Flow-Through Shares, representing 15% of the base Flow-Through Offering, at the discretion of the Underwriter at a price equal to $0.46 per Flow-Through Share, on the same terms and conditions of the Flow-Through Offering;

"**Flow-Through Shares**" means the Common Shares to be issued as "flow-through shares" as defined in subsection 66(15) of the Tax Act pursuant to this short form prospectus and, for certainty, includes the Flow-Through Shares issuable pursuant to the Flow-Through Over-Allotment Option;

"**forward-looking statements**" has the meaning ascribed thereto under the heading "*Cautionary Note Regarding Forward-Looking Information – Forward-Looking Statements*";

"**gross**" means: (i) in relation to the Company's interest in production and reserves, its "company gross reserves", which are the Company's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interests of the Company; (ii) in relation to wells, the total number of wells in which the Company has an interest; and (iii) in relation to properties, the total area of properties in which the Company has an interest;

"**Holder**" has the meaning ascribed thereto under the heading "*Certain Canadian Federal Income Tax Considerations*";

"**IFRS**" means International Financial Reporting Standards issued by the International Accounting Standards Board for publicly accountable enterprises, or such other generally accepted accounting principles and practices applied in Canada from time to time;

"**net**" means: (i) in relation to the Company's interest in production and reserves, the Company's working interest (operating and non-operating) share after deduction of royalty obligations, plus the Company's royalty interest in production or reserves; (ii) in relation to wells, the number of wells obtained by aggregating the Company's working interest in each of its gross wells; and (iii) in relation to the Company's interest in a property, the total area in which the Company has an interest multiplied by the working interest owned by the Company;

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators, as amended or replaced from time to time;

"**Non-Resident Holder**" has the meaning ascribed thereto under the heading "*Certain Canadian Federal Income Tax Considerations – Taxation of Holders Not Resident in Canada*";

"**Marquee**" means Marquee Energy Ltd.;

"**Marquee Report**" means the reserves evaluation report attributable to the properties of Marquee effective December 31, 2017 and dated March 7, 2018, as prepared by Sproule;

"**Marquee Share**" means a common share in the capital of Marquee;

"**Offered Securities**" means, collectively, the Flow-Through Shares, the Subscription Receipts, the Unit Shares, the Warrants and the Warrant Shares and "**Offered Security**" means any one of such securities;

"**Offering**" means, collectively, the Flow-Through Offering and the Subscription Receipt Offering;

"**Offering Closing Date**" means a date during the week of October 8, 2018 to be mutually selected by the Company and the Underwriter, or such other date as may be agreed upon by the Company and the Underwriter, but in any event not later than the date that is 42 days following the date of receipt for the final short form prospectus;

"**Over-Allotment Options**" means, collectively, the Flow-Through Over-Allotment Option and the Subscription Receipt Over-Allotment Option;

"**Participant**" has the meaning ascribed thereto under the heading "*Description of the Securities being Distributed – Book-Entry Only System*";

"**PPR Report**" means the reserves evaluation report attributable to the properties of Prairie Provident effective December 31, 2017 and dated January 23, 2018, as prepared by Sproule;

"**Prairie Provident**" or the "**Company**" means Prairie Provident Resources Inc., a corporation incorporated under the ABCA;

"**Proposed Amendments**" has the meaning ascribed thereto under the heading "*Certain Canadian Federal Income Tax Considerations*";

"**purchasers**" has the meaning ascribed thereto under the heading "*Description of the Securities being Distributed – Subscriptions for Flow-Through Shares*";

"**Qualifying CEE**" has the meaning ascribed thereto on page (i) of the cover page of this short form prospectus;

"**Resident Holder**" has the meaning ascribed thereto under the heading "*Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada*";

"**Sproule**" means Sproule Associates Limited, independent oil and gas reservoir engineers;

"**Subscription Agreements**" has the meaning ascribed thereto under the heading "*Description of the Securities being Distributed –Flow-Through Shares*";

"**Subscription Receipt Agreement**" means the subscription receipt agreement governing the Subscription Receipts to be entered into on or before the Offering Closing Date between the Company, the Escrow Agent and MRCC;

"**Subscription Receipt Issue Price**" means $0.39 per Subscription Receipt;

"**Subscription Receipt Offering**" means the distribution of 6,411,000 Subscription Receipts (7,372,650 Subscription Receipts if the Subscription Receipt Over-Allotment Option is exercised in full) at the Subscription Receipt Issue Price per Subscription Receipt for aggregate gross proceeds of $2,500,290 ($2,875,334 if the Subscription Receipt Over-Allotment Option is exercised in full);

"**Subscription Receipt Over-Allotment Option**" means the option granted by the Company to the Underwriter to purchase up to an additional 961,650 Subscription Receipts, representing 15% of the base Subscription Receipt Offering, at the discretion of the Underwriter at a price equal to $0.39 per Subscription Receipt, on the same terms and conditions of the Subscription Receipt Offering;

"**Subscription Receipts**" means the subscription receipts of the Company distributed pursuant to this short form prospectus and, for certainty, includes the Subscription Receipts issuable pursuant to the Subscription Receipt Over-Allotment Option;

"**Substituted Purchasers**" has the meaning ascribed thereto under the heading "*Plan of Distribution*";

"**Tax Act**" means the *Income Tax Act* (Canada), together with the regulations thereto;

"**Termination Time**" means the earliest of the following: (i) the closing of the Acquisition not occurring by 5:00 p.m. (Calgary time) on December 6, 2018 or such later date as may be consented to by MRCC in writing; (ii) the termination of the Arrangement Agreement in accordance with its terms; or (iii) the Company advising the Underwriter or the public that it does not intend to proceed with the Acquisition;

"**TSX**" means the Toronto Stock Exchange;

"**Underwriter**" or "**MRCC**" means Mackie Research Capital Corporation;

"**Underwriting Agreement**" means the underwriting agreement dated effective September 13, 2018 between the Company and the Underwriter relating to the Offering;

"**Unit**" means a unit of the Company consisting of one Unit Share and one-half of a Warrant;

"**United States**" means the United States of America;

"**Unit Share**" means a Common Share comprising part of a Unit in accordance with the provisions of the Subscription Receipt Agreement;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**Warrant**" means a Common Share purchase warrant of the Company;

"**Warrant Agent**" means Alliance Trust Company, in its capacity as warrant agent under the Warrant Indenture;

"**Warrant Indenture**" means the warrant indenture between the Company and the Warrant Agent governing the Warrants to be entered into on or before the time the Escrow Release Conditions are satisfied and the Escrow Release Notice has been delivered in accordance with the provisions of the Subscription Receipt Agreement; and

"**Warrant Share**" means a Common Share issuable pursuant to a Warrant in accordance with the provisions of the Warrant Indenture.

Barrels of Oil Equivalency Measures

This short form prospectus, and the documents incorporated herein by reference, include various references to "barrels of oil equivalent" (boe). The Company has adopted the industry-standard conversion ratio of six Mcf to one bbl when converting natural gas quantities to boes. Boes may be misleading, though, particularly if used in isolation.

A boe conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead or plant gate.

Although the six-to-one conversion factor is an industry accepted norm, it is not reflective of price or market value differentials between product types. Based on current commodity prices, the value ratio between natural gas and oil is significantly different than the six-to-one ratio based on energy equivalency. Accordingly, a conversion ratio based on six Mcf of natural gas to one bbl of oil may be misleading as an indication of value.

Currency References

Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars and the term "$000s" means thousands of dollars.

Abbreviations

In this short form prospectus and in certain documents incorporated herein by reference, the abbreviations set forth below have the following meanings:

Crude Oil and Natural Gas Liquids	
bbl	barrel
bbl/d	barrels per day
Mbbls	thousand barrels
MMbbls	million barrels
NGLs	natural gas liquids

Natural Gas	
Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
Btu	British thermal unit
MMbtu	million British thermal units
m^3	cubic metres

Barrels of Oil Equivalent	
boe	barrels of oil equivalent of natural gas on the basis of 1 boe for 6 Mcf of natural gas
MBoe	one thousand barrels of oil equivalent
MMBoe	one million barrels of oil equivalent
boe/d	barrels of oil equivalent per day

Conversion Ratios

In this short form prospectus and in certain documents incorporated herein by reference, certain measurements may be given in Standard Imperial Units or in International System of Units (or metric units). The following table sets forth certain standard conversions between the two measurement systems:

To Convert From	To	Multiply by
Mcf	thousand cubic metres ("10^3m^3")	0.0282
thousand cubic metres	Mcf	35.494
Bbl	cubic metres ("m^3")	0.159
cubic metres	bbl	6.290
Acres	hectares	0.405
Hectares	acres	2.471

RESERVES DATA DISCLOSURE

The reserves attributed herein to the Company's current and former properties are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater or less than those estimated, and the difference may be material.

Similarly, the future net revenues relating to reserves as presented in this short form prospectus and the AIF, incorporated herein by reference, are also estimates only, and it should not be assumed that they represent the fair market value of such reserves. There is no assurance that the forecast prices and cost assumptions applied by the independent qualified reserves evaluators in evaluating the reserves will be attained, and variances between actual and forecast prices and costs could be material.

In addition, estimates of reserves and related future net revenues for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

The determination of oil and gas reserves involves estimating subsurface accumulations of oil, natural gas and NGLs that cannot be measured in an exact manner. The preparation of estimates is subject to an inherent degree of associated risk and uncertainty, including factors that are beyond the Company's control. The estimation and classification of reserves is a complex process involving the application of professional judgment combined with geological and engineering knowledge to assess whether specific classification criteria have been satisfied. It requires significant judgments based on available geological, geophysical, engineering, and economic data as well as forecasts of commodity prices and anticipated costs. As circumstances change and additional data becomes available, whether through the results of drilling, testing and production or from economic factors such as changes in product prices or development and production costs, reserves estimates also change. Revisions may be positive or negative.

In accordance with the requirements of National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"), disclosure of reserves contained in this short form prospectus and the AIF, incorporated herein by reference, uses the applicable terminology and reserves categories set out in the Canadian Oil and Gas Evaluation Handbook ("**COGE Handbook**").

All estimates of future net revenue are after the deduction of royalties, development costs, production costs and well abandonment and reclamation costs but before consideration of indirect costs such as general and administrative, overhead, interest and other miscellaneous expenses.

Estimates of reserves and future net revenue have been made assuming that development of each property in respect of which the estimate is made will occur, without regard to the likely availability of funding required for that development.

Reserves Categories

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on: analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

- "***Proved reserves"*** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

- "***Probable reserves"*** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Other criteria that must also be met for the categorization of reserves are provided in the COGE Handbook.

Each of the reserves categories (proved and probable) may be divided into developed and undeveloped categories.

- "***Developed reserves***" are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

- "***Developed producing reserves***" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

- "***Developed non-producing reserves***" are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

- "***Undeveloped reserves***" are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved or probable) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed nonproducing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserve entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserves are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and

- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in the COGE Handbook.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Vice President, Finance and Chief Financial Officer of Prairie Provident at 1100, 640 – 5th Avenue S.W., Calgary, Alberta, T2P 3G4, telephone number (403) 292-8000. Copies of the documents incorporated herein by reference are also available at www.sedar.com.

The following documents of the Company have been filed with the securities commission or similar authority in certain of the provinces of Canada and are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

1. the annual information form of the Company dated March 28, 2018 for the year ended December 31, 2017 (the "**AIF**");

2. the information circular of the Company dated April 6, 2018 relating to the annual meeting of shareholders held on May 17, 2018;

3. the audited consolidated financial statements of the Company as at and for the years ended December 31, 2017 and 2016, together with the notes thereto and auditor's report thereon;

4. management's discussion and analysis of the financial condition and results of operations of the Company for the three months and year ended December 31, 2017;

5. the unaudited consolidated financial statements of the Company for the three and six month periods ended June 30, 2018 and 2017, together with the notes thereto;

6. management's discussion and analysis of the financial condition and results of operations of the Company for the three and six month periods ended June 30, 2018;

7. the "template version" (as defined in applicable Canadian securities law) of the term sheet dated September 14, 2018 prepared in connection with the Offering;

8. the material change report of the Company dated September 24, 2018 relating to the Acquisition;

9. the audited financial statements of Marquee as at and for the years ended December 31, 2017 and 2016, together with the notes thereto and the auditors' report thereon, a copy of which has been filed by the Company under its issuer profile on SEDAR; and

10. the unaudited financial statements of Marquee for the three and six month periods ended June 30, 2018 and 2017, together with the notes thereto, a copy of which has been filed by the Company under its issuer profile on SEDAR;

provided, however, that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this short form prospectus or in any other subsequently filed document that is also incorporated by reference in this short form prospectus.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any material change reports (excluding confidential reports), comparative interim financial reports, comparative annual financial statements and the auditors' report thereon, management's discussion and analysis of financial condition and results of operations, information circulars, annual information forms and business acquisition reports filed by the Company with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of the distribution under the Offering, shall also be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated herein by reference modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) that has been, or will be, filed on SEDAR before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this short form prospectus; provided, however, that any template version of any marketing materials are not part of this short form prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this short form prospectus.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

General

A purchaser should read this entire short form prospectus and the documents incorporated herein by reference and consult the purchaser's own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the securities offered under this short form prospectus. An investor should rely only on the information contained in this short form prospectus and the documents incorporated herein by reference and is not entitled to rely on parts of the information contained in this short form prospectus or the documents incorporated herein by reference to the exclusion of other parts. The Company has not, and the Underwriter has not, authorized anyone to provide investors with additional or different information. If anyone provides an investor with additional, different or inconsistent information, including statements in the media about the Company, the purchaser should not rely on it.

The Company nor the Underwriter is offering to sell the securities offered under this short form prospectus in any jurisdictions where the offer or sale is not permitted. The information contained in this short form prospectus and the documents incorporated herein by reference is accurate only as of the date of this short form prospectus or the particular document incorporated herein by reference, regardless of the time of delivery of this short form prospectus or any sale of such securities.

Neither the Company nor the Underwriter has done anything that would permit the Offering, or possession or distribution of this short form prospectus, in any jurisdiction where action for that purpose is required, other than in Canada (except the province of Québec). Investors are required to inform themselves about, and to observe, any restrictions relating to the Offering and the distribution of this short form prospectus.

Forward-Looking Statements

Certain information included in this short form prospectus and the documents incorporated herein by reference constitute forward-looking statements and forward-looking information (collectively referred to herein as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are typically (but not necessarily) identified by words such as "anticipate", "believe", "plan", "budget", "continue", "potential", "project", "estimate", "intend", "expect", "attempt", "target", "seek", "may", "will", "should", or similar words suggesting future outcomes. Although the Company believes that the forward-looking statements contained herein are reasonable based on currently available information, undue reliance should not be placed on them as they are subject to known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control, that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements are not guarantees of future outcomes.

In particular, this short form prospectus and the documents incorporated herein by reference contain forward-looking statements regarding, among other things:

- the size of the Offering;
- the use of the net proceeds of the Offering;
- the completion of the Offering and the Acquisition, and the timing thereof;

- the listing on the TSX of the Flow-Through Shares, the Subscription Receipts, the Unit Shares and Warrants, issuable pursuant to the Subscription Receipt Agreement, and the Warrant Shares issuable on exercise of the Warrants;
- the anticipated benefits of the Acquisition;
- the Company's ability to incur Qualifying CEE;
- the pro forma financial, operating and reserves information, production estimates and 2018 capital expenditures of Prairie Provident after completion of the Acquisition;
- the impact of the Acquisition on the Company's operations, infrastructure, reserves, inventory and opportunities, financial condition, access to capital, overall strategy, water flood program, market place liquidity and consolidation prospects;
- business plans and strategies;
- plans for and results of exploration and development activities;
- the source of funding for the Company's activities, including development costs;
- expectations regarding the Company's ability to raise capital and to add reserves and grow production through acquisitions, exploration and development;
- estimated quantities of natural gas, oil, and NGLs reserves within the Company's properties and recovery rates;
- estimated quantities of natural gas, oil, and NGLs reserves associated with Marquee and recovery rates;
- estimated net present value of future net revenues from identified reserves;
- market prices for oil, natural gas and NGLs;
- capital expenditures;
- exploration, development, operating and transportation costs;
- oil, natural gas and NGL production estimates;
- sources of oil, natural gas and NGL production growth;
- supply and demand for oil, natural gas and NGLs;
- foreign currency exchange rates, interest rates and inflation rates;
- treatment under governmental regulatory regimes and tax, environmental and other laws;
- future operating and financial results;
- realization of the anticipated benefits of acquisitions and dispositions;
- performance characteristics of the Company's oil and gas properties;
- commodity prices and costs;
- planned construction and expansion of facilities;
- drilling and completion plans;
- secondary recovery projects;
- availability of rigs, equipment and other goods and services;
- procurement of drilling licenses and other necessary authorizations;
- reserves life measurements;
- well abandonment costs and other abandonment and reclamation costs;

- provisions to be included in documents relating to the Offering, including the Subscription Receipt Agreement and the Warrant Indenture;
- changes in law, administrative policy, or tax assessment practices; and
- estimated cost allocations among the securities comprising the Subscription Receipts.

The Company's actual results could differ materially from those anticipated in its forward-looking statements as a result of the risk factors set forth below and elsewhere in this short form prospectus and in the documents incorporated herein by reference:

- completion of the Offering on the timing planned or at all;
- completion of the Acquisition on the terms specified or at all;
- the ability to realize the anticipated benefits of the Acquisition;
- potential undisclosed liabilities associated with the Acquisition;
- operational, environmental and reserves risks relating to the Acquisition;
- the receipt, in a timely manner, of regulatory, stock exchange and other required approvals in connection with the Offering and the Acquisition;
- the Company's ability to successfully integrate with Marquee following the Acquisition;
- general economic, market and business conditions in Canada, the United States and globally;
- variance of the Company's actual capital costs, operating costs and economic returns from those anticipated;
- risks inherent in oil and gas operations, including production risks associated with sour hydrocarbons;
- volatility in market prices for oil, natural gas and NGLs;
- differentials between benchmark commodity prices and those realizable by the Company;
- operational dependence on other industry participants;
- uncertainties associated with estimating oil, natural gas and NGL reserves;
- uncertainties associated with estimating production of oil, natural gas and NGLs from the Company's lands;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands, skilled personnel and services;
- unanticipated operating events that can reduce production or cause production to be shut in or delayed;
- incorrect assessments of the value of acquisitions or dispositions;
- geological, technical, engineering, drilling, completion and processing problems;
- increased operating costs;
- changes in laws and governmental regulations;
- actions by governmental authorities, including increases in royalties or taxes;
- accessibility of capital when required and on acceptable terms;
- changes in interest rates, currency exchange rates or inflation rates;
- stock market volatility and market valuations;
- ability to obtain required regulatory approvals and third party consents on a timely basis and on satisfactory terms; and
- those factors discussed under "*Risk Factors*" in the AIF.

The foregoing list of factors is not and should not be construed as exhaustive.

In addition, information and statements relating to "reserves" or other "resources" are forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves or other resources described exist in the quantities predicted or estimated and, in the case of reserves, can profitably be produced in the future. See also "*Reserves Data Disclosure*" herein and in the AIF.

Information and statements in the nature of a financial outlook are also forward-looking statements as they relate to prospective financial performance, financial position or cash flows based on assumptions about future economic conditions and courses of actions. See "- *Financial Outlook Information"* below.

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on assumptions, and are subject to known and unknown risks and uncertainties, both general and specific, many of which are beyond the Company's control, that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. There can be no assurance that the plans, intentions or expectations contained in the forward-looking statements or upon which they are based will in fact occur or be realized. Actual results will differ, and the difference may be material and adverse to the Company and its shareholders.

Forward-looking statements are based on the Company's current beliefs, as well as assumptions made by and information currently available to the Company concerning, such matters as: the timing of obtaining regulatory and other approvals relating to the completion of the Offering and the Acquisition; the accuracy of geological and geophysical data and interpretations of that data; the ability of the Company to achieve drilling success consistent with management's expectations; the timing and cost of pipeline and facility construction and expansion and the ability of the Company to secure adequate product transportation; future oil, natural gas and NGLs prices at which the Company's production may be sold; future capital requirements and expenditures; future exchange rates; the accessibility and cost of capital (including credit facilities); the ability to obtain financing on acceptable terms or at all; future exploration, development, operating and transportation costs; the ability to economically produce oil and gas from its properties and the timing and cost to do so; the ability to add production and reserves through development and exploration activities; the ability to obtain qualified staff, equipment, services and supplies in a timely and cost-efficient manner; applicable regulatory requirements, including with respect to environmental protection; applicable royalty rates; and available means by which to bring the Company's production to market. Although management considers its beliefs and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

The forward-looking statements contained in this short form prospectus and the documents incorporated herein by reference are made as of the date hereof and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities laws.

All forward-looking statements contained in this short form prospectus and the documents incorporated herein by reference are expressly qualified by this cautionary statement.

OIL AND GAS METRICS AND NON-IFRS MEASURES

This short form prospectus and certain documents incorporated herein by reference include reference to metrics commonly used in the oil and gas industry but which do not have standardized meanings or methods of calculation under IFRS, the COGE Handbook or applicable law, including "operating netback", "run rate cash flow" and "reserve life index", as disclosed herein. Accordingly, such metrics, as determined by the Company and presented in this short form prospectus or documents incorporated herein by reference, may not be comparable to similarly defined or described measures presented by other entities, and should not be used for any such comparisons. These metrics are provided as supplementary information by which readers may wish to consider the Company's performance, but should not be relied upon for comparative or investment purposes. With respect to the metrics referred to herein:

- The Company calculates "operating netback" as production revenues (excluding realized and unrealized gains and losses on commodity hedging) less royalties and operating expenses, calculated on a per boe basis. The Company considers operating netback to provide a useful measure by which to evaluate operational performance as an indicator of field-level profitability relative to current commodity prices.

- The Company calculates "run rate cash flow" by multiplying annualized production by operating netback. The Company considers run rate cash flow to be a useful measure of the ability to generate cash flow necessary to repay debt or fund future capital investment.

- The Company calculates "reserve life index" by dividing estimated reserves by annualized production.

FINANCIAL OUTLOOK INFORMATION

The information disclosed in this short form prospectus regarding operating netback, run rate cash flow and reserve life index in respect of the Acquisition constitutes financial outlook information within the meaning of applicable Canadian securities laws. Statements containing a financial outlook are forward-looking statements and therefore subject to the assumptions, risk factors, limitations and qualifications set forth under "*Cautionary Note Regarding Forward-Looking Statements– Forward-Looking Statements*" above. More particularly, the information contained herein concerning operating netback and run rate cash flow in respect of the Acquisition is based on the assumptions relating to forecast 2019 operating netback set forth under "*Recent Developments– Acquisition of Marquee Energy Ltd.–Transaction Highlights*" and the further assumption that production (both as the volumes and product type) will remain stable at approximately 2,700 boe/d (53% oil and liquids) over the 12 months following the Acquisition Closing Date. All such financial outlook information is made as of the date hereof and is provided for the sole purpose of describing the Company's internal expectations as to the effect of the Acquisition on its cash flows for the stated period. Readers are cautioned that the financial outlook information contained herein should not be used, and may be inappropriate, for any other purpose.

PRAIRIE PROVIDENT RESOURCES INC.

The Company is a Calgary-based public company engaged in the exploration and development of oil and natural gas, with conventional operations primarily focused in the Western Canadian Sedimentary Basin in Alberta. The Company's strategy is to combine economic growth with accretive acquisitions of conventional oil and gas prospects that bring operational synergy and/or additional developmental potential. The Company maintains a high working interest in a portfolio of oil and gas properties, consisting of light and medium oil with associated natural gas. The Company's core areas are its Wheatland and Princess properties in Southern Alberta and its Evi property located in the Peace River Arch area of Northern Alberta.

For a more complete description of, among other things, the business, operations and structure of the Company and its subsidiaries please refer to the current AIF of the Company incorporated herein by reference.

RECENT DEVELOPMENTS

Acquisition of Marquee Energy Ltd.

On September 13, 2018, Prairie Provident entered into the Arrangement Agreement with Marquee, pursuant to which the parties agreed to pursue a statutory arrangement under section 193 of the ABCA that, if implemented, would effect the corporate acquisition by the Company of all of the outstanding Marquee Shares. The terms of the proposed arrangement provide that each Marquee shareholder will, on implementation, receive 0.0886 of a Common Share for each Marquee Share held. See "*Summary of Arrangement Process*".

Based on there being 435,772,196 Marquee Shares outstanding, the agreed exchange ratio of 0.0886 of a Common Share for every one Marquee Share will result in Prairie Provident issuing an aggregate of 38,609,417 Common Shares to Marquee shareholders pursuant to the Acquisition. Based on the closing price of the Common Shares on the TSX of $0.42 per share on September 12, 2018, being the day before public announcement of the Acquisition, such number of Common Shares had an aggregate value of approximately $16.2 million.

Marquee is a junior oil and gas company producing approximately 2,700 boe/d (greater than 50% oil and liquids) at the time of entering the Arrangement Agreement. Its core assets are located in the Michichi area of Alberta, where it owns a high working interest position in a large, delineated Banff light oil accumulation with more than 60 proved undeveloped drilling locations (based on the Marquee Report) and also owns and operates a pipeline-connected 2,000 bbl/d central oil battery as well as two gas plants and associated gas gathering infrastructure with 15 MMcf/d of combined processing capacity. The Company expects to realize considerable operating synergies from these facilities and infrastructure assets, in addition to general and administrative cost savings from consolidation.

Completion of the Acquisition will result in Marquee becoming a wholly-owned subsidiary of Prairie Provident, with the combined enterprise thereafter having three core areas (Michichi/Wayne, Princess and Evi) offering light oil exposure and greater capital allocation alternatives over an enlarged asset base, with better economies of scale, lower risk development drilling opportunities, a proven water flood program, potentially improved marketplace liquidity and future consolidation prospects. The combined company will operate over 90% of its production and have an average working interest greater than 98% in its core areas.

The Company currently anticipates that total corporate production on completion of the Acquisition will rise to approximately 7,700 boe/d (67% oil and liquids) based on pro forma forecasts for November 2018. The Acquisition will more than double estimated proved plus probable reserves to 43,321 Mboe (based on company gross year-end reserves volumes evaluated by Sproule in the PPR Report and the Marquee Report, respectively, at December 31, 2017).

Transaction Highlights

Following are various highlight measures regarding Marquee's assets, with reserves data information based on the Marquee Report effective December 31, 2017. Further information regarding Marquee's reserves data and other oil and gas information is provided below under "*Information on Marquee's Properties*".

Total purchase price [(1)].. $55 million

Current Marquee production.. 2,700 boe/d (53% oil and liquids)

Total net undeveloped land (at Michichi) [(2)]... 187 sections (140 sections at Michichi)

Net proved undeveloped drilling locations [(3)]... 62

Marquee reserves volumes (Mboe): [(4)]

  Proved developed producing reserves .... 5,270 (50% oil and NGLs)

  Proved reserves.. 13,915 (62% oil and NGLs)

  Proved plus probable reserves .... 22,643 (64% oil and NGLs)

Marquee net present value of estimated future net revenues from reserves (before taxes and discounted at 10% per year): [(4)]

  Proved developed producing reserves .... $67 million

  Proved reserves.. $154 million

  Proved plus probable reserves .... $262 million

Notes:

(1) Based on there being 435,772,196 Marquee Shares outstanding, the agreed exchange ratio of 0.0886 of a Common Share for every one Marquee Share will result in Prairie Provident issuing an aggregate of 38,609,417 Common Shares to Marquee shareholders pursuant to the Acquisition. Based on the closing price of the Common Shares on the TSX of $0.42 per share on September 12, 2018, being the day before public announcement of the Acquisition, such number of Common Shares had an aggregate value of approximately $16.2 million. Adding that value to Marquee's estimated net debt (within the meaning of the Arrangement Agreement, as set forth below) at closing of $39 million yields an indicative total purchase price of approximately $55 million (exclusive of transaction costs). For the purposes of the Arrangement Agreement, Marquee's net debt at closing will be calculated as the total value, as determined in accordance with IFRS (on a consolidated basis), of any and all cash, bank debt, working capital deficit (inclusive of accounts

receivable, prepaid expenses, deposits and accounts payable), current tax liabilities and any and all other liabilities (in each case with respect to each of the foregoing liabilities inclusive of any and all accrued liabilities), but excluding certain costs relating to the Acquisition and certain ancillary transactions, the marked-to-market value of any derivative instruments, decommissioning liabilities and the potential proceeds of its previously-announced non-core asset sale.

(2) Estimated as at June 30, 2018.

(3) Drilling locations to which proved reserves were attributed in the Marquee Report as at December 31, 2017, adjusted for the number of such locations drilled to date in 2018.

(4) Net reserves volumes and related estimates of future net revenue, as evaluated by Sproule in the Marquee Report, effective December 31, 2017.

Acquisition Metrics

Based on a deemed purchase price of approximately $55 million (exclusive of transaction costs), the Acquisition implies the following purchase price multiples:

Current production (1)... $20,451 per boe/d

Run rate cash flow (2) 3.2x

Finding, development and acquisition (FD&A) cost: (3)(4)

Proved developed producing reserves .... $10.48 per boe

Proved reserves.. $3.97 per boe

Proved plus probable reserves .... $2.44 per boe

Net present value of estimated future net revenues from reserves (before taxes and discounted at 10% per year): (3)

Proved developed producing reserves 0.82x

Proved reserves.. 0.36x

Proved plus probable reserves 0.21x

Notes:

(1) Calculated here as $55 million divided by 2,700 boe/d.

(2) Calculated here as $55 million divided by forecast run rate cash flow of approximately $17.5 million. Run rate cash flow is calculated by multiplying annualized current production from Marquee of 2,700 boe/d by forecast 2019 operating netback for the Marquee assets of $17.76/boe. The forecast 2019 operating netback figure is based on assumed production revenue of $39.50 per boe (in turn derived from the Company's 2019 commodity price forecasts of US$67.00/bbl WTI and C$1.60/GJ AECO, a CAD/USD exchange rate of 0.78 CAD to 1.00 USD, and a selling price differential to WTI consistent with recent average price realization for area production, operating costs of approximately $17.80 per boe (based on the current and historical operating cost experience in the area), and royalties of approximately $3.94 per boe (based on a 10% Crown royalty rate) and is before any realized hedging gains or loss).

(3) Calculated here as $55 million divided, in each case, by year-end reserves volumes or net present values of related future net revenues, as applicable, as evaluated by Sproule in the Marquee Report effective December 31, 2017.

(4) Exclusive of estimated future development capital of $129 million in respect of proved reserves and $215 million in respect of proved plus probable reserves, respectively, as evaluated by Sproule in the Marquee Report.

Selected Pro Forma Operational Information

Set forth below are selected pro forma measures for Prairie Provident assuming completion of the Acquisition and Marquee thereupon becoming part of the Company's consolidated enterprise.

Pro forma corporate production (estimate for November 2018)............................7,700 boe/d (67% oil and liquids)

Pro forma proved plus probable reserves (1) ....43,321 Mboe

Pro forma proved plus probable reserves life index (2) ....15.4 years

Pro forma land base (at June 30, 2018) ....approximately 715,000 net acres

Pro forma proved undeveloped drilling locations (net) 114

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Notes:

(1) Calculated by adding the Company's proved plus probable reserves, based on the PPR Report, to Marquee's proved plus probable reserves, based on the Marquee Report, in each case effective December 31, 2017.

(2) Calculated by dividing: (i) total combined proved plus probable reserves volumes as at December 31, 2017 based on the PPR Report and the Marquee Report, respectively (being 43,321 Mboe in total); by (ii) estimated pro forma production of 7,700 boe/d.

The following table sets out certain combined reserves data (effective December 31, 2017) for Prairie Provident and Marquee, derived by adding to each identified item of reserves data of the Company the corresponding item of Marquee, based on the PPR Report and the Marquee Report, respectively (in each case applying forecast prices and costs). All numbers in the table are presented on a company gross basis.

(as of December 31, 2017, based on forecast prices)	**Prairie Provident**	**Marquee**	**Combined Company (Pro Forma)**
Proved Developed Producing Reserves			
Light and Medium Crude Oil (Mbbl)	6,223	2,376	8,599
Heavy Oil (Mbbl)	82	—	82
Natural Gas Liquids (Mbbl)	280	260	540
Conventional Natural Gas (MMcf)	11,302	15,422	26,724
Coal Bed Methane (MMcf)	—	386	386
Combined (Mboe)	8,468	5,270	13,738
Total Proved Reserves			
Light and Medium Crude Oil (Mbbl)	10,616	8,062	18,678
Heavy Oil (Mbbl)	90	—	90
Natural Gas Liquids (Mbbl)	429	625	1,054
Conventional Natural Gas (MMcf)	19,288	30,981	50,269
Coal Bed Methane (MMcf)	—	386	386
Combined (Mboe)	14,350	13,915	28,265
Total Proved plus Probable Reserves			
Light and Medium Crude Oil (Mbbl)	15,036	13,428	28,464
Heavy Oil (Mbbl)	309	—	309
Natural Gas Liquids (Mbbl)	605	1,006	1,611
Conventional Natural Gas (MMcf)	28,362	48,762	77,124
Coal Bed Methane (MMcf)	—	489	489
Combined (Mboe)	20,678	22,643	43,321

Information on Marquee's Properties

Reserves Data Estimates

The following tables sets forth estimates of proved reserves and probable reserves and related future net revenue attributed to Marquee's properties as of December 31, 2017, based on the Marquee Report. The Marquee Report was based on forecast prices and costs as of December 31, 2017, using Sproule's pricing, exchange rate and inflation rate assumptions as of December 31, 2017, and was prepared in accordance with NI 51-101.

SUMMARY OF OIL AND GAS RESERVES
as of December 31, 2017

FORECAST PRICES AND COSTS

	Light and Medium Crude Oil		Conventional Natural Gas (Solution Gas)		Conventional Natural Gas (Associated and Non-Associated Gas)		Coal Bed Methane		Natural Gas Liquids	
Reserves Category	**Gross (Mbbl)**	**Net (Mbbl)**	**Gross (MMcf)**	**Net (MMcf)**	**Gross (MMcf)**	**Net (MMcf)**	**Gross (MMcf)**	**Net (MMcf)**	**Gross (Mboe)**	**Net (Mboe)**
Proved										
Developed Producing	2,376	2,200	6,746	6,351	8,686	7,918	386	346	260	194
Developed Non-Producing	86	82	399	361	16	15			9	7
Undeveloped	5,600	5,074	15,145	14,285	—	—	—	—	357	318
Total Proved	8,062	7,357	22,290	20,997	8,691	7,933	386	346	625	519
Probable	5,366	4,581	15,010	13,854	2,772	2,502	103	93	381	314
Total Proved plus Probable	13,428	11,938	37,299	34,851	11,463	10,435	489	438	1,006	833

SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE
as of December 31, 2017

FORECAST PRICES AND COSTS ($000s)
(Before and After Income Taxes)

	Before Income Taxes - Discounted at (%/year)					After Income Taxes - Discounted at (%/year)					Unit Value (1) Before Income Taxes - Discounted at 10%/year
Reserves Category	**0%**	**5%**	**10%**	**15%**	**20%**	**0%**	**5%**	**10%**	**15%**	**20%**	**$/boe**
Proved											
Developed Producing	98,321	80,085	66,995	57,512	50,446	98,321	80,085	66,995	57,512	50,446	13.87
Developed Non-Producing	2,043	1,544	1,217	990	825	2,043	1,544	1,217	990	825	8.04
Undeveloped	185,359	125,210	85,589	59,383	41,478	166,780	115,282	80,022	56,131	39,511	11.01
Total Proved	285,722	206,839	153,801	117,885	92,748	267,144	196,910	148,234	114,633	90,781	12.06
Provable	220,978	150,839	108,444	81,256	63,134	160,515	110,923	80,816	61,471	48,401	14.20
Total Proved plus Probable	506,700	357,678	262,246	199,241	155,882	427,659	307,893	229,049	176,104	139,182	12.86

Note:

(1) Unit values are based on net reserves.

TOTAL FUTURE NET REVENUE (UNDISCOUNTED) as of December 31, 2017

FORECAST PRICES AND COSTS ($000s)

Reserves Category	Revenue [1]	Royalties [2]	Operating Costs	Development Costs	Abandonment and Reclamation Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
Total Proved	800,944	59,998	303,229	129,203	22,792	285,722	18,579	267,144
Total Proved plus Probable	1,338,179	124,679	462,788	215,070	28,942	506,700	79,042	427,659

Notes:

(1) Total Revenue includes Marquee revenue before royalty and includes other income.

(2) Royalties include Crown, freehold, overriding royalties and freehold mineral tax.

FUTURE NET REVENUE BY PRODUCT TYPE as of December 31, 2017

FORECAST PRICES AND COSTS

Reserves Category	Production Type	Future Net Revenue Before Income Taxes [1] (discounted at 10%/year) $000s	$/boe
Total Proved	Light and Medium Crude Oil [2]	148,891	13.29
	Conventional Natural Gas [3]	3,673	2.46
	Coal Bed Methane [4]	418	6.96
	Other Items [5]	820	
	Total Proved	**153,801**	
Total Proved plus Probable	Light and Medium Crude Oil [2]	254,943	13.88
	Conventional Natural Gas [3]	5,976	3.06
	Coal Bed Methane [4]	500	6.57
	Other Items [5]	827	
	Total Proved Plus Probable	**262,246**	

Notes:

(1) Unit values are based on net reserves for each product type.

(2) Including solution gas (gas dissolved in crude oil) and other by-products.

(3) Including by-products but excluding solution gas.

(4) Including associated by-products.

(5) Other Items include Alberta Capital GCA, Select Schedules A& R Costs and Other Items.

Pricing and Inflation Rate Assumptions

The reserves data estimates set forth above are based on forecast prices and costs, using Sproule's pricing, exchange rate and inflation rate assumptions as of December 31, 2017.

The forecast price and cost assumptions used by Sproule in its evaluation of Marquee's reserves data assume increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs. The following table sets forth commodity benchmark reference pricing, inflation rates and exchange rates utilized by Sproule in the Marquee Report, which were provided by Sproule and was Sproule's then-current standard price forecast effective December 31, 2017. Price offsets and differentials for each property were determined by comparing actual historical benchmark prices to actual prices received at the property.

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS
USED IN PREPARING RESERVES DATA
as of December 31, 2017

FORECAST PRICES AND COSTS

Year	Crude Oil			Natural Gas	NGLs			Inflation Rate		
Year	WTI Crude Oil (1) ($US/bbl)	Light Sweet Crude Oil (2) ($Cdn/bbl)	Western Canadian Select Crude Oil (3) ($Cdn/bbl)	Natural Gas AECO-C (NIT) Spot ($Cdn/ MMBtu)	Edmonton Propane ($Cdn/bbl)	Edmonton Butane ($Cdn/bbl)	Edmonton Condensate ($Cdn/bbl)	Inflation Rate – Operating Costs (%/Year)	Inflation Rate – Capital Costs (%/Year)	Exchange Rate ($US/$Cdn)
Historical										
2013	97.98	93.27	74.93	3.13	38.37	69.88	105.48	1.0%	0.7%	0.971
2014	93.00	93.99	81.06	4.50	44.42	68.02	102.39	2.0%	-1.0%	0.905
2015	48.80	57.45	44.83	2.70	6.17	36.81	61.45	1.8%	-23.2%	0.783
2016	43.32	52.80	38.89	2.18	13.60	34.32	55.71	1.2%	-3.4%	0.755
2017	50.95	61.84	48.78	2.20	28.77	44.11	67.21	2.2%	-3.4%	0.771
Forecast										
2018	55.00	65.44	51.05	2.85	26.06	48.73	67.72	0%	0%	0.790
2019	65.00	74.51	59.61	3.11	32.84	55.49	75.61	2.0%	2.0%	0.820
2020	70.00	78.24	64.94	3.65	35.41	57.65	78.82	2.0%	2.0%	0.850
2021	73.00	82.45	68.43	3.80	37.85	60.12	82.35	2.0%	2.0%	0.850
2022	74.46	84.10	69.80	3.95	39.29	61.32	84.07	2.0%	2.0%	0.850
2023	75.95	85.78	71.20	4.05	40.25	62.55	85.82	2.0%	2.0%	0.850
2024	77.47	87.49	72.62	4.15	41.23	63.80	87.61	2.0%	2.0%	0.850
2025	79.02	89.24	74.07	4.25	42.23	65.07	89.43	2.0%	2.0%	0.850
2026	80.60	91.03	75.55	4.36	43.26	66.37	91.29	2.0%	2.0%	0.850
2027	82.21	92.85	77.06	4.46	44.30	67.70	93.19	2.0%	2.0%	0.850
2028	83.85	94.71	78.61	4.57	45.36	69.06	95.12	2.0%	2.0%	0.850
Thereafter	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	2.0%	2.0%	0.850

Notes:

(1) West Texas Intermediate (WTI) at Cushing, Oklahoma, 40º API, 0.5% sulphur.

(2) Canadian Light Sweet at Edmonton, Alberta, 40º API, 0.3% sulphur.

(3) Western Canadian Select at Hardisty, Alberta, 20.5 º API.

Future Development Costs

The following table sets forth total future development costs deducted in Sproule's estimation of future net revenue (based on forecast prices and costs) attributable to Marquee's proved reserves and proved plus probable reserves, using forecast prices and costs.

FUTURE DEVELOPMENT COSTS

FORECAST PRICES AND COSTS ($000s)
undiscounted

Year	Proved Reserves	Proved Plus Probable Reserves
2018	30,162	36,708
2019	53,821	74,496
2020	11,900	31,650
2021	33,320	72,216
2022	0	0
Thereafter	0	0
Total (undiscounted)	**129,203**	**215,070**

Oil and Gas Wells

The following table sets forth the number and status of wells in which Marquee owned a working interest as of December 31, 2017.

	Light and Medium Crude Oil Wells		Conventional Natural Gas Wells	
	Gross	Net	Gross	Net
Producing				
Alberta	138	117	239	154
Non-Producing				
Alberta	124	102	214	163
Total	262	219	453	317

2018 Production Estimates

The following table sets forth, for each product type, the estimated 2018 average daily volume of production reflected in Sproule's estimates of Marquee's gross proved reserves, gross probable reserves and gross proved plus probable reserves, as set forth in the tables above.

	Light and Medium Crude Oil (bbl/d)	Conventional Natural Gas (Mcf/d)	Natural Gas Liquids (bbl/d)	Total Oil Equivalent (boe/d)
Total Proved	1,680	7,825	149	3,133
Total Probable	386	1,191	28	613
Total Proved plus Probable	2,066	9,016	177	3,746

2017 Production History

The following table sets forth, by product type, Marquee's production volumes on a quarterly basis for the year ended December 31, 2017.

	Three Months Ended			
	March 31, 2017	June 30, 2017	Sept 30, 2017	Dec 31, 2017
Light and Medium Crude Oil (bbls/d)	1,000	1,174	1,069	1,265
Conventional Natural Gas (Mcf/d)	8,082	10,141	9,408	8,722
NGLs (bbls/d)	132	159	154	155
Combined (boe/d)	2,479	3,024	2,791	2,874

Financial Information

Historical Financial Information on Marquee

Historical financial information on Marquee is reflected in Marquee's financial statements for the year ended December 31, 2017 and for the three and six month periods ended June 30, 2018, which are incorporated by reference in this short form prospectus.

Pro Forma Financial Information

Attached as Appendix "A" are pro forma financial statements of the Company, including pro forma consolidated statements of income (loss), for the year ended December 31, 2017 and for the six months ended June 30, 2018 giving effect to the Acquisition as if it was completed on January 1, 2017.

Following is a summary of selected financial information for the Company on a pro forma basis after giving effect to the Acquisition, which must be read in conjunction with the pro forma financial statements.

	For the year ended December 31, 2017			
Year	Company	Marquee	Pro Forma Adjustments	Pro Forma
Oil and natural gas revenue	79,011	32,048	5,381	116,440
Royalties	(10,373)	(1,951)	(596)	(12,920)
Oil and natural gas revenues, net of royalties	68,638	30,097	4,785	103,520
Operating expenses	38,650	16,842	2,091	57,583
Operating income [(1)]	29,988	13,255	2,694	45,937

	For the six months ended June 30, 2018			
Year	Company	Marquee	Pro Forma Adjustments	Pro Forma
Oil and natural gas revenue	43,470	20,042	—	63,512
Processing income	—	300	—	300
Royalties	(6,352)	(995)	—	(7,347)
Oil and natural gas revenues, net of royalties	37,118	19,347	—	56,465
Operating expenses	17,539	11,523	—	29,062
Operating income [(1)]	19,579	7,824	—	27,403

Note:

(1) Operating income is calculated by deducting royalties paid and operating expenses (including transportation expenses and production and property taxes) from oil and natural gas revenue and processing income.

Summary of Arrangement Process

The Arrangement Agreement commits each of Prairie Provident and Marquee to pursue implementation of the Acquisition through a statutory arrangement under the ABCA, upon and subject to the terms and conditions of the Arrangement Agreement. In order for the Acquisition to become effective, the following (among other things) must occur:

- a special resolution approving the Acquisition must be passed by the Marquee shareholders at a special meeting to be held in November, by a majority of not less than two-thirds of votes cast in person or by proxy at the meeting;

- if so approved by the Marquee shareholders, the Acquisition must, in accordance with the requirements of the ABCA, be approved by the Court of Queen's Bench of Alberta;

- all other conditions precedent to implementation, as set out in the Arrangement Agreement, must be satisfied or waived by the party for whose benefit it exists, including TSX approval; and

- requisite documentation must be filed with the Alberta Registrar of Corporations.

Subject to shareholder, court and TSX approvals, and to satisfaction or waiver of all other conditions, the Acquisition is expected to close by November 30, 2018.

The Arrangement Agreement contains various covenants, representations and warranties of, and conditions precedent in favour of, each of Prairie Provident and Marquee. The covenants generally relate to the process for bringing the Acquisition proposal before the Marquee shareholders, obtaining required necessary stakeholder, regulatory and third party approvals, and implementing the plan of arrangement. Marquee and, to a lesser extent, Prairie Provident are also subject to certain interim operating covenants that restrict certain conduct in the period between signing the Arrangement Agreement and completing the transaction, and Marquee is bound by a customary covenant not to solicit or endorse alternative transactions.

The obligations of each party to complete the transaction are subject to various conditions, some mutual and others in favour of only the Company or Marquee.

Under TSX requirements, the issuance of Common Shares to Marquee shareholders pursuant to the Acquisition must also be approved by the holders of a majority of the outstanding Common Shares. Holders of approximately 43% of the outstanding Common Shares have consented to the share issuance and agreed to vote in favour of the Acquisition at any meeting that may be required for such purpose. The TSX may, in its discretion, accept evidence of requisite Prairie Provident shareholder approval in respect of the Acquisition without the holding of a formal meeting. If required, however, a special meeting of Prairie Provident shareholders will be called and held in November to approve the issuance of the Common Shares under the Acquisition.

DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED

Flow-Through Shares

Although the Flow-Through Shares have different attributes for purposes of the Tax Act, all of the Flow-Through Shares are Common Shares. Holders of Common Shares are entitled to receive notice of and to vote (on the basis of one vote for every share held) at meetings of shareholders of the Company, and subject to any priorities attaching to any future class of shares, the right to receive any dividend declared by the Company and to share rateably in any distribution of its remaining property on dissolution.

There are no pre-emptive rights or conversion privileges attached to the Common Shares, and the Common Shares are not subject to redemption.

The Company is authorized to issue an unlimited number of Common Shares. As of the date of this short form prospectus, 115,849,110 Common Shares are issued and outstanding. See "*Consolidated Capitalization*" below.

The Flow-Through Shares will be issued as "flow-through shares" under the Tax Act. Subscriptions for Flow-Through Shares will be made pursuant to one or more subscription and renunciation agreements (collectively, the "**Subscription Agreements**") to be made between the Company and the Underwriter or one or more sub-agents of the Underwriter, as agent for, on behalf of and in the name of all initial purchasers (in this section, the "**purchasers**") of Flow-Through Shares. **Persons who place an order to purchase Flow-Through Shares with the Underwriter, or any sub-agent of the Underwriter, will be deemed to have authorized the Underwriter, or any such sub-agents, to execute and deliver, on their behalf, the Subscription Agreements.**

Pursuant to the Subscription Agreements, except as may be agreed to by the Company and the Underwriter as necessary in certain limited circumstances, the Company will covenant and agree: (i) to incur or be deemed to incur and to renounce to each purchaser of Flow-Through Shares effective on or before December 31, 2018, CEE in an amount equal to the aggregate purchase price paid by such purchaser of Flow-Through Shares; and (ii) that if the Company does not renounce to such purchaser an amount equal to the purchaser's aggregate purchase price on or before the agreed date, or if there is a reduction in the amount renounced pursuant to the provisions of the Tax Act, the Company shall indemnify the purchaser with respect to, and forthwith pay in settlement thereof to such purchaser, an amount equal to the amount of any tax payable or that may become payable under the Tax Act (and under any corresponding provincial legislation) by the purchaser (or if the purchaser is a partnership, the partners thereof) as a consequence of such failure or reduction. The Subscription Agreements will contain additional representations, warranties, covenants and agreements by the Company in favour of the purchaser of Flow-Through Shares which are consistent with and supplement the Company's obligations as described in this short form prospectus. See "*Certain Canadian Federal Income Tax Considerations – Taxation of Resident Holders of Flow-Through Shares*".

The Subscription Agreements will also provide representations, warranties and agreements of each purchaser, and by their purchase of Flow-Through Shares, each purchaser of Flow-Through Shares, except as may be agreed to by the Company and the Underwriter as necessary in certain limited circumstances, will be deemed to have represented, warranted and agreed, for the benefit of the Company and the Underwriter that: (i) the purchaser of Flow-Through Shares, and any beneficial purchaser for whom it is acting deals, and until January 1, 2020 will continue to deal, at arm's length with the Company for the purposes of the Tax Act; (ii) the purchaser, if an individual, is of the full age of majority and otherwise is legally competent to enter into the Subscription Agreements or, if other than an individual, has the necessary capacity and authority to enter into the Subscription Agreements and has taken all necessary action in respect thereof; (iii) other than as provided herein and in the Subscription Agreements, the purchaser waives any right that it may have to any potential incentive grants, credits and similar or like payments or benefits which accrue as a result of the activities of the Company that give rise to CEE and acknowledges that all such grants, credits, payments or benefits accrue to the benefit of the Company; (iv) the purchaser has received and reviewed a copy of this short form prospectus; (v) neither the purchaser, nor any beneficial purchaser for whom it is acting, will enter into any arrangement that would cause the Flow-Through Shares to be "prescribed shares" for purposes of the Tax Act; (vi) the liability of the Company to renounce CEE shall be limited to the extent specifically stated in this short form prospectus, the Underwriting Agreement and the Subscription Agreements; (vii) the Subscription Agreements are subject to acceptance by the Company and is effective only upon such acceptance; and (viii) neither the purchaser, nor any beneficial purchaser for whom it is acting is a non-resident of Canada for purposes of the Tax Act.

In addition, the Subscription Agreements will also provide that each purchaser and beneficial purchaser will acknowledge that he/she/it has been encouraged to and should obtain independent legal and tax advice with respect to his/her/its subscription and, accordingly, has been independently advised as to the meanings of all terms contained in the Subscription Agreements relevant to the purchaser or beneficial purchaser for purposes of giving representations, warranties and covenants under the Subscription Agreement.

Subscription Receipts

The following summary of the material attributes and characteristics of the Subscription Receipts, and certain anticipated provisions of the Subscription Receipt Agreement which does not purport to be complete and is subject to, and qualified in its entirety by, the detailed provisions of the executed Subscription Receipt Agreement to be entered into on or before the Offering Closing Date between the Company, the Escrow Agent and MRCC. The Subscription Receipt Agreement will contain a full description of the attributes of the Subscription Receipts. Once executed, the Subscription Receipt Agreement: (i) will be filed on SEDAR under the issuer profile of Prairie Provident at www.sedar.com; and (ii) may be obtained on request without charge from the Vice President, Finance & Chief Financial Officer of Prairie Provident at Suite 1100, 640 – 5th Avenue S.W., Calgary, Alberta T2P 3G4, telephone (403) 292-8000. A register of holders of Subscription Receipts will be maintained at the principal offices of the Escrow Agent in Calgary, Alberta.

The Subscription Receipts will be governed by, and will be issued at the Offering Closing Date pursuant to the Subscription Receipt Agreement. The gross proceeds from the sale of the Subscription Receipts hereunder, being the Escrowed Proceeds, will be held by the Escrow Agent and invested in short-term obligations of, or guaranteed by, the Government of Canada (and/or other approved investments) until the earlier of: (i) the delivery of the Escrow Release Notice to the Escrow Agent; and (ii) the Termination Time. Upon satisfaction of the Escrow Release Conditions and receipt by the Escrow Agent of the Escrow Release Notice from the Company and the Underwriter, the Escrowed Proceeds and the interest earned thereon (less such portion of the Underwriter's fee payable on the Subscription Receipts to the Underwriter together with the interest earned thereon) will be released to the Company.

Upon closing of the Acquisition, each holder of Subscription Receipts will receive, without payment of additional consideration or further action on the part of the holder thereof, one Unit Share and one-half of a Warrant for each Subscription Receipt held. The Unit Shares and Warrants comprising the Units will be available for delivery commencing on the second business day after the delivery of the Escrow Release Notice. Immediately upon the closing of the Acquisition, and in accordance with the terms and conditions of the Subscription Receipt Agreement, the Company and the Underwriter, will: (i) execute and deliver to the Escrow Agent the Escrow Release Notice; and (ii) deliver a direction to the Escrow Agent, in its capacity as transfer agent of the Common Shares, to issue the Unit Shares and Warrants issuable pursuant to the Subscription Receipts. Contemporaneously with the delivery of the Escrow Release Notice, the Company will issue a press release announcing that the Unit Shares and Warrants have been issued.

If the Termination Time occurs, then holders of Subscription Receipts shall be entitled to receive an amount per Subscription Receipt equal to the Subscription Receipt Issue Price and their *pro rata* share of interest earned thereon (less any applicable withholding tax). Payment of such amounts by the Company shall be satisfied by mailing or delivering payment by cheque or wire transfer to the registered holders of the Subscription Receipts at their respective registered addresses no later than the second business day following the date on which the Termination Time occurred. The Escrowed Proceeds will be applied toward payment of such amount.

In order to effect a subdivision, consolidation, reclassification or other change of the Common Shares or any reorganization, amalgamation, merger or sale of all or substantially all of the assets of the Company prior to the date any Unit Shares or Warrants become issuable pursuant to the Subscription Receipts, the Company must obtain the prior consent of the Underwriter (such consent not be unreasonably withheld, delayed or withheld) pursuant to the Subscription Receipt Agreement.

The Subscription Receipt Agreement is expected to provide that original purchasers of Subscription Receipts under the Subscription Receipt Offering will have a contractual right of rescission against the Company, following the issuance of the underlying Unit Shares and Warrants to such purchasers, to receive the amount paid for the Subscription Receipts if this short form prospectus (including documents incorporated herein by reference) and any amendment hereto contains a misrepresentation or is not delivered to such purchasers, provided that such remedy for rescission is exercised within 180 days from the closing of the Subscription Receipt Offering.

Holders of Subscription Receipts are not shareholders and do not have rights as shareholders of the Company, including the right to vote at meetings of shareholders or the right to receive the remaining property of the Company upon dissolution. Holders of Subscription Receipts are entitled only to receive Unit Shares and Warrants on the closing of the Acquisition or to a return of the subscription price for the Subscription Receipts together with any payments of interest (less any applicable withholding tax), as described above.

The Subscription Receipt Agreement is expected to provide for modifications and alterations thereto and to the Subscription Receipts issued thereunder by way of an extraordinary resolution, in each case subject to TSX approval. The term "extraordinary resolution" is expected to be defined in the Subscription Receipt Agreement to mean, in effect, a resolution passed by the affirmative votes of the holders of not less than 66⅔% of the number of outstanding Subscription Receipts represented and voted at a meeting of holders or an instrument or instruments in writing signed by the holders of not less than 66⅔% of the number of outstanding Subscription Receipts.

Unit Shares

The Unit Shares issuable pursuant to Subscription Receipt are Common Shares, and as such have attached thereto the same rights, privileges, restrictions and conditions as Common Shares previously or hereafter issued by the Company in any other manner. Holders of Common Shares are entitled to receive notice of and to vote (on the basis of one vote for every share held) at meetings of shareholders of the Company, and subject to any priorities attaching to any future class of shares, the right to receive any dividend declared by the Company and to share rateably in any distribution of its remaining property on dissolution. There are no pre-emptive rights or conversion privileges attached to the Common Shares, and the Common Shares are not subject to redemption.

Warrants

The following summary of the material attributes and characteristics of the Warrants and certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject to, and qualified in its entirety by, the detailed provisions of the executed Warrant Indenture between the Company and the Warrant Agent to be entered into on or before the time the Escrow Release Conditions are satisfied and the Escrow Release Notice has been delivered in accordance with the provisions of the Subscription Receipt Agreement. The Warrant Indenture will contain a full description of the attributes of the Warrants. Once executed, the Warrant Indenture: (i) will be filed on SEDAR under the issuer profile of Prairie Provident at www.sedar.com; and (ii) may be obtained on request without charge from the Vice President, Finance & Chief Financial Officer of Prairie Provident at Suite 1100, 640 – 5th Avenue S.W., Calgary, Alberta T2P 3G4, telephone (403) 292-8000. A register of holders of Warrants will be maintained at the principal offices of the Warrant Agent in Calgary, Alberta.

The Warrants will be governed by the Warrant Indenture. Under the Warrant Indenture, each whole Warrant will entitle the holder thereof to acquire, subject to adjustment in accordance with the Warrant Indenture, one Warrant Share at an exercise price of $0.50 per Warrant Share at any time prior to 5:00 p.m. (Calgary time) on the date that is 24 months following the Offering Closing Date.

The Warrant Indenture is expected to provide, in the event of certain alterations of the Common Shares, that the number of Warrant Shares which may be acquired by a holder of Warrants upon the exercise thereof will be subject to anti-dilution provisions governed by the Warrant Indenture, including provisions for the appropriate adjustment of the class, number and price of the securities issuable under the Warrant Indenture upon the occurrence of certain events including any subdivision, consolidation, or reclassification of the Common Shares, payment of dividends outside of the ordinary course, or amalgamation/merger of the Company.

No fractional Warrant Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional Warrant Shares. For certainty, fractional entitlement to a Warrant Share will be rounded down to the nearest whole Warrant Share. The holding of Warrants will not make the holder thereof a shareholder or entitle such holder to any right or interest in respect of the Warrant Shares except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or preemptive rights or any other rights enjoyed by shareholders of the Company.

The Company is also expected to covenant in the Warrant Indenture, during the period in which the Warrants are exercisable, to give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, a proscribed number of days prior to the record date or effective date, as the case may be, of such event.

The Warrant Indenture is expected to provide that, from time to time, the Warrant Agent and the Company, without the consent of the holders of Warrants, may be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of the Warrant Agent, relying on counsel, the rights of the holders of Warrants are not prejudiced, as a group.

The Warrant Indenture is also expected to contain provisions making resolutions passed at meetings of the holders of Warrants, or by instruments in writing signed by holders of Warrants holding a specified percentage of the Warrants, binding upon all holders of Warrants. Any amendment or supplement to the Warrant Indenture that is prejudicial to the interests of the holders of Warrants, as a group, is expected to be subject to approval by an "extraordinary resolution", which is expected be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll for such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66⅔% of the number of all of the then outstanding Warrants.

The principal transfer office of the Warrant Agent in Calgary, Alberta is the location at which Warrants may be surrendered for exercise or transfer.

Non-Certificated Securities

Except in limited circumstances: (i) the Subscription Receipts will be issued as non-certificated inventory through the non-certificated inventory system of CDS and must be purchased or transferred through a participant in the depository service of the CDS system administered by CDS (a "**Participant**"); (ii) the Flow-Through Shares, the Unit Shares issuable pursuant to the Subscription Receipts and the Warrant Shares issuable on exchange of the Warrants will be issued as non-certificated inventory through the non-certificated inventory system of CDS and must be purchased or transferred through a Participant; and (iii) the Warrants issuable pursuant to the Subscription Receipts will be issued as non-certificated inventory through the non-certificated inventory system of CDS and must be purchased or transferred through a Participant.

Except in limited circumstances, no physical certificates will be issued to subscribers representing any of the Offered Securities, including, for certainty, the Flow-Through Shares, the Subscription Receipts, the Unit Shares, the Warrants and the Warrant Shares. Subscribers for the Offered Securities will only receive a customer confirmation from the Underwriter or another registered dealer who is a Participant and from or through whom a beneficial interest in the security is purchased.

Subscribers who are not issued a physical certificate evidencing the Flow-Through Shares and/or Subscription Receipts subscribed for by them at closing are entitled under the ABCA to request that a certificate be issued in their name. Such a request will need to be made through the Participant through whom the beneficial interest in the securities is held at the time of the request.

Unless the book-entry only system is terminated as described below, a purchaser acquiring a beneficial interest in Offered Securities issued in "book-entry only" form (a "**Beneficial Owner**") will not be entitled to receive a certificate for the securities, unless requested. Beneficial interests in the Offered Securities will be represented solely through the book-entry only system and such interests will be evidenced by customer confirmations of purchase from the registered dealer from which the applicable securities are purchased in accordance with the practices and procedures of that registered dealer. Beneficial Owners will not be shown on the records maintained by CDS, except through a Participant. In addition, registration of interests in and transfers of securities offered and sold outside the United States will be made only through the depository service of CDS.

As indirect holders of the Offered Securities, Beneficial Owners should be aware that (subject to the situations described below) Offered Securities will not be registered in their name and their beneficial interest in such securities will not be evidenced by physical certificates. Beneficial Owners may not be able to sell their securities to institutions required by law to hold physical certificates for securities they own and may be unable to pledge such securities as security.

The Offered Securities will be issued to Beneficial Owners thereof in fully registered and certificated form (the "**Certificates**") only if: (i) required by, or determined to be advisable having regard to, applicable law; (ii) the book-entry only system ceases to exist; (iii) the Company or CDS advises the Escrow Agent and/or the Warrant Agent, as applicable, that CDS is no longer willing or able to properly discharge its responsibilities as depository with respect to one or more of the Offered Securities and the Company is unable to locate a qualified successor; or (iv) the Company, at its option, decides to terminate the book-entry only system through CDS.

Upon the occurrence of: (i) any of the events described in the immediately preceding paragraph; (ii) the surrender by CDS of the global certificates representing the applicable Offered Securities; and (iii) receipt of instructions from CDS for the new registrations, the Escrow Agent and/or Warrant Agent, as applicable, will deliver the applicable global certificates to the Company. Thereafter, the Company will issue Certificates representing Flow-Through Shares, Subscription Receipts, Unit Shares, Warrants and/or Warrant Shares, as applicable, and the Escrow Agent and/or the Warrant Agent, as applicable, must notify CDS, for and on behalf of the Participants and Beneficial Owners, of the availability of such Certificates.

Neither the Company nor the Underwriter will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of any of the Offered Securities held by CDS or any payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to any of the Offered Securities held by CDS; or (iii) any advice or representation made by or with respect to CDS and contained in this short form prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of a Participant. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and Beneficial Owners must look solely to Participants for any payments relating to any of the Offered Securities paid by or on behalf of the Company to CDS.

USE OF PROCEEDS

Subscription Receipts

The net proceeds to the Company from the sale of the Subscription Receipts are estimated to be approximately $2,325,270 after deducting the Underwriter's fee of $175,020 payable to the Underwriter in respect of the Subscription Receipts but before deducting the estimated expenses of the Subscription Receipt Offering. If the Subscription Receipt Over-Allotment Option is exercised in full, the total gross proceeds from the sale of Subscription Receipts, the Underwriter's fee in respect of the Subscription Receipts and net proceeds to the Company (before deducting the expenses of the Subscription Receipt Offering) will be approximately $2,875,334, $201,273 and $2,674,061, respectively. See "*Plan of Distribution*".

The gross proceeds from the sale of the Subscription Receipts will be the Escrowed Proceeds, which will be deposited and held in escrow pursuant to the terms of the Subscription Receipt Agreement. The net proceeds from the Subscription Receipt Offering, after the Company pays the remaining amount of the Underwriter's fee in respect of the Subscription Receipts (assuming the Acquisition closes), will be used to finance ongoing capital expenditures and for general corporate purposes. See "*Recent Developments – Overview of the Acquisition*".

Flow-Through Shares

The net proceeds to the Company from the sale of the Flow-Through Shares are estimated to be $1,395,056 after deducting the Underwriter's fee of $105,004 payable to the Underwriter in respect of the Flow-Through Shares but before deducting the estimated expenses of the Flow-Through Offering. If the Flow-Through Over-Allotment Option is exercised in full, the total gross proceeds from the sale of Flow-Through Shares to the public, the Underwriter's fee in respect of the Flow-Through Shares and net proceeds to the Company (before deducting the expenses of the Flow-Through Offering) will be approximately $1,725,069, $120,755 and $1,604,314, respectively. See "*Plan of Distribution*". The gross proceeds raised from the sale of Flow-Through Shares, being $1,500,060 ($1,725,069 if the Flow-Through Over-Allotment Option is exercised in full), will be used to incur Qualifying CEE as part of the Company's exploration program to satisfy the Company's obligations in connection with the Flow-Through Shares. In connection with the sale of the Flow-Through Shares, the Company will covenant to incur or be deemed to incur Qualifying CEE in an amount equal to the aggregate purchase price for the Flow-Through Shares sold pursuant to the Offering. See "*Plan of Distribution*".

In general terms, Qualifying CEE includes certain geological, geophysical and geochemical costs, and for expenses incurred prior to 2019, drilling and completion costs in respect of certain wells. The Company incurs costs of this kind as a normal part of its exploration program in connection with its ordinary business operations. The Company currently anticipates that Qualifying CEE in respect of the Flow-Through Shares will ultimately be incurred in connection with, and that the proceeds of the Flow-Through Offering will therefore ultimately be used to help fund, the exploration and drilling of new wells in its Wheatland and Princess core areas. There is no particular significant event that must occur for the Company to achieve its business objectives in this regard, which remain subject to the normal risks and uncertainties that prevail in the oil and gas industry.

As Qualifying CEE in respect of the Flow-Through Shares will not be incurred immediately following the Offering Closing Date, proceeds from the Flow-Through Offering will initially form part of the Company's working capital and, pursuant to normal cash management practices, operate to reduce borrowings that would otherwise be made under the Company's existing debt facilities. As of the date of this short form prospectus, borrowings under the Company's senior secured revolving note facility are approximately $46.7 million (US$35.9 million using an exchange rate of $1.00 USD to $1.30 CAD). Up to $1,500,060 ($1,725,069 if the Flow-Through Over-Allotment Option is exercised in full) may subsequently be borrowed by the Company to directly fund the Qualifying CEE commitment in respect of the Flow-Through Shares, to the extent that such commitment is not funded from operating cash flows.

If the Over-Allotment Options are exercised in full, the gross proceeds of the Offering, the aggregate Underwriter's fee payable to the Underwriter in respect of the Subscription Receipts and Flow-Through Shares and net proceeds to the Company (before deducting the expenses of the Offering) will be approximately $4,600,403, $322,028 and $4,278,375, respectively. See "*Plan of Distribution*".

The aggregate estimated expenses of the Offering of the Subscription Receipts and the Flow-Through Shares is $300,000, which will be paid from the general funds of the Company.

Due to the nature of the oil and natural gas industry, budgets are regularly reviewed with respect to the success of the expenditures and other opportunities which become available to the Company. Accordingly, while it is currently intended by management that the net proceeds of the Offering will be expended as set forth above, there may be circumstances where a reallocation of funds may be advisable for reasons that management believes are in the Company's best interests and, as such, actual expenditures may differ from these amounts and allocations. See "*Risk Factors*".

CONSOLIDATED CAPITALIZATION

The following table sets forth information regarding the consolidated capitalization of the Company as at June 30, 2018, before and after giving effect to the Flow-Through Offering, the Subscription Receipt Offering and the Acquisition. The information in this table should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2017 and unaudited consolidated financial statements for the three and six month periods ended June 30, 2018, together with the notes thereto, and the related management's discussion and analysis of results of operations and financial condition for the same periods, which are incorporated by reference in this short form prospectus.

in $000s (except numbers of shares)	As at June 30, 2018 before giving effect to the Offering and the Acquisition	As at June 30, 2018 after giving effect to only the Flow-Through Offering [(4)(5)]	As at June 30, 2018 after giving effect to the Offering and the Acquisition [(2)(5)(6)(7)(8)(9)]
Debt Facilities [(1)(2)]			
Revolving Facility	49,758	48,475	67,788
Subordinated Notes	21,779	21,779	38,029
Shareholder Equity			
Share Capital	121,496	122,550	141,439
Outstanding Common Shares [(3)]	115,849,110	119,110,110	168,530,527
Outstanding Warrants [(9)(10)]	5,472,825	5,472,825	14,678,325

Notes:

(1) The Company's debt facilities consist of: (i) a US$45 million senior secured revolving note purchase facility due October 31, 2020 (the "**Revolving Facility**"); and (ii) US$16 million principal amount of senior unsecured subordinated notes due October 31, 2021 ("**Subordinated Notes**") issued and arranged through members of Prudential Capital Group. As at September 18, 2018, approximately C$46.7 million (US$35.9 million using an exchange rate of $1.00 USD to $1.30 CAD) was outstanding under the Revolving Facility, and approximately C$21.7 million (US$16.7 million using an exchange rate of $1.00 USD to $1.30 CAD) principal amount of Subordinated Notes was outstanding (including US$0.7 million of deferred interest as additional principal). Further information regarding the Revolving Facility and Subordinated Notes is provided in the AIF and in the notes to the Company's financial statements incorporated herein by reference.

(2) In accordance with commitment letters received from members of Prudential Capital Group, the Company expects that its existing debt facilities will be expanded in connection with completion of the Acquisition to: (i) increase the Revolving Facility by US$20 million (approximately C$26 million using an exchange rate of $1.00 USD to $1.30 CAD), from US$45 million to US$65 million (approximately C$84.5 million using an using an exchange rate of $1.00 USD to $1.30 CAD); and (ii) issue up to an additional US$12.5 million (but not less than US$5 million) principal amount of Subordinated Notes. Borrowings under the expanded facilities will be used to finance repayment of Marquee's existing C$30 million term loan and borrowings under Marquee's existing $12 million bank facility on the Acquisition Closing Date. Material terms of the existing debt facilities are set out in the AIF and in the Company's annual management's discussion and analysis for the year ended December 31, 2017 and interim management's discussion and analysis for the period ended June 30, 2018, which are incorporated herein by reference.

(3) The Company is authorized to issue an unlimited number of Common Shares, of which 115,849,110 Common Shares were issued and outstanding as fully paid and non-assessable Common Shares as at September 18, 2018.

(4) Based on the issuance of 3,261,000 Flow-Through Shares under the Flow-Through Offering (and assuming that the Flow-Through Over-Allotment Option is not exercised) for aggregate gross proceeds of $1,500,060, less the Underwriter's fee of $105,004 payable in respect of the Flow-Through Shares and estimated expenses of approximately $112,495.

(5) For purposes of calculating share capital, the flow-through premium of $228,270, representing the excess value received on a sale of Flow-Through Shares compared to a sale of Common Shares has been removed.

(6) Based on: (i) the issuance of 6,411,000 Subscription Receipts under the Subscription Receipt Offering and 3,261,000 Flow-Through Shares under the Flow-Through Offering (and assuming that neither Over-Allotment Option is exercised) for aggregate gross proceeds of $4,000,350, less the aggregate Underwriter's fee of $280,025 payable in respect of the Flow-Through Shares and the Subscription Receipts and estimated expenses of approximately $300,000; and (ii) satisfaction of the Escrow Release Conditions such that the Unit Shares and Warrants are issued pursuant to the Subscription Receipts.

(7) Includes, based on there being 435,772,196 common shares of Marquee outstanding and the exchange ratio under the Acquisition of 0.0886 of a Common Share for every one Marquee share, the issuance of 38,609,417 Common Shares to Marquee shareholders.

(8) Includes the maximum 4,400,000 Common Shares deliverable on the Acquisition Closing Date to Marquee's term loan lender in connection with settlement of that obligation, pursuant to which the lender will receive such number of Common Shares (to a maximum of 4,400,000 Common Shares) as have an aggregate value, based on the volume weighted average trading price of the Common Shares on the TSX for the ten (10) trading days immediately prior to (but not including) the Acquisition Closing Date, equal to $1,500,000.

(9) Includes: (i) before giving effect to the Acquisition, 2,318,000 share purchase warrants currently exercisable at $0.549 until October 31, 2022, which were issued in October 2017 to a nominee of Prudential Capital Group in connection with the Company's existing debt facilities, and 3,154,825 share purchase warrants currently exercisable at $0.87 until March 15, 2019, which were issued in 2017 in connection with a completed equity financing; and (ii) in giving effect to the Acquisition, an additional 6,000,000 warrants issuable to a nominee of Prudential Capital Group in connection with the anticipated expansion of the Company's existing debt facilities as described herein.

(10) Pursuant to automatic adjustment provisions applicable to the 2,318,000 outstanding share purchase warrants currently held by a nominee of Prudential Capital Group and exercisable at $0.549 until October 31, 2022, the exercise price of all such warrants will automatically be reduced in connection with completion of the Offering, and is likely to be further reduced as a result of the issuance of Common Shares for the Acquisition. The reduced exercise price will not be less than $0.45 per share.

PRICE RANGE AND TRADING VOLUME OF THE COMMON SHARES

The following table sets out the reported high and low trading prices (which are not necessarily the closing prices) and aggregate trading volumes for the Common Shares on the TSX, as reported by TMX Datalinx, for the periods indicated.

	Price Range ($)		
	High	**Low**	**Trading Volume**
September 2017	0.445	0.35	2,787,481
October 2017	0.58	0.42	2,806,379
November 2017	0.52	0.415	2,008,801
December 2017	0.47	0.42	1,241,090
January 2018	0.52	0.42	2,542,656
February 2018	0.475	0.38	1,556,872
March 2018	0.475	0.365	2,226,000
April 2018	0.46	0.395	1,101,100
May 2018	0.5	0.4	1,752,210
June 2018	0.445	0.31	1,821,120
July 2018	0.48	0.36	2,134,050
August 2018	0.52	0.43	1,491,570
September 1 – 27, 2018	0.445	0.365	1,380,370

PRIOR SALES

On October 31, 2017, contemporaneously with closing of the debt financing as described in the Company's AIF, Prairie Provident issued 2,318,000 share purchase warrants. Each warrant entitles the holder to acquire one Common Share at an exercise price of $0.549 per share (subject to adjustment in certain circumstances) until October 31, 2022.

In the twelve months prior to the date of this short form prospectus, the Company granted: (i) a total of 319,104 deferred share units ("**DSUs**") to directors in lieu of an aggregate of $128,750 in quarterly directors' fees otherwise payable in cash; and (ii) a total of 1,922,274 restricted share units ("**RSUs**") to officers and employees pursuant to long-term incentive awards made in early 2018. The RSUs vest in one-third increments on January 31, 2019, 2020 and 2021, with each vested RSU entitling the holder to receive one Common Share or the cash equivalent thereof. On January 31, 2018, being the date of grant of the RSUs, the closing price on the TSX of the Common Shares was $0.45. The DSUs vest immediately upon grant, with each DSU entitling the holder to receive, on settlement following cessation of service, one Common Share or the cash equivalent thereof.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Bennett Jones LLP, counsel to the Company, and Burnet, Duckworth & Palmer LLP, counsel to the Underwriter (collectively, "**Counsel**"), the following is a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a purchaser who acquires, as beneficial owner, Flow-Through Shares and/or Subscription Receipts pursuant to the Offering and who, at all relevant times and for the purposes of the Tax Act: (i) deals at arm's length with the Company, the Underwriter and any persons in which the Escrowed Proceeds are invested, (ii) is not affiliated with the Company or the Underwriter or with a subsequent purchaser of the Unit Shares, Warrants, or Warrant Shares, and (iii) holds the Flow-Through Shares and/or the Subscription Receipts and will hold the Unit Shares and the Warrants issuable pursuant to the Subscription Receipts and the Warrant Shares issuable on the exercise of the Warrants, as capital property (each such purchaser, a "**Holder**"). Generally, the Offered Securities will be considered to be capital property to a Holder provided the Holder does not acquire or hold the Offered Securities in the course of carrying on a business of trading or dealing in securities or as part of an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a "specified financial institution"; (ii) an interest in which is a "tax shelter investment"; (iii) that is a "financial institution" for purposes of certain rules referred to as the "mark-to-market" rules; (iv) that is a partnership or trust; (v) that makes or has made an election to report its "Canadian tax results" in a currency other than Canadian currency pursuant to section 261 of the Tax Act; (vi) that enters into, with respect to any of their Offered Securities, a "derivative forward agreement" or a "synthetic equity arrangement"; or (vii) which would receive dividends on the Flow-Through Shares, Unit Shares and/or Warrant Shares under or as part of a "dividend rental arrangement", all as defined in the Tax Act. In addition, with respect to the Flow-Through Shares, this summary is not applicable to a Holder: (i) that is a "principal-business corporation" as defined in subsection 66(15) of the Tax Act; or (ii) whose business includes trading or dealing in rights, licenses or privileges to explore for, drill for or take minerals, petroleum, natural gas or other related hydrocarbons. Such Holders should consult their own tax advisors with respect to an investment in the Offered Securities. In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money to acquire Offered Securities pursuant to the Offering.

This summary is based upon the provisions of the Tax Act in force as at the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), and Counsels' understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing prior to the date hereof. This summary assumes that all Proposed Amendments will be enacted in the form proposed; however, no assurance can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, administrative or judicial decision or action, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ significantly from those discussed herein.

This summary assumes that: (i) the Company will make all necessary tax filings in respect of the issuance of the Flow-Through Shares and the renunciation of Canadian Exploration Expense (as defined herein) in the manner and within the time required by the Tax Act, (ii) the Company will incur (or be deemed to incur) sufficient Canadian Exploration Expense to enable it to renounce to Holders all of the Canadian Exploration Expense the Company covenants to renounce to Holders pursuant to the Subscription Agreements effective on or before the dates set out therein, (iii) all expenses which comprise Canadian Exploration Expense will be reasonable in amount, (iv) the Company is a "principal-business corporation" at all material times, and (v) the Flow-Through Shares, when issued, will be "flow-through shares" for the purposes of the Tax Act and will not be "prescribed shares" for the purpose of the definition of "flow-through share" in subsection 66(15) of the Tax Act or section 6202.1 of the regulations under the Tax Act. For the purposes of this summary, "Canadian Exploration Expense(s)" or "CEE" means Canadian exploration expense described in paragraphs (a), (d), (f) or (g.1) of the definition of "Canadian exploration expense" in subsection 66.1(6) of the Tax Act or that would be described in paragraph (h) of such definition if the reference therein to "paragraphs (a) to (d) and (f) to (g.4)" were a reference to "paragraphs (a), (d), (f) or (g.1)". As a result of recent amendments to the Tax Act, expenses described in paragraph (d) of the definition of "Canadian exploration expense" in subsection 66(15) of the Tax Act (or included in paragraph (h) of that definition as a result of its reference to paragraph (d)) will no longer generally qualify as "Canadian exploration expense" unless they are incurred prior to 2019.

This summary is based upon Counsels' understanding that a Subscription Receipt evidences a contractual right to acquire a Unit on the satisfaction of certain conditions. No advance tax ruling in respect of the Offering has been sought from the CRA and Counsel is not aware of any judicial authority relating to this characterization.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder and no representations with respect to the income tax consequences to any Holder or prospective Holder are made. This summary is not exhaustive of all possible income tax considerations under the Tax Act that may affect a Holder. The income tax consequences of acquiring and disposing of Offered Securities will vary depending on a number of factors, including the legal status of the Holder as an individual, corporation, trust or partnership, the province or provinces in which the Holder resides or carries on business or has a permanent establishment, and, in the case of the Flow-Through Shares, the amount that would be the Holder's taxable income but for the investment in the Flow-Through Shares. **Accordingly, prospective Holders should consult their own tax advisors with respect to their particular circumstances and the tax consequences to them of holding and disposing of Offered Securities.**

Taxation of Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, is, or is deemed to be, resident in Canada (a "**Resident Holder**").

This summary does not address the possible application of the "foreign affiliate dumping" rules in the Tax Act that may be applicable to a Resident Holder that is a corporation resident in Canada (for the purposes of the Tax Act) that is, or that becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Offered Securities, controlled by a non-resident corporation for the purposes of the rules in section 212.3 of the Tax Act. Resident Holders to whom these rules may apply should consult their own tax advisors.

Taxation of Resident Holders of Subscription Receipts

Acquisition of Units Pursuant to Terms of the Subscription Receipts

A Resident Holder of a Subscription Receipt will not be considered to dispose of the Subscription Receipt and will not realize any capital gain or capital loss on the acquisition of a Unit pursuant to the terms of the Subscription Receipt.

The Resident Holder's aggregate cost of a Unit acquired pursuant to a Subscription Receipt will generally be equal to the Subscription Receipt Issue Price plus the Resident Holder's *pro rata* share of interest credited or received on the Escrowed Proceeds that is included in the Resident Holder's income (and not subject to an offsetting deduction as described under the heading "*Pro Rata Share of Interest on Escrowed Proceeds*") but remitted to the Company upon the acquisition of the Unit pursuant to the Subscription Receipt. The Resident Holder's cost of the Unit must be allocated on a reasonable basis between the Unit Share and the one-half Warrant that comprise each Unit to determine the cost of each to the Resident Holder for purposes of the Tax Act. Of the $0.39 Subscription Receipt Issue Price, the Company has advised its counsel that it intends to allocate $0.38 to the Unit Share and $0.01 to the one-half Warrant. Although the Company believes that such allocation is reasonable, it is not binding on the CRA or any Holder and the CRA may not agree with such allocation. Counsel expresses no opinion with respect to such allocation.

The cost of any Unit Shares acquired by a Resident Holder pursuant to the Subscription Receipts must be averaged with the adjusted cost base of any other Common Shares (including Flow-Through Shares) held by the Resident Holder to determine the adjusted cost base of each Common Share held.

Dispositions of Subscription Receipts

A disposition or deemed disposition by a Resident Holder of a Subscription Receipt (other than on the acquisition of a Unit pursuant to the terms of the Subscription Receipt as discussed above), including on the repayment of the Subscription Receipt Issue Price in the event that the Acquisition is not completed before the Termination Time, will generally result in the Resident Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Subscription Receipt exceed (or are less than) the aggregate of the Resident Holder's adjusted cost base of the Subscription Receipt and any reasonable costs of disposition. The cost to a Resident Holder of a Subscription Receipt will generally be the Subscription Receipt Issue Price paid for the Subscription Receipt. Any such capital gain (or capital loss) will be subject to the tax treatment described below under "*Taxation of Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

In the event that a Resident Holder becomes entitled to the repayment of the Subscription Receipt Issue Price, any amount that is paid to the Resident Holder as or on account of interest on the Escrowed Proceeds and that is included in the Resident Holder's income will be excluded from the Resident Holder's proceeds of disposition of the Subscription Receipt.

Pro Rata Share of Interest on Escrowed Proceeds

As described above under "*Description of the Securities Being Distributed – Subscription Receipts*", if the Termination Time occurs, Holders of Subscription Receipts will be entitled to receive an amount per Subscription Receipt equal to the full Subscription Receipt Issue Price plus their *pro rata* share of interest earned thereon (net of any applicable withholding taxes).

A Resident Holder of Subscription Receipts that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will generally be required to include in computing its income for a taxation year any amount of interest: (i) that accrues or that is deemed to accrue to it to the end of the particular taxation year, or (ii) that has become receivable by or is received by it before the end of that taxation year, except to the extent that such interest was included in computing the Resident Holder's income for a preceding taxation year, and such amounts will be excluded from the Resident Holder's proceeds of disposition. This will include any interest on the Escrowed Proceeds, whether or not such interest is received or receivable by the Holder, including interest on the Escrowed Proceeds that is remitted to the Company upon the acquisition of a Unit pursuant to the Subscription Receipt. In certain circumstances, however, an offsetting deduction may be available for any such interest that is remitted to the Company upon the acquisition of Units. Any other Resident Holder must include in income the amount of interest when received or receivable, depending on the method regularly followed by the Resident Holder in computing income, and such interest will be excluded from the Resident Holder's proceeds of disposition.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income", which is defined in the Tax Act to include interest income. In addition, pursuant to changes to the Tax Act that were introduced in the 2018 federal budget that was released on February 27, 2018 (the "**2018 Budget**"), such a Resident Holder may be required to reduce its business limit on a straight-line basis to the extent that it, together with other corporations associated with it, receive certain investment income in an amount exceeding $50,000 for a particular taxation year. Resident Holders that are Canadian-controlled private corporations should consult their own tax advisors in this regard.

Taxation of Resident Holders of Flow-Through Shares

Canadian Exploration Expense

Subject to certain limitations and restrictions, the Company will be entitled to renounce CEE incurred (or deemed to have been incurred) by it to purchasers of Flow-Through Shares in an amount equal to the Flow-Through Issue Price as permitted by and in accordance with the Tax Act. Such CEE that is properly renounced to a purchaser will be deemed to be CEE incurred by the purchaser on the effective date of the renunciation.

The Company generally will be entitled to renounce CEE incurred, or deemed to be incurred, by it on or after the date that subscriptions for the Flow-Through Shares are accepted and up to December 31, 2019, less (i) any previous renunciations with respect to such expenses, (ii) any portion of those expenses which are prescribed under the regulations to the Tax Act as being "Canadian exploration and development overhead expenses", (iii) certain expenses related to seismic data, and (iv) any assistance that the Company has received, is entitled to receive, or may reasonably be expected to receive at any time which is reasonably related to those expenses. As noted earlier, expenses that qualify as CEE under paragraph (d) of that definition in subsection 66(15) of the Tax Act will generally no longer qualify as CEE unless they are incurred before 2019. The Company may not renounce to purchasers an amount in excess of the amount paid by the purchasers for the Flow-Through Shares. The Company will not be entitled to renounce CEE to the extent that such renunciation, if effective, would cause the Company's own "cumulative Canadian exploration expenses" (as defined in the Tax Act) ("**CCEE**") to be a negative amount.

CEE incurred, or deemed to be incurred, pursuant to a flow-through share agreement within 12 months after the end of the calendar year in which the Flow-Through Shares are issued (the "preceding calendar year") can be treated as if incurred in the preceding calendar year, provided that the subscription price for the relevant flow-through shares has been paid for in money during the preceding calendar year, the purchaser deals at arm's length with the Company throughout that 12 month period and the renunciation has been duly made by the last day of March of the year following the preceding calendar year. In the event the Company does not fully incur the amounts renounced (or is not deemed to have incurred such amounts) by the end of that 12 month period, the Company will be required to reduce the amount previously renounced and the purchasers' income tax returns for the years in which the expenditures were claimed will be reassessed accordingly. However, interest would generally not be levied in respect of such reassessments until after April 2020. Where the Company renounces CEE pursuant to this 12 month look-back rule, the Company will be liable to pay a deductible charge for each month (other than January) in the year during which the CEE must be incurred equal to the amount of renounced expenses which have not been incurred (or deemed to have been incurred) by the end of the particular month multiplied by 1/12 of the prescribed interest rate for refund interest purposes under the Tax Act applicable to that particular month.

A purchaser of Flow-Through Shares to whom the Company renounces CEE will have such CEE added to the purchaser's CCEE. A purchaser may deduct in computing the purchaser's income from all sources for a taxation year an amount not exceeding 100% of the balance of the purchaser's CCEE at the end of that taxation year. Deductions claimed by a purchaser reduce the purchaser's CCEE by the amount claimed. To the extent that a purchaser does not deduct the full CCEE balance at the end of the taxation year, the balance will be carried forward and the purchaser will be entitled to claim deductions in respect thereof in subsequent taxation years in accordance with, and subject to the restrictions under, the provisions of the Tax Act. If, at the end of a taxation year, the reductions in calculating a purchaser's CCEE exceed the additions thereto, the excess must be included in computing the purchaser's income for that year and the purchaser's CCEE will thereupon have a nil balance. The disposition of Flow-Through Shares will not reduce a purchaser's CCEE. Certain restrictions apply in respect of the deduction of CCEE following an acquisition of control and certain reorganizations of a corporate purchaser. **Corporate purchasers should consult their own tax advisors with respect to the application of these rules.**

The right to deduct CEE renounced accrues to the initial purchaser of Flow-Through Shares only and is not transferable. A purchaser who disposes of Flow-Through Shares will retain the entitlement to receive renunciations of CEE from the Company as described above, as well as the ability to deduct any CEE previously deemed to have been incurred by the purchaser. A subsequent purchaser of such Flow-Through Shares will not be entitled to any renunciation of any CEE in respect thereof.

If a purchaser purchases Flow-Through Shares through an Exempt Plan (as defined herein), the CEE renounced will not be available for deduction against the income of the holder, annuitant, beneficiary or subscriber of such Exempt Plan and the associated tax benefits will be lost.

The cost of Flow-Through Shares acquired pursuant to this Offering will be deemed, pursuant to the Tax Act, to be nil regardless of the subscription price paid. Such cost must be averaged with the adjusted cost base of any other Common Shares held by the Resident Holder to determine the adjusted cost base of each Common Share (including Flow-Through Shares) held at a particular time.

Taxation of Resident Holders of Warrants

Exercise of Warrants

No gain or loss will be realized by a Resident Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Resident Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Resident Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. Such cost must be averaged with the adjusted cost base of any other Common Shares held by the Resident Holder to determine the adjusted cost base of each Common Share (including Flow-Through Shares) held at a particular time.

Disposition and Expiry of Warrants

A disposition or deemed disposition by a Resident Holder of a Warrant (other than upon the exercise thereof) will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) such Resident Holder's adjusted cost base of the Warrant. In the event of the expiry of an unexercised Warrant, the Resident Holder will generally realize a capital loss equal to the Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed below under "*Taxation of Holders Resident in Canada - Capital Gains and Capital Losses*".

Taxation of Resident Holders of Common Shares

For the purposes of this portion of the summary, Flow-Through Shares, Unit Shares, and Warrant Shares constitute Common Shares unless otherwise expressly noted.

Dividends on Common Shares

Dividends received or deemed to be received on Common Shares by a Resident Holder will be included in computing the Resident Holder's income for the purposes of the Tax Act.

In the case of a Resident Holder who is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable in respect of taxable dividends received from taxable Canadian corporations (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit applicable to any dividends designated by the Company as an "eligible dividend". There may be limitations on the ability of the Company to designate dividends as eligible dividends.

Dividends received or deemed to be received by a Resident Holder that is a corporation will generally be deductible in computing such corporation's taxable income under section 112 of the Tax Act, subject to all relevant restrictions under the Tax Act. A Resident Holder that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received to the extent the dividends are deductible in computing the Resident Holder's taxable income for the taxation year. A Resident Holder that is throughout the taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) will be liable to pay tax, a portion of which may be refundable, on its "aggregate investment income" for the year, including dividends received or deemed to be received in respect of the Common Shares, but not dividends that are deductible in computing taxable income. In addition, pursuant to changes to the Tax Act that were introduced in the 2018 Budget, such a Resident Holder may be required to reduce its business limit on a straight-line basis to the extent that it, together with other corporations associated with it, receive certain investment income in an amount exceeding $50,000 for a particular taxation year. In certain circumstances, a taxable dividend received or deemed to be received by a Resident Holder that is a corporation will be taxable as proceeds of disposition or a capital gain, rather than as a dividend. **Resident Holders that are corporations are urged to contact their own tax advisors.**

Disposition of Common Shares

Generally, a Resident Holder who disposes of or is deemed to have disposed of a Common Share, except to the Company, will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the holder of the Common Share immediately before the disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "*Taxation of Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain realized by a Resident Holder in a taxation year will be included in computing the Resident Holder's income in such year. One-half of any capital loss realized by a Resident Holder in a taxation year normally must be deducted as an allowable capital loss by the Resident Holder against taxable capital gains realized by the Resident Holder in the year. Any allowable capital loss not deductible in the year it is realized generally may be carried back and deducted against taxable capital gains in any of the three preceding years or carried forward and deducted against taxable capital gains in any subsequent year, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may be reduced by the amount of dividends received by the Resident Holder on the Common Share to the extent and in the circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or a trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income", which is defined in the Tax Act to include taxable capital gains. In addition, pursuant to changes to the Tax Act that were introduced in the 2018 Budget, such a Resident Holder may be required to reduce its business limit on a straight-line basis to the extent that it, together with other corporations associated with it, receive certain investment income in an amount exceeding $50,000 for a particular taxation year.

Cumulative Net Investment Loss

One half of the CEE renounced to a Holder will increase the Holder's cumulative net investment loss ("**CNIL**"). A Holder's CNIL may impact the Holder's ability to claim some or all of the lifetime capital gains deduction available on the disposition of certain qualifying small business corporation shares, farm property, and fishing property.

Minimum Tax

Pursuant to the alternative minimum tax rules in the Tax Act, the tax otherwise payable under Part I of the Tax Act by an individual (other than certain trusts) will not be less than the minimum amount computed by reference to the individual's "adjusted taxable income" for the year. For these purposes, the minimum amount generally means the "appropriate percentage" (currently 15%) of adjusted taxable income in excess of $40,000. In calculating adjusted taxable income for this purpose, certain deductions and credits otherwise available are disallowed and certain amounts otherwise not taxable are included in income. These disallowed items include deductions for CEE to the extent the deductions exceed the individual's resource income before deduction of those amounts, and deductions for carrying charges which relate to an investment in flow-through shares to the extent that such deductions exceed the individual's resource income after deductions for resource expenses, including CEE. Also included in adjusted taxable income are 80% of capital gains. Taxable dividends received by an individual (other than certain trusts) may also give rise to alternative minimum tax under the Tax Act, depending on the individual's circumstances.

Whether and to what extent a particular individual will be subject to minimum tax will depend upon the amount of the individual's income, the sources from which it is derived and the nature and amount of any deductions that are claimed. Any additional tax payable for a year resulting from the application of the minimum tax provisions is recoverable to the extent the tax otherwise determined exceeds the minimum amount for any of the following seven taxation years. Resident Holders should consult their own independent tax advisors with respect to the potential alternative minimum tax consequences to them having regard to their own particular tax circumstances.

Eligibility for Investment

Subject to the provisions of any particular Exempt Plan (as defined below), the Flow-Through Shares and the Subscription Receipts will be qualified investments at the time of acquisition by a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, a tax-free savings account, (each an "**Exempt Plan**"), or deferred profit sharing plan ("**DPSP**") each as defined in the Tax Act, provided that, at the time of the acquisition by the Exempt Plan or DPSP, (i) the Common Shares are listed on a "designated stock exchange", as defined in the Tax Act (which includes the TSX) or the Company is otherwise a "public corporation", as defined in the Tax Act, and (ii) in the case of the Subscription Receipts, each person who is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Exempt Plan or DPSP deals at arm's length with the Company and is not the Company itself and the Escrowed Proceeds are invested in qualified investments for the Exempt Plan or DPSP.

The Warrants issuable pursuant to the Subscription Receipts will be qualified investments at the time of acquisition by a trust governed by an Exempt Plan or DPSP provided that, at the time of the acquisition by the Exempt Plan or DPSP, (i) the Warrants are listed on a designated stock exchange, or (ii) the Warrant Shares are listed on a designated stock exchange and each person who is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Exempt Plan or DPSP deals at arm's length with the Company and is not the Company itself.

The Unit Shares and the Warrant Shares issuable pursuant to the Subscription Receipts or the Warrants, as the case may be, will be qualified investments at the time of acquisition by a trust governed by an Exempt Plan or DPSP provided that, at the time of the acquisition by the Exempt Plan or DPSP, such Common Shares are listed on a designated stock exchange or the Company is otherwise a "public corporation" as defined in the Tax Act.

Notwithstanding that the Offered Securities may be qualified investments for a trust governed by an Exempt Plan, the holder, annuitant or subscriber of the Exempt Plan (the "**Controlling Individual**"), as the case may be, will be subject to a penalty tax on the Offered Securities and other tax consequences may result if the Offered Securities are a "prohibited investment" for the Exempt Plan, as the case may be. The Offered Securities will generally not be a "prohibited investment" if the Controlling Individual of the Exempt Plan deals at arm's length with the Company for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Company. In addition, Common Shares (including Flow-Through Shares, Unit Shares, and Warrant Shares) will not be a "prohibited investment" if such shares are "excluded property" (as defined in the Tax Act) for an Exempt Plan.

It is not anticipated that Exempt Plans or DPSPs will subscribe for Flow-Through Shares because Exempt Plans, DPSPs, the holders, annuitants, beneficiaries or subscribers of such Exempt Plans or DPSPs, as the case may be, do not benefit from the deduction of CEE renounced by the Company, as described under the heading "*Taxation of Resident Holders of Flow-Through Shares*" above.

Prospective purchasers who intend to hold the Offered Securities in an Exempt Plan or DPSP should consult their own tax advisors regarding their particular circumstances.

Taxation of Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act is not, and is not deemed to be, resident in Canada and does not use or hold the Offered Securities in a business carried on in Canada (a "**Non-Resident Holder**"). This part of the summary is not applicable to Non-Resident Holders that are insurers carrying on an insurance business in Canada and elsewhere. This part of the summary assumes that a Non-Resident Holder will not acquire Flow-Through Shares.

The following summary assumes that none of the Offered Securities will constitute "taxable Canadian property" to any particular Non-Resident Holder. Provided that the Common Shares are listed on a designated stock exchange (which currently includes the TSX) at the time of disposition of a particular Offered Security, that Offered Security will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60-month period immediately preceding the disposition of the Offered Security: (a) one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder does not deal at arm's length, or (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships, has owned 25% or more of the issued shares of any class or series of the Company, and (b) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of (i) real or immovable property situated in Canada; (ii) Canadian resource properties; (iii) timber resource properties; and (iv) options in respect of, or interests in or civil law rights in, any of the foregoing property whether or not the property exists. The Company has advised its counsel that it believes the requirement in (b) will be satisfied. Various other deeming rules can apply to cause the Offered Securities to constitute taxable Canadian property in particular circumstances. **Any Non-Resident Holder whose Offered Securities may constitute taxable Canadian property by virtue of the requirement in (a) being satisfied or otherwise should consult its own tax advisors.**

Taxation of Non-Resident Holders of Subscription Receipts

Acquisition of Common Shares Pursuant to Terms of the Subscription Receipts

A Non-Resident Holder of a Subscription Receipt will not be considered to dispose of the Subscription Receipt and will not realize any capital gain or capital loss on the acquisition of a Unit pursuant to the terms of the Subscription Receipt.

Dispositions of Subscription Receipts

Provided that a Subscription Receipt does not constitute "taxable Canadian property" to a particular Non-Resident Holder, such Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized and will not be entitled to recognize any capital loss incurred by such Non-Resident Holder on the disposition by the Non-Resident Holder of a Subscription Receipt.

Pro Rata Share of Interest on Escrowed Proceeds

As described above under "*Description of the Securities Being Distributed – Subscription Receipts*", if the Termination Time occurs, Holders of Subscription Receipts will be entitled to receive an amount per Subscription Receipt equal to the full Subscription Receipt Issue Price plus their *pro rata* share of the interest earned thereon (net of any applicable withholding taxes).

A Non-Resident Holder will generally not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited as, on account or in lieu of payment of, or in satisfaction of, any such interest credited or received on the Escrowed Proceeds.

Taxation of Non-Resident Holders of Warrants

Exercise of Warrants

No gain or loss will be realized by a Non-Resident Holder upon the exercise of a Warrant to acquire a Warrant Share.

Disposition and Expiry of Warrants

Provided that a Warrant does not constitute "taxable Canadian property" to a particular Non-Resident Holder, such Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized and will not be entitled to recognize any capital loss incurred by such Non-Resident Holder on the disposition by the Non-Resident Holder of a Warrant or the expiry thereof.

Taxation of Non-Resident Holders of Common Shares

For the purposes of this portion of the summary, Unit Shares and Warrant Shares constitute Common Shares unless otherwise expressly noted.

Dividends on Common Shares

Any dividends paid or credited, or deemed to be paid or credited, on the Common Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend or deemed dividend unless the rate is reduced under the provisions of an applicable income tax convention, which the Non-Resident Holder is entitled to the benefits of, between Canada and the Non-Resident Holder's country of residence. For instance, where the Non-Resident Holder is a resident of the United States that is entitled to full benefits under the *Canada-United States Income Tax Convention (1980)*, as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

Disposition of Common Shares

Provided that a Common Share does not constitute "taxable Canadian property" to a particular Non-Resident Holder, such Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized and will not be entitled to recognize any capital loss incurred by such Non-Resident Holder on the disposition by the Non-Resident Holder of a Common Share.

PLAN OF DISTRIBUTION

Pursuant and subject to the terms and conditions contained in the Underwriting Agreement, the Company has agreed to issue and sell, and the Underwriter has agreed to purchase from the Company, on a bought deal basis on the Offering Closing Date: (i) an aggregate of 3,261,000 Flow-Through Shares at a price of $0.46 per Flow-Through Share payable in cash to the Company against delivery of the Flow-Through Shares; and (ii) an aggregate of 6,411,000 Subscription Receipts at a price of $0.39 per Subscription Receipt payable to the Escrow Agent against delivery of the Subscription Receipts. The Company understands that the Underwriter will have the right to solicit orders and obtain substituted purchasers (the "**Substituted Purchasers**") for the Flow-Through Shares on behalf of the Company and the obligation of the Underwriter to purchase the Flow-Through Shares shall be reduced by the number of Flow-Through Shares purchased by the Substituted Purchasers. The Underwriter has agreed that if less than all of the 3,261,000 Flow-Through Shares (3,750,150 Flow-Through Shares if the Flow-Through Over-Allotment Option is exercised in full) are purchased by Substituted Purchasers, the Underwriter shall purchase, as principals, all of the Flow-Through Shares purchased by Substituted Purchasers at the Flow-Through Issue Price.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter a fee equal to 7.0% of the gross proceeds of the Offering, being $0.0322 per Flow-Through Share and $0.0273 per Subscription Receipt for an aggregate fee payable by the Company of approximately $280,025 ($322,028 if the Over-Allotment Options are exercised in full) in consideration of its services in connection with the Offering. Closing of the Offering is anticipated to occur during the week of October 8, 2019, or such other date as may be agreed upon by the Company and the Underwriter, but in any event not later than the date that is 42 days following the date of receipt for the final short form prospectus. The Underwriter's fee in respect of the Subscription Receipts is payable 50% upon the closing of the Subscription Receipt Offering and 50% upon closing of the Acquisition of the Acquisition Closing Date. If the Termination Time occurs, then the Underwriter's fee in respect of the Subscription Receipts will be limited to the 50% paid upon closing of the Subscription Receipt Offering. The terms of the Offering, including the Flow-Through Issue Price and the Subscription Receipt Issue Price, were determined by negotiation between the Company and the Underwriter.

The Company has granted the Over-Allotment Options to the Underwriter. Pursuant to the Flow-Through Over-Allotment Option, the Underwriter may purchase up to an additional 489,150 Flow-Through Shares under the Flow-Through Offering at the Flow-Through Issue Price per Flow-Through Share. Pursuant to the Subscription Receipt Over-Allotment Option, the Underwriter may purchase up to an additional 961,650 Subscription Receipts at the Subscription Receipt Issue Price per security. Each Over-Allotment Option is exercisable at any time for a period of 30 days following the Offering Closing Date.

The obligations of the Underwriter under the Underwriting Agreement may be terminated, without any liability on the Underwriter's part, at its discretion upon the occurrence of certain stated events. Such events include, but not be limited to: (i) any order to cease or suspend trading in any securities of the Company, or prohibiting or restricting the distribution of any of the Offered Securities is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the TSX or by any other competent authority, and the same has not been rescinded, revoked or withdrawn; (ii) any inquiry, investigation (whether formal or informal) or other proceeding in relation to the Company or any of its directors or senior officers is announced, commenced or threatened by any federal, provincial, state, municipal, other governmental department or any securities commission or similar regulatory authority, the TSX or by any other competent authority, or there is any change of law, regulation or policy or enactment of a law, regulation or policy or any change in the interpretation or administration thereof if, in the sole opinion of the Underwriter, acting reasonably, the announcement or commencement thereof or change, as the case may be, materially adversely affects, or may materially adversely affect, the distribution or market price or value of any of the Offered Securities or any other securities of the Company and which has not been rescinded, revoked or withdrawn; (iii) there should develop, occur or come into effect or existence any event, action, state, condition (including, without limitation, terrorism or accident) or major financial occurrence of national or international consequence, or any action by government, law or regulation, enquiry or any other occurrence of any nature whatsoever which in the sole opinion of the Underwriter, acting reasonably, seriously adversely affects, or involves, or might be expected to seriously adversely affect or involve, the financial markets or the business, operations or affairs of the Company and its subsidiaries (taken as a whole); (iv) there should occur any change, event, fact or circumstance (actual, contemplated or threatened) or any development that could result in such a change, event, fact or circumstance, any of which, in the sole opinion of the Underwriter, acting reasonably, could reasonably be expected to have a material adverse effect on the business, operations or affairs of the Company and its subsidiaries (taken as a whole) or the market price or value of the Offered Securities; (v) there should occur or be announced or discovered any material change, change of a material fact, occurrence or event of the nature referred to in Section 5(a) of the Underwriting Agreement or any development that could result in a material change or a change of a material fact with respect to the Company and its subsidiaries (taken as a whole), which, in the sole opinion of the Underwriter, acting reasonably, would be expected to have a material adverse effect on the business, operations or affairs of the Company and its subsidiaries (taken as a whole) or the market price of the Offered Securities; (vi) the Underwriter determines that the Company shall be in breach of, default under or non-compliance with any representation, warranty, covenant, term or condition of the Underwriting Agreement, the Subscription Agreements (in the case of the Flow-Through Shares only), the Subscription Receipt Agreement or the Warrant Indenture (with respect to the latter three agreements in the case of the Subscription Receipts only), in any material respect; (vii) in the case of the Subscription Receipts only, the Arrangement Agreement is terminated and not replaced by an amendment or restatement of such on substantially the same terms and satisfactory in form and containing terms and conditions acceptable to the Underwriter, acting reasonably, or the Company otherwise notifies the Underwriter that the Acquisition will not occur; or (viii) the Underwriter becomes aware, as a result of its due diligence review, of any adverse material information, fact or change (determined solely by such Underwriter, acting reasonably) with respect to the Company and its subsidiaries (taken as a whole) which had not been publicly disclosed or disclosed or made available in writing to the Underwriter prior to the date hereof or which occurred after the effective date of the Underwriting Agreement but prior to the closing of the Offering on the Offering Closing Date which in the sole opinion of the Underwriter, acting reasonably, could be expected to have a material adverse effect on the market price or value of the Offered Securities or any of the Offered Securities. In any of such cases, the Underwriter may exercise its option to terminate and cancel its obligations to the Company under the Underwriting Agreement, provided, however, the Underwriter's option to terminate and cancel its obligations under the Underwriting Agreement in respect of a termination event that is exercised as a result of its impact on the Acquisition may only be exercised as it relates to the Subscription Receipts and not the Flow-Through Shares. The Company has agreed to indemnify the Underwriter and its shareholders, directors, officers, employees and agents against certain liabilities.

The Common Shares, Subscription Receipts and Warrants will be registered and deposited directly with CDS & Co., as nominee for CDS, under the non-certificated system administered by CDS. No certificates evidencing the Flow-Through Shares, Subscription Receipts, Unit Shares, Warrants or Warrant Shares will be issued to purchasers except in certain limited circumstances. Purchasers of Common Shares, Subscription Receipts and Warrants will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the applicable securities is purchased.

Pursuant to applicable Canadian securities laws, the Underwriter may not, throughout the period of distribution under this short form prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to exceptions, provided the bid or purchase is not engaged in for the purpose of creating actual or apparent trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities. In connection with the Offering, and subject to the foregoing, the Underwriter may effect transactions which stabilize or maintain the market price of the Common Shares at levels above those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Underwriter proposes to offer the Flow-Through Shares and the Subscription Receipts initially at the Flow-Through Issue Price and the Subscription Receipt Issue Price, respectively, as set forth on the face page of this short form prospectus. Subject to applicable laws and without affecting the firm obligation of the Underwriter to purchase from the Company 3,261,000 Flow-Through Shares at the Flow-Through Issue Price and 6,411,000 Subscription

Receipts at the Subscription Receipt Issue Price in accordance with the Underwriting Agreement, after the Underwriter has made reasonable efforts to sell all of the Flow-Through Shares and/or the Subscription Receipts, as applicable, offered hereby at the prices specified herein, the offering prices to the public may be decreased and further changed from time to time to an amount not greater than the respective offering prices specified herein. Such decrease in the offering price to the public will not affect the Underwriter's fees of $0.0322 per Flow-Through Share and $0.0273 per Subscription Receipt (assuming, in the case of the Subscription Receipt Offering, the Acquisition closes), and it will not decrease the amount of the net proceeds of the Offering to the Company. If the Termination Time occurs, however, then the Underwriter's fee in respect of the Subscription Receipts will be limited to the 50% ($0.0137 per Subscription Receipt) paid upon closing of the Subscription Receipt Offering on the Offering Closing Date. In the event the offering price of the Flow-Through Shares (to the extent that the Underwriter purchases any Flow-Through Shares as principals) and/or Subscription Receipts is reduced, the compensation received by the Underwriter will be decreased by the amount the aggregate price paid by the purchasers for the Flow-Through Shares and/or Subscription Receipts, is less than the gross proceeds paid by the Underwriter to the Company for the Flow-Through Shares and/or Subscription Receipts. The Underwriter will inform the Company if the offering price for the Flow-Through Shares and/or Subscription Receipts to the public is decreased.

The Company has agreed that (other than pursuant to the Offering), from the date of the Underwriting Agreement to the date that is 90 days following the Offering Closing Date, it will not, directly or indirectly, sell, or offer to sell, or announce the offering of, or enter into or make any agreement or understanding, or announce the making or entry into of any agreement or understanding, to issue, sell or exchange any Common Shares or any securities exchangeable or convertible into Common Shares without the prior written consent of MRCC, such consent not to be unreasonably withheld or delayed, other than: (i) pursuant to the Company's incentive plans; (ii) in connection with the exchange, transfer, conversion or exercise of existing outstanding securities or existing commitments to issue such securities; (iii) in connection with any acquisitions; (iv) in connection with issuances of Unit Shares on the exercise or deemed exercise of the Subscription Receipts in accordance with the Subscription Receipt Agreement; or (v) in connection with issuances of Warrant Shares on the exercise or deemed exercise of the Warrants in accordance with the Warrant Indenture.

In the event that the Acquisition closes concurrently with the closing of the Subscription Receipt Over-Allotment Option, the Company will issue Common Shares, rather than Subscription Receipts, under the Subscription Receipt Over-Allotment Option.

The Company has applied to have the Offered Securities listed on the TSX. Listing is subject to the approval of the TSX in accordance with its applicable listing requirements, and to the Company fulfilling all such requirements (including, in the case of the Subscription Receipts and the Warrants, distribution to a minimum number of public shareholders). Closing of the Offering is conditional upon the TSX having conditionally approved, on or before the Offering Closing Date, the listing of the Flow-Through Shares, the Unit Shares issuable pursuant to the Subscription Receipts, and the Warrant Shares issuable on exercise of the Warrants.

There is no market through which the Subscription Receipts or the Warrants may be sold and purchasers may not be able to resell the Subscription Receipts purchased under this short form prospectus or the Warrants issuable pursuant to such Subscription Receipts, if any. This may affect the pricing of the Subscription Receipts and the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "*Risk Factors*".

The Offered Securities offered hereby have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and accordingly may not be offered, sold or delivered, within the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. Except as permitted in the Underwriting Agreement and pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws, the Underwriter will not offer or sell the Offered Securities within the United States. The Underwriting Agreement permits the Underwriter to offer and resell the Offered Securities that they have acquired pursuant to the Underwriting Agreement to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), in the United States, provided such offers and sales are made in transactions exempt from the registration requirements of the U.S. Securities Act in accordance with Rule 144A. The Underwriting Agreement also provides that the Underwriter will offer and sell the Offered Securities outside the United States only in accordance with Regulation S under the U.S. Securities Act. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities within the United States.

The Underwriter may offer the Offered Securities in certain other jurisdictions outside of Canada and the United States pursuant to available exemptions from any prospectus, registration or similar requirements of applicable laws, subject to and in accordance with the Underwriting Agreement.

RISK FACTORS

An investment in the Flow-Through Shares and/or the Subscription Receipts involves certain risks, not all of which are described in this short form prospectus. A potential purchaser should also carefully consider the risks described under "*Risk Factors*" in the AIF, any current annual or interim financial statements and associated management's discussion and analysis of the Company, and any other documents incorporated by reference in this short form prospectus (which risk factors are incorporated herein by reference), as well as the other information contained or incorporated by reference in this short form prospectus. In addition, a potential purchaser should consult their own financial and legal advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Flow-Through Shares and/or Subscription Receipts.

Failure to Complete the Acquisition

The Acquisition is subject to normal commercial risks that the Acquisition may not be completed on the terms negotiated or at all. If closing of the Acquisition does not take place on or before the Termination Time, the Subscription Receipts will be cancelled and the Escrow Agent must repay to holders of Subscription Receipts an amount equal to the issue price therefor plus a *pro rata* share of the interest earned on the Escrowed Proceeds. In that case, the total return that a purchaser of Subscription Receipts would be entitled to receive would be limited to the purchaser's *pro rata* share of interest earned on the subscription price for such purchaser's Subscription Receipts (less any applicable withholding tax). The purchaser would not be entitled to participate in any growth in the trading price of the Common Shares. Further, the purchaser would be restricted from using the funds devoted to the acquisition of the Subscription Receipts for any other investment opportunities until the Escrowed Proceeds are returned to the purchaser. If closing of the Acquisition does not take place as contemplated, in accordance with the terms of the Arrangement Agreement, the Company could suffer adverse consequences, including the loss of investor confidence.

Failure to Realize Anticipated Benefits of the Acquisition

The Company is proposing to complete the Acquisition to strengthen the Company's position in the oil and natural gas industry and to create the opportunity to realize certain benefits, as described under the heading "*Recent Developments – The Acquisition*". Achieving the benefits of the Acquisition and future acquisitions the Company may complete depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities and synergies from integrating Marquee into its existing portfolio of properties. This integration requires the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the disruption of ongoing business, customer and employee relationships that may adversely affect its ability to achieve the anticipated benefits of the Acquisition.

The Acquisition is Subject to Satisfaction or Waiver of Various Conditions

Completion of the Acquisition is subject to, among other things, the approval of the Court of the Queen's Bench of Alberta, Marquee shareholder approval and the receipt of all necessary regulatory approvals, all of which may be outside the control of both Prairie Provident and Marquee. There can be no assurance that these conditions will be satisfied or that the Acquisition will be completed as currently contemplated or at all. Delays in the completion of the Acquisition could, among other things, result in additional transaction costs, loss of revenue or other negative effects associated with uncertainty about completion thereof. See " *Risk Factors– Failure to Complete the Acquisition*" above.

Potential Undisclosed Liabilities Associated with the Acquisition

In connection with the Acquisition, there may be liabilities that the Company failed to discover or was unable to quantify in its due diligence which was conducted prior to the execution of the Arrangement Agreement, and which could have a material adverse effect on the Company's business, financial condition or future prospects. In addition, the Company may not be indemnified for some or all of these liabilities. Marquee has not certified that the disclosure in this short form prospectus relating to the Acquisition constitutes full, true and plain disclosure in respect thereof. Marquee and its partners and their respective directors and officers will have no liability to purchasers of Flow-Through Shares or Subscription Receipts if the disclosure in this short form prospectus contains any misrepresentation relating to the Acquisition.

Information provided by Marquee

All information relating to Marquee in this short form prospectus has been provided by Marquee to the Company in accordance with the terms of the Arrangement Agreement. Although the Company has conducted what it believes to be a prudent and thorough level of investigation in connection with the Acquisition, an unavoidable level of risk remains regarding the accuracy and completeness of such information.

Historical and Pro Forma Financial and Operating Information

The historical financial and operating information relating to Marquee included in this short form prospectus, has been derived on a historical basis from the historical accounting and other records of Marquee. The historical financial and operating information may not reflect what the financial or operating results following the Acquisition would have been had the Company completed the Acquisition during the period presented or what the Company's financial or operating results will be in the future. Unless specifically noted otherwise, the historical financial and operating information does not contain any adjustments to reflect changes that may occur in the Company's cost structure, financing and operations as a result of the Acquisition. In preparing the pro forma financial and operating information in this short form prospectus, the Company has, where applicable, given effect to, among other items, the Offering and the completion of the Acquisition. The assumptions and estimates underlying the pro forma financial and operating information may be materially different from the Company's actual experience going forward. See "*Cautionary Note Regarding Forward-Looking Information*".

Operational, Environmental and Reserves Risks Relating to the Acquisition

The risk factors set forth in the AIF and in this short form prospectus relating to the oil and natural gas business, the operations and reserves of the Company, environmental concerns, abandonment and reclamation costs, impact of future capital expenditures, permit and license risks, title issues and aboriginal claims, among others, apply equally in respect of the Company intends to acquire pursuant to the Acquisition. Further, there may be liabilities that the Company may have failed to discover or was unable to quantify in the due diligence which the Company conducted prior to the execution of the Arrangement Agreement and which could have a material adverse effect on the Company's business, financial condition or future prospects.

Risks Associated with Acquisitions

Acquisitions of oil and gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquirer, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and natural gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the Company's control. All such assessments involve a measure of geological, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated.

Although select title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the Company's title to certain assets or that environmental defects, liabilities or deficiencies do not exist or are greater than anticipated. Such deficiencies or defects could adversely affect the value of Marquee and the Company's securities.

The Marquee Report was prepared for Marquee and the Company is unable to assess Marquee's procedures for providing information to Sproule or for assembling and reporting information to Sproule associated therewith.

Increase to Existing Debt Facilities

In accordance with commitment letters received from members of Prudential Capital Group, the Company expects that its existing debt facilities will be expanded in connection with completion of the Acquisition. Although the Company has had discussions with such lenders, there can be no assurance that the borrowing base and available lending limit under the Company's current debt facility will be increased. If the anticipated increase to the Company's existing debt facilities is not obtained, the Company may require additional financial resources following the close of the Acquisition to fund ongoing capital expenditures, which the Company may not be able to do so on satisfactory terms, or at all.

Use of Proceeds

Upon release of the Escrowed Proceeds from escrow to the Company, the Company intends to use the net proceeds from the Subscription Receipt Offering to finance ongoing capital expenditures and for general corporate purposes. The gross proceeds raised from the sale of the Flow-Through Shares will be used to incur CEE as part of the Company's exploration program to satisfy the Company's obligations in connection with the Flow-Through Shares. See "*Use of Proceeds*".

Although this allocation is based on the current expectations of management of the Company, there may be circumstances where, for business reasons, a reallocation of funds may be necessary as may be determined at the discretion of the Company and there can be no assurance as of the date of this short form prospectus as to how those funds may be reallocated. The failure to apply these funds effectively could adversely affect the success of the Company's business.

In addition, in order for the Company to satisfy its covenant under the Subscription Agreements to incur, or be deemed to incur, on or before December 31, 2018, Qualifying CEE in an amount equal to the aggregate purchase price of the Flow-Through Shares, the Company may undertake certain exploration activities in order to incur Qualifying CEE instead of deploying resources towards other commercial activities that would not incur Qualifying CEE but which it may, at the relevant time, otherwise have preferred to pursue. In the event the Company elects to deploy resources towards activities that would not incur Qualifying CEE, as required by the Subscription Agreements, the Company could face potential liability under the Subscription Agreements to indemnify purchasers of Flow-Through Shares for additional tax amounts payable as a result of a reduction of previously-renounced CEE. See "*Description of the Securities being Distributed – Flow-Through Shares"* above and *"Risk Factors – Canadian Income Tax Treatment of the Flow-Through Shares*" below.

Canadian Income Tax Treatment of the Flow-Through Shares

The tax treatment of oil and gas activities and flow-through shares is a major factor that must be considered when contemplating an investment in the Flow-Through Shares. The Flow-Through Shares are designed for investors whose income is subject to high marginal tax rates. The right to deduct qualifying expenditures accrues to the initial purchaser of the Flow-Through Shares and is not transferable. No guarantee can be given that Canadian tax laws and policies will not be amended, which may include a modification of the current administrative practices of the tax authorities or a decision by the tax authorities not to adopt previously announced amendments to Canadian tax laws. Moreover, there is no guarantee that there will not be any differences of opinion between the federal and provincial tax authorities with respect to the tax treatment of the Flow-Through Shares, the status of the Flow-Through Shares, or the classification of the expenses incurred (or deemed to be incurred) by Prairie Provident in carrying out its exploration programs. If any of these events occur, the tax consequences for a purchaser holding or disposing of

Flow-Through Shares will be altered and could be materially different than described above under the heading "*Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada – Taxation of Resident Holders of Flow-Through Shares*".

There is no guarantee that an amount equal to the total proceeds of the sale of Flow-Through Shares will be incurred (or deemed to be incurred) by Prairie Provident on or prior to December 31, 2019 on certain Qualifying CEE that will permit Prairie Provident to renounce such amount to purchasers as CEE, effective on or before December 31, 2018, resulting in the deductions for the purchasers described under "*Certain Canadian Federal Income Tax Considerations – Taxation of Resident Holders of Flow-Through Shares – Taxation of Resident Holders of Flow-Through Shares*". If Prairie Provident does not incur (or is not deemed to have incurred) an amount equal to the gross proceeds from the sale of the Flow-Through Shares so as to incur (or be deemed to have incurred) sufficient Qualifying CEE prior to time limits prescribed by the Tax Act, Prairie Provident will be required to reduce the amount of CEE that it has renounced in favour of the purchasers and the purchasers will be reassessed accordingly and will be required to remit tax if the reduction in the renounced CEE increases their taxable income. In certain circumstances, purchasers will not be subject to penalties for any such reassessment and no interest will be payable on such additional tax if such tax is paid by April 30, 2020. Pursuant to the Subscription Agreement Prairie Provident will agree to indemnify the purchasers in an amount equal to the amount of any tax payable or that may become payable under the Tax Act (and under any corresponding provincial legislation) by the purchaser (or if the purchaser is a partnership, the partners thereof) as a result of any such reduction. There is, however, no guarantee that Prairie Provident will have the financial resources required to satisfy such indemnity. In addition, if any such indemnification is required the resulting cost to the Company of meeting its payment obligations under the indemnity could adversely affect its financial position.

Subscription Receipt Structure

The holders of Subscription Receipts will receive the Unit Shares and Warrants comprising the Units upon the satisfaction of the Escrow Release Conditions. Subject to the terms of the Underwriting Agreement, the Company may waive certain closing conditions in its favour in the Arrangement Agreement or agree to amend the Arrangement Agreement and consummate the Acquisition on terms that may be different from those described in this short form prospectus. As a result, the expected benefits of the Acquisition may not be fully realized. As a consequence, holders of Subscription Receipts will essentially assume the same risk as though they had invested directly in Common Shares on the Offering Closing Date.

Market for Securities

There is no market through which the Subscription Receipts or the Warrants may be sold and there is no guarantee that an active trading market will develop. Accordingly, purchasers may not be able to resell the Subscription Receipts or Warrants purchased under this short form prospectus. This may affect the pricing of the Subscription Receipts and Warrants in the secondary market, the transparency and the availability of trading prices and the liquidity of the securities. There can be no assurance that an active trading market will develop for the Subscription Receipts or the Warrants after the Offering, or if developed, that such a market will be sustained at the price level of the Offering.

The Company has applied to have the Offered Securities listed on the TSX. As of the date of this short form prospectus, however, the TSX has not conditionally approved the application and there is no assurance that it will do so. Closing of the Offering is conditional upon the TSX having conditionally approved, on or before the Offering Closing Date, the listing of the Flow-Through Shares, the Unit Shares issuable pursuant to the Subscription Receipts, and the Warrant Shares issuable on exercise of the Warrants. See "*Plan of Distribution*".

Volatility of Market Price of Common Shares

The market price of the Common Shares, including the Flow-Through Shares, the Unit Shares issuable pursuant to the Subscription Receipts and the Warrant Shares issuable on the exercise of the Warrants, may be volatile. Volatility in the market price of Common Shares may affect the ability of holders of Common Shares to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Cautionary Note Regarding Forward-Looking Information*" in this short form prospectus. In addition, the market price for securities in the stock markets, including the TSX, may experience significant price and trading fluctuations. These fluctuations may result in volatility in the market prices of securities that is unrelated or disproportionate to changes in the Company's operating performance. These broad market fluctuations may adversely affect the market price of the Common Shares.

Future Financing

The Company may require future financing through the issuance of equity or debt or increase in borrowings to fund its future exploration, development, operations and acquisitions. There can be no assurance that additional financing will be available to the Company when needed, on terms acceptable to the Company or at all. The terms of the Company's credit facility permit requests for an adjustment to the borrowing base limit if the Company acquires reserves. The lenders, however, have sole discretion over the magnitude of the borrowing base based on their valuation of the Company's estimated reserves and their internal criteria. The Company's inability to raise funds to support ongoing operations and to fund capital expenditures or acquisitions may limit its growth or may have a material adverse effect upon the Company. No assurance can be given regarding the size of future equity or debt issuances or borrowings or the effect, if any, that such activities may have on the market price of the Common Shares. The Company may complete additional equity financings, which may have a dilutive effect on holdings of shareholders of the Company.

No Dividends

Prairie Provident has not paid any dividends on the Common Shares. Future dividends, if any, will be at the discretion of the Board of Directors, and any decision in respect thereof will be made based on the Company's operating results, cash flow, financial condition and funding requirements for ongoing operations and capital expenditures, and such other business factors and considerations as the Board of Directors considers relevant. As a result, purchasers will have to rely on capital appreciation, if any, to earn a return on their investment in Common Shares for the foreseeable future.

Forward-Looking Statements May Prove Inaccurate

Purchasers are cautioned not to place undue reliance on forward-looking statements (including, without limitation, financial outlook information). By their nature forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Forward-looking statements presented in this short form prospectus are based upon the completion of the Acquisition and the Offering. If any of these transactions are not completed on the terms or timelines contemplated herein, or at all, this will impact that forward-looking statements provided herein and such impact may be material.

Additional information on the risks, assumptions and uncertainties are found in this short form prospectus under the heading "*Cautionary Note Regarding Forward-Looking Information*".

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon by Bennett Jones LLP on behalf of Prairie Provident and by Burnet, Duckworth & Palmer LLP on behalf of the Underwriter.

TRANSFER AGENT AND REGISTRAR

Alliance Trust Company, Calgary, Alberta, is the appointed transfer agent and registrar for the Common Shares.

RELATIONSHIP BETWEEN PRAIRIE PROVIDENT AND THE UNDERWRITER

MRCC acted as a strategic adviser to the Company and will receive a fee upon the closing of the Acquisition. Although the fee, which is payable in cash, is not material to the Company, the Company may nevertheless be considered a "connected issuer" of MRCC within the meaning of applicable Canadian securities laws as a result. The terms of the Offering, including the Flow-Through Issue Price and the Subscription Receipt Issue Price, were determined by negotiation between the Company and the Underwriter. The Underwriter will receive fees in connection with the Offering, as disclosed in this short form prospectus. There is no other relationship between MRCC and the Company (other than the underwriting arrangements for the Offering as described herein).

INTERESTS OF EXPERTS

As at the date hereof, the partners and associates of each of Bennett Jones LLP and Burnet, Duckworth & Palmer LLP, respectively, Sproule (independent qualified reserves evaluator of both the Company and Marquee, who evaluated the reserves data of Prairie Provident and Marquee, respectively, as at December 31, 2017), in each case as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

Ernst & Young LLP, auditors of the Company, have advised they are independent with respect to the Company within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Alberta.

KPMG, auditors of Marquee, have advised that they are independent with respect to Marquee within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

STATUTORY AND CONTRACTUAL RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

The Subscription Receipt Agreement is expected to provide that original purchasers of Subscription Receipts under the Subscription Receipt Offering will have a contractual right of rescission against the Company, following the issuance of the underlying Unit Shares and Warrants to such purchasers, to receive the amount paid for the Subscription Receipts in the event that this short form prospectus (including documents incorporated herein by reference) and any amendment hereto contains a misrepresentation or is not delivered to such purchasers, provided that such remedy for rescission is exercised within 180 days from the closing of the Subscription Receipt Offering.

APPENDIX "A"

UNAUDITED PRO FORMA FINANCIAL STATEMENTS OF PRAIRIE PROVIDENT

(attached)

Prairie Provident Resources Inc.
Pro forma Statement of Financial Position
As at June 30, 2018
(Unaudited) (000s, Cdn $)

	Prairie Provident Resources Inc.	Marquee Energy Ltd. note 2	Pro forma adjustments	Notes	Prairie Provident Resources Inc. pro forma consolidated
Assets					
Cash	1,654	1,468	-		3,122
Restricted cash	4,881	-	-		4,881
Accounts receivable	9,890	4,202	-		14,092
Inventory	687	-	-		687
Prepaid expenses and other assets	1,917	1,753	(1,360)	3(a), 3(b)	2,310
Derivative instruments - current	510	-	-		510
Total current assets	19,539	7,423	(1,360)		25,602
Exploration and evaluation	26,409	11,471	(8,222)	3(a)	29,658
Property and equipment	218,460	147,425	(28,951)	3(a), 3(c)	336,934
Other assets	227	-	-		227
Total Assets	**264,635**	**166,319**	**(38,533)**		**392,421**
Liabilities					
Accounts payable and accrued liabilities	24,276	10,237	5,381	3(b)	39,894
Bank debt	-	7,700	-		7,700
Flow-through share premium	542	-	-		542
Derivative instruments - current	12,929	3,642	-		16,571
Current portion of decommissioning liability	2,300	-	-		2,300
Term loan	-	27,308	2,692	3(a)	30,000
Warrant liability	394	-	-		394
Total current liabilities	40,441	48,887	8,073		97,401
Long-term debt	68,420	-	-		68,420
Derivative instruments	7,424	-	-		7,424
Decommissioning liabilities	108,134	55,504	1,331	3(a), 3(c)	164,969
Other liabilities	4,412	-	-		4,412
	228,831	104,391	9,404		342,626
Shareholders' Equity					
Share capital	121,496	212,484	(197,233)	3(a), 5	136,747
Warrants	337	1,341	(1,341)	3(a)	337
Contributed surplus	1,420	13,975	(13,975)	3(a)	1,420
Deficit	(87,874)	(165,872)	164,612	3(a), 3(b), 3(d)	(89,134)
Accumulated other comprehensive income	425	-	-		425
Total Equity	35,804	61,928	(47,937)		49,795
Total Liabilities and Shareholders' Equity	**264,635**	**166,319**	**(38,533)**		**392,421**

See accompanying notes to the pro forma consolidated financial statements

Prairie Provident Resources Inc.
Pro forma Consolidated Statements of Income (Loss)
For the six months ending June 30, 2018
(Unaudited) (000s except per share amounts, Cdn $)

	Prairie Provident Resources Inc.	Marquee Energy Ltd. note 2	Pro forma adjustments	Notes	Prairie Provident Resources Inc. pro forma consolidated
Oil and natural gas revenue	43,470	20,042	-		63,512
Processing income	-	300	-		300
Royalties	(6,352)	(995)	-		(7,347)
Oil and natural gas revenue, net of royalties	37,118	19,347	-		56,465
Unrealized loss on derivative instruments	(14,515)	(2,808)	-		(17,323)
Realized loss on derivative instruments	(4,155)	(1,278)	-		(5,433)
	18,448	15,261	-		33,709
Expenses					
Operating	17,539	11,523	-		29,062
General and administration	4,536	2,425	-		6,961
Depletion and depreciation	15,675	8,411	(1,949)	4(a)	22,137
Exploration and evaluation	246	-	-		246
Gain on sale of properties	(47)	-	-		(47)
Gain on warrant liability	(139)	-	-		(139)
Impairment recovery	(162)	-	-		(162)
Loss on foreign exchange	3,016	5	-		3,021
Finance costs	4,494	2,480	15	4(b)	6,989
Reorganization	187	-	-		187
Transaction costs	78	-	-		78
Total expenses - net	45,423	24,844	(1,934)		68,333
Income (Loss) before tax	(26,975)	(9,583)	1,934		(34,624)
Taxes					
Current taxes (recovery)	-	-	-		-
Deferred taxes (recovery)	(169)	-	-	4(c)	(169)
Net income (loss)	**(26,806)**	**(9,583)**	**1,934**		**(34,455)**
Income (loss) per share:					
Basic and diluted	**$ (0.23)**			5	**$ (0.22)**
Weighted average common shares					
Basic and diluted	**115,882**		**38,609**	5	**154,491**

See accompanying notes to the pro forma consolidated financial statements

Prairie Provident Resources Inc.
Pro forma Consolidated Statements of Income (Loss)
For the year ending December 31, 2017
(Unaudited) (000s except per share amounts, Cdn $)

	Prairie Provident Resources Inc.	Marquee Energy Ltd. note 2	Pro forma adjustments	Notes	Prairie Provident Resources Inc. pro forma consolidated
Petroleum and natural gas revenue	79,011	32,048	5,381	4(d)	116,440
Royalties	(10,373)	(1,951)	(596)	4(d)	(12,920)
Oil and natural gas revenue, net of royalties	68,638	30,097	4,785		103,520
Unrealized gain (loss) on derivative instruments	783	(834)	-		(51)
Realized gain on derivative instruments	4,926	1,290	-		6,216
	74,347	30,553	-		109,685
Expenses					
Operating	38,650	16,842	2,091	4(d)	57,583
General and administration	10,218	6,081	-		16,299
Depletion and depreciation	34,875	17,920	(2,907)	4(a), 4(d)	49,888
Exploration and evaluation	4,877	239	-		5,116
Gain on sale of properties	(853)	-	-		(853)
Gain on business combination	(3,893)	-	-		(3,893)
Impairment loss	34,177	8,185	-		42,362
Gain on foreign exchange	(1,621)	-	-		(1,621)
Finance costs	5,114	3,724	113	4(b) , 4(d)	8,951
Transaction costs	1,075	149	-		1,224
Total expenses - net	122,619	53,140	(703)		175,056
Income (Loss) before tax	(48,272)	(22,587)	5,488		(65,371)
Taxes					
Current taxes	7	-	-		7
Deferred taxes (recovery)	(477)	(992)	-	4(c)	(1,469)
Net income (loss)	**(47,802)**	**(21,595)**	**5,488**		**(63,909)**
Income (loss) per share:					
Basic and diluted	**$ (0.42)**			5	**$ (0.42)**
Weighted average common shares					
Basic and diluted	**113,350**		**38,609**	5	**151,959**

See accompanying notes to the pro forma consolidated financial statements

1. Basis of presentation

The accompanying unaudited pro forma consolidated statement of financial position of Prairie Provident Resources Inc. ("PPR" or the "Company"), as at June 30, 2018 and the unaudited pro forma consolidated statements of income (loss) for the six months ended June 30, 2018 and the year ended December 31, 2017 (the "unaudited pro forma consolidated financial statements") have been prepared by management to reflect the proposed plan of arrangement (the "Arrangement" or "Transaction") involving the acquisition (the "Acquisition") of all of the issued and outstanding common voting shares ("Marquee Shares") of Marquee Energy Ltd. ("Marquee"). The Acquisition will occur pursuant to the Arrangement in accordance to the terms and conditions of an arrangement agreement dated September 13, 2018 and is expected to close on or about November 30, 2018.

The Acquisition has been accounted for as a business combination using the acquisition method of accounting whereby PPR is deemed to be the acquirer of Marquee. The assets and liabilities assumed are recorded at their fair values with the excess of the aggregate consideration, also recorded at fair value, over the fair value of the identifiable net assets allocated to goodwill or, in the case where the fair value of the identifiable net assets exceeds the consideration, recognition of a gain on acquisition. The fair values of the net assets acquired and liabilities assumed will be finalized subsequent to the closing of the Transaction. The consideration paid for Marquee is also subject to further refinement as the value will be determined based on PPR's share price at the time of closing.

The unaudited pro forma consolidated financial statements have been prepared from information derived from and should be read in conjunction with:

- The audited consolidated financial statements of PPR, together with the accompanying notes thereto, as at and for the year ended December 31, 2017;
- The condensed interim unaudited consolidated financial statements of PPR, together with the accompanying notes thereto, as at and for the six months ended June 30, 2018;
- The audited financial statements of Marquee, together with the accompanying notes thereto, as at and for the year ended December 31, 2017;
- The condensed interim unaudited financial statements of Marquee, together with the accompanying notes thereto, as at and for the six months ended June 30, 2018; and
- The business acquisition report dated June 5, 2017 in respect to the acquisition of oil and natural gas properties in the Greater Red Earth area ("Red Earth Acquisition") by PPR.

The line items in the unaudited pro forma consolidated financial statements have been prepared in all material respects using the accounting policies that are permitted by International Financial Reporting Standards ("IFRS") as if those line items were presented as a part of a complete set of financial statements. Accounting policies used in the preparation of the unaudited pro forma consolidated financial statements are consistent with those disclosed in note 3 of PPR's audited annual consolidated financial statements as at and for the year ended December 31, 2017.

The unaudited pro forma consolidated balance sheet gives effect to the Transaction and assumptions described herein as if they had occurred on June 30, 2018.

The unaudited pro forma consolidated statements of income (loss) for the six months ended June 30, 2018 and the year ended December 31, 2017 give effect to the Transaction and assumptions as if they had occurred on January 1, 2017.

The unaudited pro forma consolidated financial statements may not be indicative of the results that actually would have occurred if the events reflected therein had been in effect on the dates indicated or of the results which may be obtained in the future. In preparing these unaudited pro forma consolidated financial statements, no adjustments have been made to reflect the operating synergies and administrative cost savings that could result from the operations of the combined assets. Additionally, no adjustments have been made in the unaudited pro forma consolidated statements related to the anticipated issuance of PPR common and flow-through shares pursuant to a bought deal financing as described in the prospectus dated September 19, 2018 or the anticipated debt refinancing of the combined entity, both of which are expected to close immediately subsequent to the closing of the Arrangement. The debt refinancing will include the repayment in full and termination of Marquee's term loan and bank debt with funds from the expansion of PPR's senior secured revolving credit facility and the issuance of additional subordinated senior notes to PPR's current creditors. All debt of the combined entity will be classified as long-term after the refinancing is completed.

On August 29, 2018, Marquee entered into a purchase and sale agreement to sell certain non-core properties with average production of approximately 195 boe/d for cash proceeds of $6.6 million, prior to closing adjustments. The closing of the disposition is subject to certain closing conditions including regulatory approvals and additional environmental due diligence. As there is uncertainty around the closing of the disposition, as well as around the timing of the closing of the disposition, which may be before or subsequent to the closing of the Arrangement, no adjustments were included in the pro forma statements to remove the impact of this potential disposition.

The unaudited pro forma consolidated financial statements are presented in Canadian dollars.

2. Presentation adjustments:

The financial statements of Marquee have been adjusted to conform to PPR's presentation.

3. Pro forma assumptions and adjustments – consolidated statement of financial position:

The unaudited pro forma consolidated statement of financial position gives effect to the following assumptions and adjustments:

a. Under the terms of the Transaction, PPR will acquire all of the issued and outstanding Marquee Shares. As consideration, PPR will issue an aggregate of 38,609,417 common shares in exchange for all of the outstanding Marquee Shares. Each Marquee Share will be exchanged for 0.0886 PPR Share for an estimated aggregate acquisition cost of $15.3 million, using PPR's closing share price on September 18, 2018 of $0.395 per share.

   The preliminary estimates of the fair values of assets acquired and liabilities assumed relating to the Acquisition are as follows:

Marquee Energy Ltd.		
(000s)		
Allocation:		
Property and equipment	$	73,350
Exploration and evaluation assets		3,249
Working capital (deficiency) (note 3(b))		(8,295)
Derivative liability		(3,642)
Bank debt		(7,700)
Term loan		(30,000)
Decommissioning obligations (note 3(c))		(11,711)
	$	15,251
Consideration:		
Shares issued	$	15,251

The above fair values of the acquired assets and liabilities and consideration paid have been determined by the management of PPR for the Transaction and are based on the best information management currently has available. These fair values are preliminary and subject to change as more information is obtained.

b. Included as an adjustment to accounts payable and accrued liabilities are transaction costs of $5.4 million, including $4.1 million to be incurred by Marquee and $1.3 million to be incurred by PPR. These costs include incurred and accrued closing costs, advisory costs, and change in control costs. An adjustment for PPR's transaction costs has been included in the pro forma adjustments to deficit. Transaction costs have not been included in the unaudited pro forma consolidated statement of income (loss) as they do not have a continuing impact on PPR. Also included as an adjustment to the working capital deficiency is a decrease of prepaid expenses and other assets by $1.4 million due to differences in accounting practices. There was no impact of this adjustment on the income statement as it will not have a continuing impact on PPR.

c. The fair value of the decommissioning liabilities acquired of $11.7 million is based on a credit-adjusted discount rate of 9% (see note 3(a)). In accordance with PPR's accounting policy, decommissioning liabilities are estimated using risk-free rates. The revaluation of the acquired decommissioning obligations from the credit-adjusted discount rate to the risk-free rates of 1.2% - 2.2% resulted in an incremental increase to the carrying values of property and equipment and decommissioning liabilities of $45.1 million.

d. The following summarizes the changes to deficit at June 30, 2018:

Deficit		
(000s)		
Removal of Marquee deficit	$	165,872
PPR transaction Costs (note 3(b))		(1,260)
Change in Deficit	$	164,612

4. Pro forma assumptions and adjustments – consolidated statements of income (loss):

The unaudited pro forma consolidated statements of income (loss) give effect to the following assumptions and adjustments:

a. Depletion expense has been decreased by $1.9 million and $3.7 million for the six months ending June 30, 2018 and the year ending December 31, 2017 to reflect the reduced depletion that would have been incurred over the same periods as a result of decreasing the carrying value of Marquee's property and equipment to the fair value determined in the purchase price allocation in note 3(a).

b. Finance costs were adjusted by a nominal amount for each of the six months ended June 30, 2018 and the year ended December 31, 2017 related to changes in accretion expenses resulting from the pro forma adjustments to the carrying value of the decommissioning obligations as disclosed in notes 3(a) and 3(c).

c. The provision for deferred income taxes for the six months ended June 30, 2018 and the year ended December 31, 2017 has been calculated for the impact of the pro forma adjustments on the unaudited pro forma consolidated statements of income (loss) and has been calculated using a 27% effective deferred tax rate. The calculated deferred tax expense of $0.5 million for the six months ended June 30, 2018 and the deferred tax expense of $1.0 million for the year ended December 31, 2017 were not recognized in the pro forma adjustments due to the tax attributes of the combined entity, as provisions for unrecognized deferred tax assets are expected to increase or decrease to eliminate the deferred tax expense or recovery.

d. The Red Earth Acquisition closed on March 22, 2017. The unaudited pro forma consolidated statement of loss for the year ended December 31, 2017 has been adjusted to give effect to the Red Earth Acquisition as if it had occurred on January 1, 2017 including the following adjustments:

    i. Oil and natural gas revenue, royalties and operating expenses were adjusted to add the results from January 1, 2017 to March 21, 2017 based on unaudited lease operating statements of the Red Earth properties.

    ii. Depletion expense was adjusted by applying the depletion factor, incorporating production for the period from January 1, 2017 to March 21, 2017 to the fair value of the property and equipment acquired.

    iii. Finance costs were adjusted to add $0.1 million accretion expense that would have been incurred from January 1, 2017 to March 21, 2017 per the additional carrying value of decommissioning obligations acquired.

    iv. Deferred income tax expense was calculated using a 27% effective deferred tax rate. The calculated deferred tax expense of $0.5 million for the year ended December 31, 2017 was not recognized as a pro forma adjustment due to the tax attributes of the combined entity as described in note 4(c).

5. Pro Forma weighted average shares outstanding:

Pro forma basic and diluted net loss per share was calculated using pro forma net loss divided by the weighted average number of PPR shares outstanding in the period presented after giving effect to the issuance of 38.6 million PPR common shares pursuant to the Transaction, as if it had occurred on January 1, 2017.

CERTIFICATE OF THE COMPANY

Dated: September 28, 2018

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

(signed) "*Tim Granger*" President and Chief Executive Officer	(signed) "*Mimi Lai*" Vice President, Finance and Chief Financial Officer

On behalf of the Board of Directors of Prairie Provident Resources Inc.

(signed) "*Patrick R. McDonald*" Director	(signed) "*Ajay Sabherwal*" Director

CERTIFICATE OF THE UNDERWRITER

Dated: September 28, 2018

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

Mackie Research Capital Corporation

(signed) "*Kevin Shaw*"
Managing Director