



Heritage Royalty

Code of Ethics and Business Conduct

The Code of Ethics and Business Conduct (“the Code”) applies to all officers, employees and designated independent contractors (“all-inclusive referred to as Covered Parties”) of Heritage Resource Limited Partnership (“the Company”). Covered Parties who fail to adhere to the Code of Conduct may face discipline up to and including termination.

PURPOSE:

One of the Company’s Core Values is integrity. The Company promotes ethical corporate behaviour within the Company and with respect to third parties through the Company’s commitment to conducting our business ethically and legally. Covered Parties’ compliance with this Code is the Company’s fundamental way to ensure that its people act with the highest level of integrity and that our conduct is never called into question. In keeping our commitment, this Code and the related policies, procedures, practices and guidelines as approved and implemented by the Board of Directors and senior management will be used in identifying and managing ethical situations and making ethical business decisions.

If you are ever in doubt as to what you should do please speak with your supervisor or the Governance and Compensation Committee (the “Committee”). Contact information for the Governance and Compensation Committee can be found on the Whistleblower Policy

This Code will be reviewed annually by the Board of Directors of the Company and amended as required from time to time.

RESPONSIBILITY:

Respect in the Workplace

The Company has a diverse culture and is proud of its inclusiveness. One of the Company’s core values is to respect diversity. Another is to promote personal development, collaboration and innovation, which we believe can only be accomplished if we treat everyone with dignity and respect. Harassment, discrimination or conduct that is demeaning or offensive to others (verbal and/or physical) is prohibited. As an employee you are entitled to, and are expected to, preserve a positive, harmonious, safe, respectful and professional work environment. The Company complies with the applicable human rights legislation in all business jurisdictions.

Safety, Health, Environment, Risk and Quality

We are all responsible for maintaining a safe workplace by following safety and health rules and practices. The Company is committed to keeping its workplaces free from hazards. Any accidents, injuries, unsafe equipment, practices or conditions must be reported immediately to a supervisor or other designated person. In order to protect the safety of all employees and the public, employees undertake to work free from the influence of any substance that could impair their judgment or prevent them from conducting work activities safely and effectively.

Privacy

The Company is committed to maintaining the confidentiality, privacy, security and accuracy of the Personal Information of all Company Representatives and other third parties that is collected, in its possession or under its control or used, and disclosed, as a result of normal business operations. Personal information refers to information about an identifiable individual (except business contact information used for business purposes) including information about prospective, present or former employees and/or other individuals.

The Company has adopted a Privacy Policy which governs the Company's activities that are subject to the provisions of applicable privacy legislation, including the Personal Information Protection and Electronic Documents Act (Canada) and, where applicable, its equivalent in each province, including the Personal Information Protection Act (Alberta).

Protection of Company Assets

Subject to applicable laws, any inventions, discoveries or work produced by Covered Parties as part of their daily duties and responsibilities belongs to the Company and should only be used for legitimate business purposes. Covered Parties shall not misappropriate Company assets, funds, other company proprietary and confidential information or intellectual property of the Company nor use any Company assets for improper or personal gain.

Covered Parties have an obligation to protect the Company's assets which includes its proprietary information, such as intellectual property, trademarks, domain names, patents, copyrights, trade secrets, business and service plans, investment and service ideas, designs, databases, records and any unpublished financial data and reports. Intellectual property is considered confidential information and unauthorized use or distribution of intellectual property is a violation of this Code.

Disclosure and Company Records and Reporting

Honest, complete and accurate recording and reporting of information is critical to our ability to make responsible business decisions, to meet our reporting obligations to our shareholder and comply with all legal reporting requirements. The Company's accounting and other records are relied upon to produce reports for the Company's management, shareholders, creditors, governmental agencies and others. Supported by the Company's systems of internal controls, it reflects all assets, liabilities, transactions and events and conforms with the required accounting principles.

Full, fair, accurate, timely and understandable disclosure in the reports and other documents that are filed with, or submitted to, security commissions, regulatory authorities and/or stock exchanges as well as in other public communications made by the Company is critical for us to maintain a good reputation, to comply with obligations under securities laws and to meet the expectations of shareholders and other members of the investment community. In preparing such reports, documents and other public information, the following guidelines should be adhered to:

- (a) all accounting records, and the reports produced from such records, must be in accordance with all applicable laws;
- (b) all accounting records must fairly and accurately reflect the transactions or occurrences to which they relate;
- (c) all accounting records must fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues, expenses, transactions and events;
- (d) no accounting records should contain any false or intentionally misleading entries;
- (e) no transactions should be intentionally misclassified as to accounts, departments or accounting periods;
- (f) all transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period;
- (g) no information should be concealed from the internal auditors or the independent auditors; and

(h) compliance with the Company's system of internal controls is required.

The Company will manage, store, archive and dispose of reports, documents, records and other public/non-public information (both print and electronic) according to relevant legal requirements.

As part of the Company's general compliance with laws, rules and regulations, it also complies with all applicable financial reporting and accounting rules and regulations. If any employee, officer, director of the Company or other person has concerns or complaints regarding questionable accounting or auditing issues and/or disclosure matters, he or she is encouraged to submit those concerns to a member of the Board of Directors and/or Audit Committee.

Communications and Media Relations

As an employee of the Company, you should be truthful and candid in your communications and not intentionally mislead colleagues, customers, suppliers or other third parties. Use appropriate and professional language, both in written documents and public conversations, to ensure consistent, transparent, balanced, regular and timely public disclosure and dissemination of material and non-material information relating to the Company.

Only the CEO is permitted to represent the Company with the media or publicly, unless otherwise authorized by the CEO. Officers, employees and designated contract employees or consultants are not permitted to speak on behalf of the Company unless they are designated as authorized spokespersons of the company. Officers, employees and designated contract employees or consultants who may be participating in outside speaking engagements as a result of their position with the Company must obtain permission from and notify the CEO prior to participation.

Acceptable Use of Computer Systems and Communication Devices

The Company's "computer systems and communication devices" includes the personal computers, smartphone devices, phone systems, faxes, tablets, networks, electronic mail, data access, internet usage, connections from other locations and any other technology or distribution methods provided by the Company. Covered Parties should have no expectation of privacy in anything they create, store, send or receive using the Company's computer systems and communication devices.

The Company's computer systems and communication devices and other Company Assets (i.e. office equipment, tools, vehicles, supplies, facilities, etc.) are provided and should be used for business purposes and in accordance with fundamental principles of reasonable and acceptable use. Covered Parties' occasional, limited and incidental / appropriate personal use is permitted as long as it does not interfere with their performance of Company duties and responsibilities, negatively impact productivity, compromise system capacity or contravene applicable laws.

The Company's computer systems and communication devices are not to be used for improper or illegal activities such as communication of defamatory obscene or demeaning material, hate literature, inappropriate blogging, texting, or obtaining illegal software or files.

Gifts and Benefits

The purpose of business entertainment, gifts and promotional items in a commercial context is to create goodwill and foster good working relationships; it is not to take advantage of suppliers or investee companies for personal gain. No gift, promotional item or entertainment shall be offered, given, sought or accepted by a Covered Party unless it is consistent with customary business practices, is not excessive, and does not violate applicable laws or regulations. Covered Parties shall not offer or accept from any third party a gift that could be considered a bribe, kickback, loan, money, payoff, or benefits of any kind that gives the appearance that the Covered Party is taking advantage of their position. Covered Parties should discuss any gifts or proposed gifts which do not clearly fall within this exemption with their supervisor and/or the Governance and Compensation Committee.

Confidential Information

The Company possesses confidential information and all confidential information must be protected. Confidential information is any and all information belonging to the Company that is not subject to public disclosure, obtained in confidence from a third party and covered by a non-disclosure agreement. Examples of confidential information include:

- Personal Information – Some Covered Parties will have access to personal information. Covered Parties shall collect, use and disclose such personal information only for human resource administration, unless otherwise expressly consented to by the individual whose personal information it is, or otherwise authorized by law;
- Financial and Investment Information – Covered Parties who have access to confidential information about other businesses during the course of their Company duties and responsibilities shall safeguard it and will not use it or disclose it to any third parties unless required as part of their Company duties and as required by law or otherwise authorized by the owner of the information; and
- Proprietary Information and Intellectual Property – Information about the business and processes of the Company, is proprietary and confidential and shall be used and disclosed only for purposes of Company business, unless otherwise authorized by the Board of Directors.

Covered parties should exercise caution to avoid misuse or inadvertent disclosure of confidential information. This includes:

- Keeping electronic or paper documents and files containing confidential information in a safe place;
- Not discussing confidential matters where it could be overheard for example in public places, elevators, hallways, etc.;
- Exercising caution when discussing confidential matters on wireless telephones and/or devices;
- Transmitting confidential documents by electronic devices (i.e. fax, email, USB, etc.) only when it is reasonable to believe this can be done under secure conditions; and
- Avoiding unnecessary copying or printing of confidential documents.

Covered Parties' duties of confidentiality pursuant to the Code continue after their employment or association with the Company ends.

Compliance with Laws, Rules and Regulations

The Company respects and are bound by the law at all times and expects that Covered Persons must comply with all laws, rules and regulations at all levels of government in Canada, applicable to the Company's operations in all business jurisdictions, including the requirements of applicable securities commissions, regulatory authorities and stock exchanges.

Additionally Covered Persons shall adhere to all internal policies, procedures and rules as it applies in a given situation. The internal policies, procedures and rules are specific to the Company and may also go beyond what is required by law.

Conflicts of Interest

A conflict of interest occurs when a person's personal activities or own interests interferes or appears to interfere in any way with the person's roles and responsibilities at the Company or the overall interests of the Company's. Covered Parties in a conflict of interest (real or perceived) may find it difficult to perform their duties and responsibilities effectively and objectively.

Conflicts of interest may occur where involvement in any activity, with or without the involvement of another party, prevents the proper performance of duties and responsibilities as well as where involvement in any activity creates, or appears to create, a situation where judgment or the ability to act in the best interest of the Company is affected. Conflicts of interest may occur, for example, when Covered Parties or members of

their immediate family receive improper personal benefits gained as a result of their position at the Company or also where a Covered Party or member of their immediate family has an interest, or could appear to have an interest, in a Company transaction.

All material relationships or transactions which could be reasonably expected to create any conflict of interest must be disclosed to your supervisor or the Governance and Compensation Committee. Supervisors and the Governance and Compensation Committee will ensure that Covered Parties are not involved in any decision or operation related to the conflict.

Routine Company business includes the negotiation and approval of leasing arrangements with oil and gas companies. In such situations, when the lessee is a small publicly-traded or private company, there is the potential for the lease to have a material impact on the value of the entity. Due to this potential, no Covered Party of the Company shall enter into negotiations with or approve a lease with a small company (<\$1B in market capital) in which they, or an immediate family member, either holds shares in or is employed by.

Conflicts of interest are not always easy to spot, so if you have a question, you should consult with your supervisor or the Governance and Compensation Committee.

Outside Activities (this section does not apply to designated independent contractors)

Activities of employees and officers outside of the Company can raise a potential conflict of interest, create reputation risk for the Company and can also encroach on their ability to perform Company duties and responsibilities to the fullest of their potential. All outside business activities of employees and officers must be disclosed to your supervisor. Remuneration for any outside activity of employees and officers is not permitted unless authorized by the CEO.

If you have any questions about the permissibility of outside activities or what activities need to be disclosed, please contact the Governance and Compensation Committee. Please note that charitable and community service work does not need to be disclosed.

Unless requested by the Company, employees and officers who take up permitted outside activities or positions, pursue this at their own risk, cost and within their spare time only.

Corporate Opportunities

Covered Parties are prohibited from taking advantage of corporate opportunities including investment opportunities that are discovered or created through the use of Company property, information or as a result of their position at the Company. No Covered Party may use corporate or investment opportunities, property, information or their position in the Company for their own personal gain and/or competing with the Company.

If employees want to pursue business opportunities that might be of interest to the Company, they shall inform their supervisor who will seek a management decision as to whether or not the Company wants to pursue the opportunity.

Personal Trading

Covered Parties who, as a result of their work with the Company, acquire material non-public information (which includes any material fact or information) about another entity are not permitted to use or disclose that information for any purpose except for the conduct of the Company's business. When in doubt regarding the interpretation, applicability or if any questions arise about whether information constitutes material non-public information, it should be directed to the Governance and Compensation Committee.

Competition, Antitrust and Fair Dealing

Covered Parties shall behave honestly, ethically, endeavor to deal fairly and shall act in good faith and with due care with the Company's customers, suppliers, contractors, industry and business partners, employees and any other stakeholders. It is fundamental that Covered Parties adhere to the highest standards of personal and business ethics when pursuing the Company's business objectives in order to maintain the Company's

reputation as well as the cooperation and trust of others. Covered Parties shall not abuse the Company's substantial bargaining position in their dealings with others and shall respect the intellectual property of others and the terms of all the Company's license agreements. Covered Parties shall not take advantage of anyone through the manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice. Covered Parties must not engage in activities that would constitute or reasonably appear to constitute, an unreasonable restraint of trade, unfair trade practice or other anti-competitive course of conduct in violation of competition and antitrust laws. The Company complies with the applicable competition and antitrust legislation in all business jurisdictions.

Anti-Fraud and Prevention of Corruption

The Company is committed to protecting its reputation, revenue, property, information and other assets from fraud – whether the general public, contractors or its own directors, officers or employees. Unlawful and unethical behavior including the soliciting, accepting or paying of bribes or any other illicit payments for any purpose will not be tolerated. The Company complies with the applicable anti-corruption legislation in all business jurisdictions. This legislation includes the Corruption of Foreign Public Officials Act of Canada.

Any individual who knows or has any reason to suspect that a fraud has occurred must immediately notify their supervisor or the Governance and Compensation Committee. Supervisors should immediately report such information to the Governance and Compensation Committee.

The Company has adopted a Whistleblower Policy which allows easy access for employees and related parties to the Governance and Compensation Committee. The Whistleblower Policy governs integrity and ethical behavior by helping to foster and maintain an environment where employees and other individuals can act appropriately, without fear of retaliation.

GOVERNANCE:

Observance of the Code

This Code cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by this code or other Company policies or procedures and where you must make a judgement as to the appropriate course of action. In those circumstances or if you have any questions concerning your obligations under this Code we encourage you to use your common sense, and to contact your supervisor or a member of the senior management team for guidance. Senior management or directors are encouraged to consult with the Chief Executive Officer.

Covered Parties shall fully cooperate with any inquiries to ensure compliance with this Code, other Company policies, guidelines or procedures, or applicable laws or regulations, and understand that during the course of such inquiry, personal information may be used or disclosed.

Covered Parties shall promptly report known or suspected breaches of this Code or applicable laws, rules or regulations, dishonesty, fraud, serious errors, or questionable accounting or auditing matters such as undisclosed or mispriced assets or liabilities, or actions to mislead, manipulate or influence improperly the Company's auditors in the performance of their audit function ("Prohibited Activity"). Prohibited Activity should be reported to the Covered Party's supervisor, or the Governance and Compensation Committee (See Whistleblower Policy for contact information). All Covered Parties are accountable to escalate risks, including cases of known or suspected Prohibited Activity.

Violations of the Code

Violation of this Code or Covered Parties who have engaged in a Prohibited Activity or in a breach of other Company policies, guidelines or procedures or non-compliance to any laws and regulations may face disciplinary action up to and including termination (as applicable). Non-compliance may not only entail disciplinary action and/or termination, but could also result in criminal charges.

Covered Parties who witness or discover a violation of this Code or its related policies, guidelines or procedures have an obligation to report the violation immediately.

No retaliatory action of any kind will be permitted against anyone making such a report in good faith (also refer to the Whistleblower policy).

Waivers and Amendments

No waiver of this Code may be made where the conduct subject to the waiver contravenes any applicable law, rule, regulation or requirement.

Waivers of this Code may only be made by the Board of Directors and will be promptly disclosed to the extent required by law.