



WHISTLEBLOWER POLICY

INTRODUCTION

This Whistleblower Policy (the “Policy”), approved by the Governance & Compensation Committee (the “Committee”), is intended to allow easy access for employees and related parties to the Committee. This Policy addresses the commitment of Heritage Resource Limited Partnership. (“Heritage Royalty” or the “Company”) and the Advisory Board of the Company (the “Board”) to act with integrity and demonstrate ethical behaviour by helping to foster and maintain an environment where employees and other individuals can act appropriately, without fear of retaliation. The Company is instituting this policy as a result of recent requirements made to securities and civil legislation. Employees are strongly urged to discuss with officers, supervisors and senior managers or other appropriate personnel, when in doubt, what the best course of action would be in a particular situation.

PURPOSE

The purpose of this Policy is to encourage all employees, external third parties and the general public to disclose any wrongdoing or apparent wrongdoing regarding Adverse Employment Action (as defined below), accounting, internal accounting controls or auditing matters that may affect the Company, the Company’s customers, shareholders, employees, investors or the public in general and to ensure that employees, acting in good faith, have the means to report any violation of the Company’s Code of Conduct (the “Code”). This Policy also outlines the procedures for filing a complaint, how a complaint is investigated and the criteria used to evaluate a complaint.

DEFINITIONS

For purposes of this Policy:

- A. **“Whistleblowing”** Whistleblowing can be described as giving information about potential illegal and/or dishonest practices (i.e. wrong-doing.)
- B. **“Adverse Employment Action”** Examples of adverse employment action include, but are not limited to, demotion, suspension, termination, transfer to a lesser position, denial of promotions, denial of benefits, threats, harassment or denial of compensation as a result of an employee’s report of wrongdoing, or any manner of discrimination against an employee in the terms and conditions of employment because of any lawful act done by an employee pursuant to this Policy.
- C. **“Good Faith”** Good faith is evident when the complaint is made without malice or consideration of personal benefit and the individual(s) has a reasonable basis to believe that the complaint is true; provided, however, a complaint does not have to be proven to be true to be made in good faith. Good faith is lacking when the disclosure is known to be malicious or false.
- D. **“Wrongdoing”** Examples of wrongdoing include, but are not limited to, financial fraud and accounting fraud, knowing violation of laws and regulations regarding accounting, internal accounting controls or auditing matters; and involves any unlawful or illegal behavior that could include the following:

- An unlawful act including both civil and/or criminal;
- Breach of or failure to implement or comply with any Company policy;
- Knowingly breaching mandatory federal or provincial regulations;
- Unprofessional conduct;
- Questionable accounting or auditing practices;
- Dangerous practice likely to cause physical harm or damage to any person or property;
- Failure to rectify or take reasonable steps to report a matter likely to give rise to a significant or avoidable cost or loss to the Company;
- Abuse of power or authority for any unauthorized or ulterior purpose;
- Unfair discrimination in the course of employment or provision of services.

RESPONSIBILITY

General Guidance

This Policy presumes that individuals will act in Good Faith and will not make false accusations when reporting Wrongdoing. An individual who knowingly or recklessly makes statements or disclosures that are not in Good Faith may be subject to discipline, which may include termination in the case of an employee.

The Company will also not tolerate an attempt on the part of anyone to apply any sanction or detriment to any person who has reported a serious or genuine concern that they may have concerning an apparent Wrongdoing.

Commitment of the Governance & Compensation Committee with respect to Specified Complaints

The Committee will receive, retain, investigate and act on complaints and concerns of individuals regarding Adverse Employment Action, questionable accounting practices, breaches in internal accounting controls and other accounting, financial reporting or auditing matters as well as any allegation of Wrongdoing.

At the discretion of the Committee, responsibilities of the Committee created by these procedures may be delegated to any member of the Committee or to a subcommittee of the Committee's choosing.

Procedures for Receiving an Allegation of Wrongdoing

Any allegation of Wrongdoing that is made directly to management, whether openly, confidentially or anonymously, will be promptly reported to the Chair of the Committee.

Each allegation forwarded to the Chair of the Committee and each allegation that is made directly to the Committee, whether openly, confidentially or anonymously, will be reviewed by the Committee, which may, in its discretion, consult with any member of management or any employee whom they believe would have appropriate expertise or information to assist the Committee. The Committee will determine whether the Committee or management should investigate the allegation, taking into account the considerations set forth the section below ("Considerations Regarding the Decision to Investigate").

If the Committee determines that management should investigate the allegation, the Committee will notify the Board of Directors in writing of that conclusion. Management will thereafter promptly investigate the allegation and will report the results of its investigation, in writing, to the Committee. Management will be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

If the Committee determines that it should investigate the allegation, the Committee will promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Committee will be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

Considerations Regarding the Decision to Investigate

The Committee will respond positively to your concerns. Where appropriate, the matters raised may:

- Be investigated by the Committee, the Board of Directors, management, or through a disciplinary process;
- Be referred to the police;
- Be referred to the external auditor or another external agency specializing in similar investigations; or
- Form the subject of an independent inquiry.

In order to protect individuals and those accused of misdeeds or possible malpractice, initial inquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.

In determining whether management or the Committee should investigate an allegation of Wrongdoing, the Committee will consider, among other factors that are appropriate under the circumstances, the following:

- (a) the identity of the person allegedly involved with Wrongdoing;
- (b) the magnitude of the alleged Wrongdoing; and
- (c) the credibility of the allegation of Wrongdoing.

Within 15 calendar days after a concern is raised, the person contacted or a representative thereof will write to the complainant:

- (a) Acknowledging that the concern has been received;
- (b) Indicating how the Committee propose to deal with the matter;
- (c) Giving an estimate of how long it will take to provide a final response;
- (d) Informing the complainant whether any initial enquiries have been made; and
- (e) Notifying the complainant whether further investigations will take place and if not, why not.

The Company accepts that the complainant needs to be assured that the matter has been properly addressed. Thus, subject to legal constraints, the person contacted or a representative will inform the complainant of the outcomes of any investigation.

Concerns will be investigated as quickly as possible. It should be borne in mind that it may be necessary to refer a matter to an external agency and this may result in an extension of the investigative process. It should also be noted that the seriousness and complexity of any complaint may have an impact upon the time taken to investigate the matter. A designated person will attempt to indicate at the outset the anticipated time scale for investigating the complaint.

Protection of Whistleblowers and Other Individuals

Any employee who makes a disclosure or raises a concern under this policy will be protected if the employee discloses the information in Good Faith, believes it to be substantially true, does not act maliciously or make false allegations, and does not seek any personal or financial gain.

The Company will respect the confidentiality of any employee or outside individual who makes a complaint pursuant to this Policy and will not reveal the identity of the person to persons in any department, division or work location. In addition, confidentiality cannot be maintained if such confidentiality is incompatible with a fair investigation or if there is an overriding reasons for identifying or otherwise disclosing the identity of the person making the complaint, or if disclosure of the identity of the complainant is required by law. Therefore, the Company will make Good Faith efforts to protect the confidentiality of individuals making complaints provided, however, the Company or its employees and agents will be permitted to reveal the individual's identity and confidential information to the extent necessary to permit an effective investigation, or as required by law. The Company will not tolerate any effort by any other employee or employee group, to ascertain the identity of any person who makes a Good Faith allegation anonymously.

Consistent with the policies of the Company, the Committee will not retaliate, and will not tolerate any retaliation by management or any other employee or employee group, directly or indirectly, against anyone who, in Good Faith, makes an allegation of Wrongdoing or provides assistance to the Committee, management or any other person or group, including any governmental, regulatory or law enforcement body, investigating such an allegation.

Procedures for Making Complaints

Individuals who become aware of any Wrongdoing or suspected Wrongdoing are encouraged to make a report as soon as possible to the Chair of the Governance & Compensation Committee. Concerns should be submitted with as much detail as possible in order for the claim to be evaluated accurately. Acts of alleged Wrongdoing may be disclosed as follows:

Addressed: Chairman of Governance & Compensation Committee

Telephone: (403) 243-1030 or (403) 807-1033

Email: whistleblower@heritageroyalty.ca

Postal Address

Marked Private and Confidential

Attn: Chairman of Governance & Compensation Committee

710, 215 Second Street SW

Calgary, Alberta, T2P 1M4

GOVERNANCE

False and Malicious Allegations

The Company is proud of its reputation of adhering to high standards of honesty. It is important to realize that the Company will view very seriously any allegations which prove not to be substantiated (unless made in Good Faith pursuant to this policy) or which prove to have been made maliciously or knowing them to be false.

The Company will regard the making of any deliberately false or malicious allegation by any employee or third party as a serious offence which may result in disciplinary action including dismissal for cause (in case of employees) and pursuing civil remedies.