

Prairie Storm Resources Corp. (formerly Quendale Capital Corp.) Announces Completion of Qualifying Transaction

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VANCOUVER, BRITISH COLUMBIA – December 16, 2020 – Prairie Storm Resources Corp. (formerly Quendale Capital Corp. ("**Quendale**")) (the "**Company**") (TSXV: QOC.P) is pleased to announce that it has completed its previously announced business combination (the "**Transaction**") with Prairie Storm Energy Corp. ("**Prairie Storm**"), which resulted in the reverse take-over of the Company by the former shareholders of Prairie Storm (the "**Prairie Storm Shareholders**") and which constituted the Company's "**Qualifying Transaction**", as such term is defined in Policy 2.4 (the "**CPC Policy**") of the TSX Venture Exchange (the "**TSXV**").

The Transaction was completed by way of a three-cornered amalgamation pursuant to a previously announced amalgamation agreement dated November 16, 2020 (the "**Amalgamation Agreement**") among the Company, Prairie Storm and 2291479 Alberta Ltd., a wholly owned subsidiary of the Company ("**SubCo**"), whereby, among other things, Prairie Storm amalgamated with SubCo to form a newly amalgamated corporation also named "Prairie Storm Energy Corp." ("**Amalco**"). Pursuant to the Transaction:

- (a) each Class A common share of Prairie Storm issued and outstanding ("**Prairie Storm Share**") was cancelled without any repayment of capital in respect thereof and its holder received 1.883233 fully paid and non-assessable common shares of the Company (the "**Company Shares**") at a deemed price of \$0.28 per Prairie Storm Share;
- (b) the Class A common shares of Subco were cancelled and replaced by one common share of Amalco ("**Amalco Share**") issued to the Company; and
- (c) in consideration for the issuance of the Company Shares to effect the Amalgamation, Amalco issued to the Company one Amalco Share for each Company Share issued in exchange for the Prairie Storm Shares as described above,

resulting in Amalco being a wholly-owned subsidiary of the Company, with the Company holding all of the issued and outstanding Amalco Shares.

The Transaction

In connection with the Transaction and pursuant to the terms of the Amalgamation Agreement, the Company changed its name to "Prairie Storm Resources Corp." and issued 143,750,037 Company Shares to the Prairie Storm Shareholders. Following completion of the Transaction, there are 147,210,037 Company Shares issued and outstanding, with former Company shareholders (the "**Quendale Shareholders**") holding 3,460,000 Company Shares (representing approximately 2.35% of the issued and outstanding Company Shares) and Prairie Storm Shareholders holding 143,750,037 Company Shares (representing approximately 97.65% of the issued and outstanding Company Shares).

Pursuant to the terms of: (i) a value security escrow agreement dated December 15, 2020 among the Company, Computershare Investor Services Inc. and certain Prairie Storm Shareholders; and (ii) an escrow agreement dated May 7, 2018 among Quendale, Computershare Investor Services Inc. and certain Quendale Shareholders, an aggregate of 41,510,289 Company Shares held by Prairie Storm Shareholders and 2,010,000 Company Shares held by Quendale Shareholders, respectively, who are directors, officers and/or insiders of the Company have been placed in escrow, whereby 10% will be released on the issuance of the Final Exchange Bulletin (as

such term is defined in the CPC Policy) by the TSXV in respect of the Transaction and the balance of such Company Shares will be released in tranches over the next 36 months.

Trading Update

The Company has received conditional approval for the Transaction from the TSXV. Trading of the Company Shares remains halted pending receipt of the Final Exchange Bulletin, which is subject to the Company fulfilling certain customary conditions, including the filing of final documentation in respect of the Transaction. The Company Shares are expected to commence trading on the TSXV under the ticker symbol "PSEC" two trading days after receipt of the Final Exchange Bulletin.

Company Management & Auditors

Following closing of the Transaction, all of the directors and officers of the Company tendered their resignations and were replaced as follows: (i) Hugh G. Ross – President, Chief Executive Officer and Director, (ii) Julian Din – Vice President, Business Development and Director; (iii) Bruce Waterman – Director; (iv) Roderick Keith MacLeod – Director; (v) Ketan Panchmatia – Vice President, Finance, Chief Financial Officer and Corporate Secretary; (vi) Michael Schmidt – Vice President, Engineering; and (vii) Greg Groten – Vice President, Exploration.

In connection with the closing of the Transaction, the Company's newly appointed board of directors approved the appointment of KPMG LLP as auditor of the Corporation and accepted the resignation of Davidson & Company, LLP. In the opinion of the Corporation, there were not any "**reportable events**", as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* since the time Davidson & Company, LLP was appointed auditor of the Company.

Option Grants

The Company has granted an aggregate of 11,675,000 options to purchase up to that number of Company Shares to its directors, officers and certain consultants and employees of Amalco pursuant to the Company's stock option plan. The options will vest over a three-year period and may be exercised at a price of \$0.20. The options will be outstanding for a period of five years from the date of grant. In connection with the option grants, the Company has reserved 11,675,000 Company Shares for issuance upon exercise of such options.

Additional Information

Complete details of the Transaction and certain other matters are set out in the Amalgamation Agreement and the filing statement of the Company dated November 29, 2020 (the "**Filing Statement**"), copies of which are available under the Company's SEDAR profile at www.sedar.com.

For further information please contact:

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Reader Advisory

Readers are cautioned that, except as disclosed in the Filing Statement, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "will", "estimates", "believes", "intends" "expects" and similar expressions which are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning: the release of Company Shares from escrow; the anticipated receipt and timing of the Final Exchange Bulletin and the Company's satisfaction of the conditions thereto; and the commencement of trading of the Company Shares on the TSXV and the expected timing thereof.

The Company cautions that all forward-looking information is inherently uncertain, and that actual performance may be affected by a number of material factors, assumptions and expectations, many of which are beyond the control of the Company, including expectations and assumptions concerning the Company, Amalco and the Transaction, the timely receipt of the Final Exchange Bulletin and the satisfaction of the conditions to the issuance thereof, as well as other risks and uncertainties, including those described in the Filing Statement, as well as the Company's final prospectus dated May 10, 2018 filed with the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission, both of which are available under the Company's SEDAR profile at www.sedar.com.

The reader is cautioned that assumptions used in the preparation of any forward-looking statements or information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. Readers are cautioned not to place undue reliance on any forward-looking information or statements. Such information and statements, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements and information contained in this press release are expressly qualified by this cautionary statement.

The forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.

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