



May 2, 2017

Dear Shareholders,

Earlier this year, we completed a transformative transaction that combined Sprott Resource Corp. and Adriana Resources Inc. to create Sprott Resource Holdings Inc. ("SRHI"). The result of this transaction, and subsequent related financings, is that SRHI is now a unique, resource-focused company with a portfolio of holdings in mining, energy and agriculture, no debt and more than \$75 million in cash.

In conjunction with the business combination, Sprott Inc. increased its ownership position in SRHI and our new Chief Investment Officer, Rick Rule, also made a substantial financial commitment to the company. We believe these investments further align the interests of our sponsor with those of all our shareholders, while also providing SRHI with deeper access to Rick's investment knowledge and extensive network of resource industry contacts.

In April, we completed a \$30 million equity financing that further strengthened our balance sheet and brought a significant number of new investors to SRHI. We are pleased to welcome these new owners to the business and we are committed to doing all we can to deliver meaningful value to all our shareholders in the quarters and years ahead.

We will apply our capital and talent to exceptional opportunities. These opportunities, and their management teams must join us in our commitment to creating value for our shareholders. Your management team recognizes that you, our shareholders, are our partners and we appreciate the trust you have placed in us to execute this strategy. We will make every effort to keep you informed about our progress towards our objectives.

With more than \$75 million in cash, we are well positioned to pursue accretive new investment opportunities. We are seeing strong deal flow and actively evaluating a number of potential investments, particularly in the mining and energy sectors.

As we have stated previously, one of our key priorities as a management team is to reduce the discount to Net Asset Value ("NAV") at which SRHI has traded recently. We are pleased with the progress we have made in this area. As a result of the transaction and subsequent financings, as well as the performance of material holdings, our discount to NAV decreased from 55.3% to 25.9% during the first quarter of 2017.

SRHI has initiated its transition from a listed-private equity company to a diversified resource holding company and this will result in some changes to our investment approach. Going forward, we will seek to have the majority of our holdings in controlling positions of operating companies in the resource sector.

On behalf of our Board of Directors and employees, I thank you for your continued support and look forward to reporting to you on our progress in the second half of the year.

Sincerely,

(signed) "Steve Yuzpe"

President and Chief Executive Officer