

November 7, 2018

Dear Shareholders,

In 2018, the primary focus of Sprott Resource Holdings Inc. ("SRHI") has been advancing the development of our core holding, the producing Minera Tres Valles ("MTV") copper mine in Chile and we are pleased with the progress that has been made on the project. On November 2, we announced the results of the technical studies that form the consolidated technical report which we expect to release in final form before the end of the month. We are very pleased with the results of the technical studies which validates our initial due diligence and investment thesis for the project.

The technical studies confirm our expectation that MTV should almost triple production over the next 18 months, achieving a run rate of approximately 18,000 tonnes per annum of copper cathodes. Based on a long-term copper price of US\$2.75 per pound, the preliminary economic assessment, which looked at the total available mineral resources of the project, indicates that MTV could generate US\$34 million in cash flow in 2020 before peaking at US\$45 million in 2022.

Highlights of the Technical Studies PEA Case¹ include:

- Low Capital Cost to Triple Production with Short Payback Period
 - Low project capital requirement of US\$21 million to ramp-up operation to full-capacity of 18,000² tonnes per annum of copper cathodes within 24 months
 - Low capital intensity
 - Short payback of 1.2 years
- Positive project economics demonstrated by economic analysis confirms SRHI's investment thesis
 - Pre-tax and after-tax NPV_{8%} of US\$129 million and IRR of 131% based on a long-term flat copper price of US\$2.75
 - Average annual copper cathode production (2019-2025) of 34 million pounds per annum
 - 7.5 year life of mine ("LOM") with opportunity to extend through exploration on 44,000 hectares of land
 - Attractive LOM operating cash costs estimate of US\$1.65 per pound of finished copper
 - PEA case demonstrates potential to generate cash flow of US\$34 million in 2020 with peak cash flow reaching US\$45 million in 2022
 - Completion of technical studies and related technical report is key to advancing currently ongoing project financing discussions

It is important to note that the additional capital expenditures required for the project will be used exclusively for mining development and not new construction. The existing infrastructure that was previously funded by prior owners, in the amount of approximately US\$244 million between 2004 and 2013, supports the proposed full ramp up of operations.

This investment in MTV was the first completed under SRHI's new strategy of acquiring majority positions in mining assets with near-term cash-flow potential. Looking ahead, we will continue to execute on this strategy by exiting non-core positions, when deemed appropriate, and building our platform around the foundational producing MTV holding.

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

Sincerely,

(signed) "Steve Yuzpe"

President and Chief Executive Officer

¹ The PEA Case mine plan is partly based on inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA Case based on these mineral resources will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

² Based on PEA study results