

**MANAGEMENT SERVICES AGREEMENT**

**THIS AGREEMENT** made and entered into as of the 5<sup>th</sup> day of September, 2007

**B E T W E E N:**

**SPROTT RESOURCE CORP.,**  
a corporation incorporated under the laws of Canada  
(hereinafter referred to as the “**Corporation**”)

- and -

**SPROTT CONSULTING LTD.,**  
a corporation incorporated under the laws of the Province of Ontario  
(hereinafter referred to as the “**Consultant**”)

**WHEREAS:**

1. the Corporation is a company involved in the acquisition of direct and indirect investments in the mining sector and the evaluation and acquisition of other opportunities within the natural resource sectors, including minerals, oil and gas, water and forestry; and
2. the Corporation has retained the Consultant, and the Consultant has agreed, to provide or cause to be provided management and administrative services to the Corporation and to provide or cause to be provided such other services and facilities as hereinafter described.

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties hereto agree as follows:

**1. Definitions and Interpretations**

The terms defined in this Section whenever used in this Agreement shall, unless the context otherwise requires, have the respective meanings hereinafter specified:

- (a) “**Advisory Fee**” shall have the meaning set forth in Section 7 hereof;
- (b) “**Agreement**” means this management services agreement dated as of September 5, 2007 as the same may be amended from time to time and “**herein**”, “**hereof**”, “**hereby**”, “**hereunder**” and similar expressions refer to this Agreement and include every instrument supplemental or ancillary to this Agreement and, except where the context otherwise requires, not to any particular article, section or subsection thereof;

- (c) “**Applicable Securities Legislation**” means the laws, regulations, rules, requirements and policies of the British Columbia Securities Commission and equivalent regulatory authorities in each province of Canada (other than Quebec);
- (d) “**book value of the Remaining Assets**” shall have the meaning set forth in Section 4 hereof;
- (e) “**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in the Provinces of Ontario and British Columbia, on which banks conducting business in the City of Toronto or Vancouver are generally open for the transaction of banking business and the Toronto Stock Exchange is open for trading;
- (f) “**Change of Control**” shall have the meaning set forth in Section 18 hereof;
- (g) “**Consultant**” means Sprott Consulting Ltd.;
- (h) “**Corporation**” means Sprott Resource Corp., formerly known as General Minerals Corporation;
- (i) “**Hurdle**” shall have the meaning set forth in Section 8 hereof;
- (j) “**Incentive Fee**” shall have the meaning set forth in Section 8 hereof;
- (k) “**Investment Manager**” means Sprott Asset Management Inc.;
- (l) “**Net Asset Value of the Corporation**” shall be calculated in accordance with Section 5 hereof;
- (m) “**Net Asset Value of the Portfolio Investments**” shall be calculated in accordance with the Portfolio Management Agreement;
- (n) “**Nominees**” shall have the meaning set forth in Subsection 3(c) hereof;
- (o) “**Portfolio Investments**” means (a) funds initially and from time to time thereafter deposited by the Corporation into its account with the Investment Manager (or another person or entity retained to provide investment management services in respect thereof), together with all dividends, interest and other funds arising in the course of the operation of the Corporation’s account that have been credited to the account, after deduction from the account of: (i) applicable expenses; (ii) applicable taxes; (iii) the Advisory Fee payable to the Investment Manager pursuant to the Portfolio Management Agreement; and (iv) such other payments as the Investment Manager shall have instructed the Corporation from time to time to remit to the Investment Manager pursuant to the terms of the Portfolio Management Agreement; and (b) securities initially and from

time to time thereafter deposited by the Corporation into its account with the Investment Manager, together with such securities purchased, exchanged or otherwise acquired by the Investment Manager on behalf of the Corporation from time to time, during the term of the Portfolio Management Agreement;

- (p) “**Portfolio Management Agreement**” means the portfolio management agreement dated as of September 5, 2007 between the Consultant, on its own behalf and on behalf of the Corporation, and the Investment Manager as the same may be supplemented, amended or restated from time to time;
- (q) “**Remaining Assets**” shall have the meaning set forth in Section 2 hereof;
- (r) “**Services Fee**” shall have the meaning set forth in Section 7 hereof; and
- (s) “**Valuation Date**” means the last Business Day of each month and such other date or dates as the Consultant may in its discretion designate.

In this Agreement, where the context so indicates, the singular shall include the plural and the masculine shall include the feminine and neuter.

## 2. Appointment

The Corporation hereby appoints the Consultant to manage, or engage others to manage, the undertaking and affairs of the Corporation and to provide all necessary or advisable administrative services and facilities as hereinafter set forth and the Consultant hereby accepts such appointment and agrees to act in such capacity and to provide or cause to be provided such management and administrative services and facilities upon the terms set forth in this Agreement.

The Consultant may from time to time employ or retain any other person or entity to manage on behalf of the Consultant or to assist the Consultant in managing or providing administrative services to all or any portion of the Corporation’s assets other than the Portfolio Investments (the “**Remaining Assets**”), and in performing other duties of the Consultant set out in this Agreement.

The Consultant shall retain, on its own behalf and on the Corporation’s behalf, the Investment Manager to maintain and operate a managed investment account in respect of the Portfolio Investments in the name of the Corporation with discretionary authority as to all trades on a continuing basis until terminated and subject to and in accordance with the provisions of the Portfolio Management Agreement. The Investment Manager will be responsible for the calculation of the Net Asset Value of the Portfolio Investments in accordance with the Portfolio Management Agreement. In addition to the Portfolio Investments, the Corporation agrees that the Consultant may from time to time transfer all or any portion of the Remaining Assets to the Investment Manager for management. Notwithstanding the foregoing, the Consultant may retain, on its own behalf and on the Corporation’s behalf, any other person or entity in substitution for or in addition to the Investment Manager to provide investment management services in respect of all or any

portion of the Portfolio Investments. In the event that the Portfolio Management Agreement is terminated and another person or entity has not been appointed to provide investment management services in respect of all of the Portfolio Investments, until such time as such other person or entity is appointed, the funds and the securities previously forming the Portfolio Investments shall continue to be treated as such for purposes of calculating the fees payable pursuant to Sections 7 and 8 hereof.

### 3. Management and Administrative Services

During the term of this Agreement the Consultant shall:

- (a) administer the day-to-day business and affairs of the Corporation, including making decisions relating to the Corporation, the preparation of all written and printed material for distribution to investors and assisting the Corporation in compliance with registration, filing, reporting and similar requirements of Applicable Securities Legislation, relevant securities regulatory authorities or any similar organization of any government and of any stock exchange to which the Corporation is obligated to report;
- (b) provide or cause to be provided all internal accounting, audit and legal services in respect of the Corporation and other usual and ordinary office facilities, supplies and services necessary or desirable for carrying on the management and administration of the Corporation;
- (c) provide the services of four (4) separate individuals as nominees to serve, three as directors of the Corporation, one as president and chief executive officer, and one as chief financial officer of the Corporation together with nominees for such other executive positions as may be required by the Corporation (the “**Nominees**”). The Corporation agrees to propose to its shareholders for election a slate of directors which includes at least three Nominees;
- (d) provide or cause to be provided services in respect of the Corporation’s daily operations, including administration services related to the acceptance or rejection of subscriptions for securities of the Corporation;
- (e) distribute or cause to be distributed all securities which the Corporation may decide to issue during the term of this Agreement and take or cause to be taken all such actions as the Consultant reasonably considers necessary or desirable in the sale of securities of the Corporation whether by prospectus or private placement offering;
- (f) on each Valuation Date, calculate and prepare a report to the Corporation and its board of directors on the valuation of the Remaining Assets calculated in accordance with Section 4 hereof and on the Net Asset Value of the Corporation calculated in accordance with Section 5 hereof;

- (g) authorize payment on behalf of the Corporation of expenses incurred on behalf of the Corporation and the negotiation of contracts with third party providers of services (including, but not limited to, custodians, transfer agents, legal counsel, auditors, insurance companies and printers);
- (h) keep and maintain the books and records of the Corporation and supervise compliance by the Corporation with record-keeping requirements under applicable regulatory regimes;
- (i) deal with banks, insurance companies and custodians, including the maintenance of bank records and the negotiation and securing of bank financing or refinancing and insurance policies;
- (j) monitor relationships with the custodians, registrar and transfer agent, auditors, legal counsel, insurance agents and other organizations or professionals serving the Corporation;
- (k) from time to time, or when otherwise reasonably requested by the Corporation, make reports to the Corporation and/or its shareholders of the Consultant's performance of the services provided to the Corporation pursuant to this Agreement;
- (l) prepare or cause to be prepared accounting, management and other reports, including reports of the Corporation's performance to shareholders, interim and annual reports to shareholders and financial statements;
- (m) provide or cause to be provided all other administrative services and facilities required by the Corporation in relation to its shareholders including, without limitation, the preparation for and holding of meetings of shareholders and other services for the provision of information to shareholders; and
- (n) provide such other managerial and administrative services and carry out such other duties as may be reasonably required for the ongoing business and administration of the Corporation,

subject to the directions and orders of the Corporation from time to time, which directions and orders shall be reasonably consistent with the nature of the duties set out above.

#### **4. Valuation of Remaining Assets**

The value of the Remaining Assets on each Valuation Date shall be the aggregate book value of the Remaining Assets as determined by the Consultant, who may consult with the auditors of the Corporation. “**book value of the Remaining Assets**” means the amount as determined by the Consultant in accordance with Canadian generally accepted accounting principles.

## 5. Net Asset Value of the Corporation

The net asset value of the Corporation (“**Net Asset Value of the Corporation**”) shall be determined at 4:00 p.m. (Toronto time) on each Valuation Date by the Consultant, who may consult with the Investment Manager and/or the auditors of the Corporation. The Net Asset Value of the Corporation on any Valuation Date shall mean the aggregate book value of the Remaining Assets plus the aggregate market value of the Portfolio Investments (determined in accordance with the Portfolio Management Agreement), less an amount equal to the Corporation’s liabilities on such Valuation Date. To arrive at the Net Asset Value per share, the Net Asset Value of the Corporation is divided by the total number of outstanding common shares of the Corporation as at the relevant Valuation Date.

The liabilities of the Corporation shall be deemed to include:

- (a) all bills and accounts payable;
- (b) all administrative expenses payable and/or accrued;
- (c) all obligations for the payment of money or property, including the amount of any declared but unpaid dividends;
- (d) all allowances authorized or approved by the board of directors of the Corporation for taxes or contingencies; and
- (e) all other liabilities of the Corporation of whatever kind and nature, except liabilities represented by outstanding securities of the Corporation.

## 6. Records

The Consultant shall keep at all times proper books of account and records relating to the services performed hereunder, which books of account and records shall be accessible for inspection by the Corporation at any time during normal business hours.

## 7. Services Fee and Advisory Fee

In consideration for the services provided by the Consultant to the Corporation pursuant to this Agreement, the Corporation shall pay the Consultant an annual services fee (the “**Services Fee**”) equal to 2% of the Net Asset Value of the Corporation calculated and payable at the end of each calendar quarter based on the average month-end Net Asset Value of Corporation during each calendar quarter.

Such Services Fee shall be payable by the Corporation to the Consultant, at the sole option of the Consultant, in cash or, subject to regulatory approval, common shares of the Corporation (at a price per common share equal to the “market price” (as defined under the Toronto Stock Exchange rules) on the date such common shares are payable) on or before the tenth (10<sup>th</sup>) day following the last Business Day of each such calendar quarter.

If the Services Fee is payable in respect of a period that is less than a full calendar quarter, the Services Fee payable to the Consultant shall be pro-rated for that calendar quarter. The Services Fee payable to the Consultant shall be subject to applicable federal goods and services tax.

In consideration for the investment management services to be provided by the Investment Manager to the Consultant, on its own behalf and on behalf of the Corporation, pursuant to the Portfolio Management Agreement, the Consultant agrees that it shall pay the Investment Manager an annual advisory fee (the “**Advisory Fee**”) from the Services Fee it receives from the Corporation calculated and payable to the Investment Manager pursuant to the provisions of the Portfolio Management Agreement. In no event shall the Advisory Fee be greater than the Services Fee.

## **8. Incentive Fee**

In addition to the Services Fee, the Corporation shall pay the Consultant an annual incentive fee (the “**Incentive Fee**”) equal to 20% of: (a) the pre-tax profits of the Corporation for the period from January 1 to December 31, minus (b) the average month-end Net Asset Value of the Corporation from January 1 to December 31 multiplied by the percentage return of the Canadian 30-Year Generic Bond Index (ticker: GCAN30YR Index) or any successor index for the same period (up to a maximum of 12%) (the “**Hurdle**”).

If in any year no Incentive Fee is payable to the Consultant, then before an Incentive Fee is payable in a subsequent year, the aggregate pre-tax profits of the Corporation for such year, together with the pre-tax profits of the Corporation for the period(s) in which no Incentive Fee was payable, must exceed the Hurdle for that subsequent year, together with the Hurdle(s) for the period(s) in which no Incentive Fee was payable, and then the Incentive Fee shall be equal to 20% of the difference.

Such Incentive Fee shall be payable by the Corporation to the Consultant, at the sole option of the Consultant, in cash or, subject to regulatory approval, common shares of the Corporation (at a price per common share equal to the “market price” (as defined under the Toronto Stock Exchange rules) on the date such common shares are payable) on or before the tenth (10<sup>th</sup>) day following the last Business Day of the fiscal year of the Corporation.

Incentive Fees are estimated and accrued during the year such that the Net Asset Value of the Corporation reflects such accrual. The Incentive Fee payable to the Consultant shall be subject to applicable federal goods and services tax.

## **9. Compensation for Additional Services**

If and to the extent that the Consultant shall render services to the Corporation other than those required to be rendered pursuant to the provisions of this Agreement, such additional services and activities will be compensated for separately and shall be on such terms that are generally no less favourable to the Corporation than those available from arm’s length parties (within the meaning of the *Income Tax Act* (Canada)) for

comparable services.

## **10. Expenses of the Corporation**

The Corporation shall pay all fees and expenses incurred in connection with the operation and administration of the Corporation's business including, without limitation: (i) fees and expenses payable to the board of directors of the Corporation; (ii) Services Fees and Incentive Fees, if any, payable to the Consultant pursuant to this Agreement; (iii) fees payable to the custodians of the Portfolio Investments and the Remaining Assets; (iv) legal, audit and valuation fees and expenses; (v) insurance fees; (vi) shareholder reporting costs; (vii) registrar and transfer agency costs; (viii) fees and expenses payable for listings, the maintenance of listings and filings or other requirements of stock exchanges on which any of the securities of the Corporation are listed or quoted; (ix) other administrative expenses and costs incurred in connection with the Corporation's continuous public filing requirements and investor relations; (x) securities commission participation fees; (xi) all taxes (income, capital and sales taxes); (xii) brokerage and trading commissions; (xiii) costs and expenses relating to the offering and issue of securities of the Corporation (including the costs of printing and preparing offering documents, legal expenses, auditing expenses, marketing expenses and other reasonable out-of-pocket expenses); (xiv) costs and expenses of preparing, printing and mailing financial and other reports; (xv) costs and expenses arising as a result of complying with all Applicable Securities Legislation and other applicable laws, regulations and policies; and (xvi) all amounts paid by the Corporation on account of the indebtedness of the Corporation. Such expenses shall include expenses of any action, suit or other proceeding in which or in relation to which the Consultant, the Investment Manager or the custodian(s) of the Portfolio Investments and the Remaining Assets and/or any of their respective officers, directors, employees, consultants or agents is entity to indemnify by the Corporation.

In addition to the fees paid to the Consultant pursuant to Section 7 and Section 8 hereof, the Corporation shall reimburse the Consultant for all expenses incurred by the Consultant in connection with the duties set out in Section 3 hereof (including payments to third parties in that regard) to the extent such expenses were incurred for and on behalf of the Corporation and do not represent administrative costs of the Consultant necessary for it to carry out its functions hereunder. Such expenses shall be reimbursed by the Corporation to the Consultant on each Valuation Date when incurred.

Any directors, officers or employees of the Consultant or its affiliates (as such term is defined in the *Securities Act* (Ontario)) who are also directors, officers and employees of the Corporation shall be paid by the Consultant for serving in such capacity and shall not receive any remuneration from the Corporation therefor.

## **11. Other Activities of the Consultant**

The Corporation acknowledges that the Consultant has management and administrative responsibilities and contracts with other persons, companies, limited partnerships, investment funds and other entities. The Corporation therefore agrees that

the Consultant may provide management and administrative services to such other persons and entities which are the same or different from the services provided to the Corporation by the Consultant even though such other persons or entities may be the same or similar to the Corporation.

## **12. Authority to Enter into Agreement**

Each of the parties to this Agreement hereby represents and warrants to the other that it is duly authorized and empowered to execute, deliver and perform this Agreement and that such action does not conflict with or violate any provision of law, regulation, policy, contract, deed of trust or other instrument to which it is a party or by which it is bound and that this Agreement constitutes a valid and binding obligation of it enforceable in accordance with its terms.

The Corporation shall provide to the Consultant concurrently with the execution and delivery by the Corporation of this Agreement all such evidence of authority to act including, without limitation, designations of authorized persons and certified copies of charter documents and resolutions, as the Consultant may require. The Consultant may continue to rely on all such evidence until notice to the contrary given hereunder has been received by it.

## **13. Standard of Care**

The Consultant shall exercise the powers granted and discharge its duties hereunder honestly, in good faith and in the best interests of the Corporation and, in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. However, it is agreed that the Consultant does not in any way guarantee the performance of the Remaining Assets or the Portfolio Investments, and shall not be responsible for any loss or damage sustained by the Remaining Assets or the Portfolio Investments, except where such loss or damage arises out of acts and omissions of the Consultant done or suffered in bad faith or through gross negligence, wilful misconduct, wilful neglect, default or a material failure to comply with applicable laws, regulations or restrictions and the provisions set forth in this Agreement.

## **14. Liability of the Consultant**

The Consultant shall not be liable to the Corporation or any shareholder thereof for any loss or damage suffered by the Corporation or any shareholder thereof, as the case may be, which arises out of any action or inaction of the Consultant if such course of conduct did not constitute bad faith, gross negligence, wilful misconduct, wilful neglect, default or a material failure to comply with applicable laws, regulations or restrictions and the provisions set forth in this Agreement, and if the Consultant, in good faith, determined that such course of conduct was in the best interests of the Corporation.

The Corporation acknowledges and agrees that the Consultant shall not be responsible for any loss of opportunity whereby the value of any of the Remaining Assets or the Portfolio Investments could have been increased nor shall it be responsible for any

decline in value of any of the Remaining Assets or the Portfolio Investments unless such decline is the result of the Consultant's bad faith, gross negligence, wilful misconduct, wilful neglect, default or a material failure to comply with applicable laws, regulations or restrictions and the provisions set forth in this Agreement or wilful failure to comply with express directions given by resolution of either the board of directors of the Corporation or the shareholders of the Corporation.

The Corporation acknowledges and agrees that the Consultant shall not be responsible for any losses or damages to the Corporation arising out of any action or inaction by a custodian or sub-custodian holding the Remaining Assets or the Portfolio Investments of the Corporation.

The Consultant may rely and act upon any statement, report or opinion prepared by or any advice received from auditors, solicitors, notaries or other professional advisors of the Consultant and shall not be responsible or held liable for any loss or damage resulting from relying or acting thereon if the advice was within the area of professional competence of the person from whom it was received and the Consultant acted reasonably in relying thereon.

The Consultant hereby acknowledges and agrees that the obligations of the Corporation hereunder are not personally binding upon the shareholders of the Corporation, any annuitant under a plan of which a shareholder of the Corporation acts as a trustee or carrier, or the agents of the Corporation and that the Consultant shall not resort to or seek redress, recourse or satisfaction from the private property of any of the foregoing, whether the liability be based on contract, tort or otherwise. The Consultant agrees that only the Corporation and property held by the Corporation shall be bound by and subject to the obligations and liabilities arising out of this Agreement.

## **15. Indemnity**

The Corporation shall indemnify and hold harmless the Consultant and its directors, officers, agents and employees from and against any and all expenses, losses, damages, liabilities, demands, charges, costs and claims of any kind or nature whatsoever (including legal fees, judgments and amounts paid in settlement, provided that the Corporation has approved such settlement) in respect of the acts, omissions, transactions, duties, obligations or responsibilities of the Consultant as manager and administrator to the Corporation, save and except where such expenses, losses, damages, liabilities, demands, charges, costs or claims are caused by acts or omissions of the Consultant done or suffered in breach of its standard of care or through gross negligence, wilful misconduct, wilful neglect, default or a material failure to comply with applicable laws, regulations or restrictions and the provisions set forth in this Agreement.

## **16. Not Partners or Joint Venturers**

The Corporation and the Consultant are not partners or joint venturers with each other and nothing herein shall be construed so as to make them partners or joint venturers or impose any liability as such on either of them, provided however that nothing herein

shall be construed so as to prohibit the Corporation and the Consultant or its affiliates from embarking upon an investment together as partners, joint venturers or in any other manner whatsoever, subject to applicable law.

#### **17. Term**

This Agreement shall become effective on the date hereof and shall be in force until September 5, 2010 and shall be automatically renewed from time to time thereafter for additional terms of one year unless otherwise terminated pursuant to Section 18 hereof.

#### **18. Termination**

This Agreement shall continue in full force and effect until this Agreement is terminated by either party giving at least 180 days' prior written notice (or such shorter period as the parties may mutually agree upon) to the other party of such termination.

The Corporation may terminate this Agreement at any time if the Consultant breaches any of its material obligations under this Agreement and such breach has not been cured within 30 days following notice thereof from the Corporation.

Notwithstanding the foregoing, this Agreement shall terminate immediately where a winding-up, liquidation, dissolution, bankruptcy, sale of substantially all assets, sale of business or insolvency proceeding have been commenced or are being contemplated by the Consultant, and terminated upon the completion of any such proceeding by the Corporation.

In addition, in the event that a person or group of persons, acting jointly or in concert, acquires control over at least 50% of the voting securities of the Corporation (a "**Change of Control**"), the Consultant may elect, in its sole discretion, to terminate this Agreement by giving the Corporation written notice of such termination within 90 days after a Change of Control. In the event that the Consultant terminates this Agreement upon a Change of Control, the Corporation shall (i) call a meeting of its shareholders to approve the change of the Corporation's name to remove any reference to "Sprott" pursuant to Section 19 hereof; and (ii) pay to the Consultant a termination fee equal to 5% of the Net Asset Value of the Corporation, plus an amount equal to 20% of the amount by which the market capitalization of the Corporation exceeds the Net Asset Value of the Corporation, all as at the effective date of the termination. The payment of the termination fee to the Consultant is in addition to any accrued compensation and reimbursement for expenses to which the Consultant is then entitled.

Such termination of the Agreement will be without prejudice to the rights and liabilities created under this Agreement prior to the effective date of the termination. Termination of this Agreement in accordance with the terms hereof shall not result in any penalty or other fee, other than the aforementioned termination fee payable following a Change of Control.

The parties acknowledge and agree that any change of the Consultant (other than to its successor or affiliate) requires the Corporation's approval. The Corporation may, in its sole discretion, terminate and replace the Consultant where it deems it to be in the best interests of the Corporation.

Upon termination or assignment of this Agreement, the Consultant shall forthwith deliver to the Corporation, in the case of termination, or to the assignee, in the case of an assignment:

- (a) all records, documents and books of account; and
- (b) all materials and supplies of the Corporation,

which are in the possession or control of the Consultant and relate directly or indirectly to the performance by the Consultant of its obligations under this Agreement; provided, however, that the Consultant may retain notarial or other copies of such records, documents and books of account and the Corporation or the assignee shall produce at its head office the originals of such records, documents and books of account whenever reasonably required to do so by the Consultant for the purpose of legal proceedings or dealings with any governmental authorities. Upon termination or assignment of this Agreement, the Consultant shall forthwith pay over to the Corporation, in the case of a termination, or to an assignee, in the case of an assignment, all monies held for the account of the Corporation pursuant to this Agreement, after deducting any accrued compensation and reimbursement for expenses to which it is then entitled.

With respect to any transactions entered into by the Consultant on behalf of the Corporation prior to giving or receiving notice of termination or partial withdrawal, such transactions shall not be affected by such termination or partial withdrawal and adequate provisions will be made for proper settlement of outstanding commitments and the orderly transfer of the Remaining Assets and Portfolio Investments, if applicable.

## **19. Change of Name**

The Corporation acknowledges and agrees that the Consultant, for and on behalf of Sprott Asset Management Inc., reserves all right, title and interest in or to the name or designation of the Corporation as "Sprott Resource Corp.". At any time and upon termination of this Agreement, the Corporation shall forthwith upon written request of the Consultant:

- (a) call a meeting of its shareholders to approve an amendment to its articles of incorporation to change the name of the Corporation to one which does not include the word "Sprott" or any words similar thereto; and
- (b) upon the filing of articles of amendment changing the name of the Corporation to remove the word "Sprott", cause to be executed and delivered all instruments necessary to evidence such change of name in each public registry where the name of the Corporation shall have been

registered and to disclaim any right, title or interest in or to the designation "Sprott".

The Corporation agrees that it shall be responsible for any expenses incurred by it in carrying out the foregoing provisions.

## **20. Confidentiality**

The Consultant shall treat as confidential all information pertaining to the Corporation including, without limitation, the financial affairs of the Corporation, and the Consultant shall not disclose such confidential information to persons who are not involved in the management and operation of the Corporation, except with the Corporation's consent or as may be necessary to comply with applicable laws, regulations and policies. The Corporation will treat all advice and information which it receives from the Consultant as confidential and for the exclusive use of the Corporation.

## **21. Notice**

Any notice or other communication required or permitted to be given hereunder shall be in writing and if delivered, shall be delivered to a responsible officer of the Consultant or to the Corporation, as the case may be, and if mailed shall be mailed by prepaid registered mail:

- (a) if to the Corporation, at c/o Heenan Blaikie LLP, 12<sup>th</sup> Floor, Fifth Avenue Place, 425 1<sup>st</sup> Street, Calgary, Alberta T2P 3L8, Attention: Sonia Yung; and
- (b) if to the Consultant, at Suite 2700, Royal Bank Plaza, South Tower, 200 Bay Street, Toronto, Ontario M5J 2J1, Attention: Kevin Bambrough, President.

Any notice so mailed shall be deemed to have been given and received at the time of delivery. Any notice so mailed shall be deemed to have been given and received if given by the Corporation, when received by the Consultant, and if given by the Consultant, on the third Business Day following such mailing, except in the event of interruption of normal postal service, in which event it shall be deemed given when received by the Corporation. Either party may from time to time upon written notice to the other party change their or its address.

## **22. Headings**

The inclusion of section headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

## **23. Governing Law**

This Agreement shall be governed by and constructed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated

in all respects as an Ontario contract. The parties hereto hereby attorn to the jurisdiction of the courts of Ontario for arbitration of any disputes between them with respect to the subject matter hereof.

#### **24. Entire Agreement**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes and replaces all prior understandings, agreements, negotiations or discussions, whether written or oral, between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements or understanding, express or implied, between the parties other than those expressly set forth in this Agreement.

#### **25. Further Acts**

Each of the Corporation and the Consultant shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement.

#### **26. Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect.

#### **27. Amendment**

This Agreement may not be amended, changed, supplemented or otherwise modified in any respect except by written instrument executed by the parties hereto or their respective successors or permitted assigns.

#### **28. Assignment**

This Agreement shall not be assigned by the Corporation without the prior written consent of the Consultant. Upon notice to the Corporation, the Consultant may transfer or assign any and all rights granted hereunder to any of its successors or affiliates.

#### **29. Successors**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

**30. Counterparts**

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

*[The remainder of this page is intentionally left blank]*

**IN WITNESS WHEREOF** the Corporation and the Consultant, by proper officers duly authorized on their behalf, have executed this Agreement as of the date first above written.

**SPROTT RESOURCE CORP.**

By: “Kevin Bambrough”  
Kevin Bambrough  
President and Chief Executive Officer

By: “Eric Sprott”  
Eric Sprott  
Chairman

**SPROTT CONSULTING LTD.**

By: “Kevin Bambrough”  
Kevin Bambrough  
President

By: “Eric Sprott”  
Eric Sprott  
Chairman