

SPROTT

RESOURCE
HOLDINGS



Sprott Resource Holdings Inc.

2017 Q1 Results Conference Call

May 3, 2017

Forward-Looking Information

Certain statements in this presentation contain forward-looking information (collectively referred to herein as the “Forward-Looking Statements”) within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify Forward-Looking Statements. In particular, but without limiting the forgoing, this presentation contains Forward-Looking Statements pertaining to: (i) SRHI’s transition from a publicly-listed private equity firm to a diversified resource holding company; (ii) SRHI’s intention to have the majority of its holdings in controlling positions of resource companies; (iii) market outlook; (iv) making new investments to grow NAV per share and continuing to narrow the discount to NAV per share; and (v) similar statements concerning anticipated future events, results, circumstances, performance or expectations, that reflect management’s current expectations and are based on information currently available to the management of SRHI and its subsidiaries. Forward-Looking Statements are based on a number of expectations or assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although SRHI believes that the Forward-Looking Statements are reasonable, they are not guarantees of future results, performance or achievements and should not be unduly relied upon. A number of factors or assumptions have been used to develop the Forward-Looking Statements, including: (i) the effects of regulation and tax laws of governmental agencies will not materially change; and (ii) the availability of capital on acceptable terms. Actual results, performance or achievements could vary materially from those expressed or implied by the Forward-Looking Statements should assumptions underlying the Forward-Looking Statements prove incorrect or should one or more risks or other factors materialize, including: (i) general economic, market and business conditions; (ii) market volatility that would affect the ability to enter or exit investments; (iii) commodity price fluctuations and uncertainties; (iv) risks associated with the portfolio companies’ industries; and (v) those risks described under the heading “Risk Management” in SRHI’s Management’s Discussion and Analysis for the three-months ended March 31, 2017. The Forward-Looking Statements speak only as of the date hereof and, unless otherwise specifically noted, SRHI does not assume any obligation to publicly update any Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable Canadian securities laws.

Steve Yuzpe

Chief Executive Officer

Rick Rule

Chief Investment Officer

Michael Staresinic

Chief Financial Officer

- During Q1, we completed the business combination with Adriana Resources Inc. (“ADI”) to create Sprott Resource Holdings Inc. (“SRHI”)
- In April 2017, SRHI raised \$30MM through a marketed equity offering. After giving effect to the offering, SRHI’s cash position is \$78MM
- At May 2, 2017
 - Outstanding common shares: 630.5MM
 - Outstanding warrants (expire Feb. 8, 2022; strike \$0.333): 201.1MM
- During Q1, SRHI’s discount to Net Asset Value narrowed from 55% to 26%
- SRHI continues its transition from publicly-listed private equity firm to a diversified resource holding company

A unique company with ~\$78MM in cash¹ and \$90MM invested in the mining, energy and agriculture sectors

Structure allows for counter-cyclical investments in out-of-favour commodities

Managed by leading team of resource investment professionals

Relationship with Sprott Group provides SRHI with a competitive advantage, excellent deal flow, in-house technical and legal expertise and unrivaled brand recognition in the resource sector

⁽¹⁾ Includes proceeds of \$30MM equity financing completed on April 20, 2017

- Over the past 2 years, SRHI portfolio has been repositioned and a number of investments have been monetized
 - Following a recovery in metallurgical coal prices in 2016, Corsa Coal is expanding production and sales volumes and capitalizing on the current favorable market conditions
 - InPlay Oil completed a go-public transaction in Q4 2016. The company is now a well-capitalized, low debt, high netback, Cardium focused oil producer with a large drilling inventory
- Going forward we will seek to have the majority of our holdings in controlling positions of resource companies

Market Outlook

- Early on in natural resource and precious metals bull market
- Little market differentiation between high quality, and low quality issuers
- Disrupted access to capital markets in both debt and equity
- Junior markets are driven by and distorted by ETF's – extraordinary valuation discrepancies exist
- Major miners reducing or outsourcing exploration

Summary of Quarterly Financial Information⁽¹⁾

\$ millions (except for per share amounts)	March 31, 2017	December 31, 2016
Total Assets	\$140	\$113
Total Liabilities	\$2	\$2
Net Asset Value (NAV)	\$138	\$111
NAV per share	\$0.27	\$0.38

¹ Comparative information is of Sprott Resource Corp.

Balance Sheet and Liquidity Profile¹

\$ millions	April 26, 2017	December 31, 2016
Cash and cash equivalents	\$78	\$12
Working capital	\$77	\$10
Investment Portfolio²		
Energy	\$20	\$19
Agriculture	\$30	\$30
Mining	\$39	\$51
	\$89	\$101
<i>Cash and public company investments</i>	\$126	\$75

¹Public company values as at April 26, 2017; private company values as at March 31, 2017

²Comparative information is of Sprott Resource Corp.

Income Statement – Three Months Ended¹

\$ millions (except for per share amounts)	March 31, 2017	March 31, 2016
Investment gain (loss)	\$(18.2)	\$6.5
Expenses		
General and administrative expenses	0.3	0.5
Management fees and compensation	0.6	0.6
Transaction costs	0.1	0.1
Finance expense	-	0.3
Net income (loss)	(\$19.2)	\$5.0
Basic and diluted income (loss) per share	(\$0.05)	\$0.02

¹ Comparative information is of Sprott Resource Corp.

Summary

- SRHI is unique resource-focused vehicle with ~\$78MM¹ in cash and ~\$90MM in investments
- Rick Rule and Michael Harrison have joined management team, providing additional investment expertise and origination capabilities
 - Expanding our network of best-in-class issuers, management teams and directors
 - Increased profile in US markets and among small cap investors
- Ample capital to make new investments to grow NAV per share and continue to narrow the discount to NAV per share
 - Currently evaluating mining and energy deals
- Public investments and cash are approximately equal market cap

¹ Includes proceeds of \$30MM equity financing completed on April 20, 2017