



August 10, 2016

Dear Shareholders,

Despite the ongoing volatility in the natural resource space, we continue to make progress in our efforts to reposition the Sprott Resource Corp. ("SRC") portfolio to benefit from an eventual recovery in the energy and mining sectors. We expect that any recovery will be gradual and, in its early stages fragile and characterized by the type of volatility that we are currently seeing in the oil markets. As such, we will proceed with caution and focus on new investments in the sectors, like energy and mining, that we believe have the most positive outlooks.

As expected, the acquisition of Long Run Exploration Ltd. ("Long Run") by Calgary Sinoenergy Investment Corp. closed at the end of June, generating approximately \$12 million in proceeds which were received by SRC in early July, subsequent to quarter end. We also recently sold our remaining position in Stonegate Agricom, raising approximately \$1.2 million.

We continue to work to exit mature and non-core investments in order to strengthen our balance sheet and position SRC to pursue new opportunities. While we recognize that there is much work to be done, we are pleased with our recent progress towards our plan and believe there are exciting opportunities on the horizon as the resource sector continues its gradual recovery.

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 at the end of the third quarter.

Sincerely,

(signed) "Steve Yuzpe"

President and Chief Executive Officer