



August 1, 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 approximately \$77 million in net cash.

During the second quarter of 2017, we completed a \$30 million marketed public offering that strengthened our balance sheet and positioned us well to pursue new accretive investment opportunities at what we think is an attractive stage of the natural resource cycle.

We remain committed to monetizing non-core holdings. In July, we further strengthened our balance sheet through the sale of approximately 25% of our Union Agriculture Group investment realizing proceeds of USD\$2 million.

Our deal pipeline is strong and we have conducted some level of due diligence on more than 70 investment opportunities year-to-date. We are in the process of narrowing our focus on a number of the most promising opportunities in commodities that are currently exhibiting the most attractive long-term fundamentals. Currently, the majority of these potential investments are concentrated in the metals and mining sectors. As always, we are focused on buying businesses where we believe the expertise of the Sprott team has the greatest potential to create meaningful value for our shareholders. We are optimistic that we will complete one or more material transactions by year end.

Following a surge in metallurgical coal prices in 2016, Corsa Coal Corp. is capitalizing on current market conditions by expanding its production and sales volumes which have increased by 180% year to date compared to the first half of 2016.

While energy prices remain depressed, InPlay Oil Corp. has a strong balance sheet that will allow it to weather the current volatile price environment and continue to grow production. Our thesis for the energy markets remains intact. We believe the long-term fundamentals for the sector are favourable and offer tremendous opportunities for providers of patient capital despite volatility over the near-to-mid-term.

We remain committed to regular communication with our fellow shareholders both in person and through conference calls related to any material investments or divestitures. On behalf of our Board of Directors and employees, I thank you for your continued support and look forward to providing you with regular updates on our progress towards our key objectives.

Sincerely,

(signed) "Steve Yuzpe"

President and Chief Executive Officer