



Sprott Resource Holdings Inc.

2019 Q2 Results Conference Call and MTV Update

August 14, 2019

Sprott | Resource
Holdings

Cautionary Statement Regarding Forward-Looking Information

Certain statements in this presentation and in particular the “MTV 2019 Outlook”, “Key Milestones & Upcoming Catalysts” and “Summary” slides, or the accompanying oral remarks, including in response to questions, 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 foregoing, this presentation, contains Forward-Looking Statements pertaining to: the outlook at MTV, including copper production, cash cost per pound produced and capital expenditures; expectations regarding the costs, timing and benefits of the salt leach; key milestones and upcoming catalysts, including the expected benefits and timing thereof; continuing production ramp up at MTV with copper cathode production expected to reach scale in 2021; securing long-term debt and offtake financing from Anglo American Marketing Limited and Kimura Capital LLP to fund growth initiatives on the terms and conditions provided in this presentation; long-term fundamentals for copper; mineral resource and mineral reserve estimates; expectations regarding the Special Committee’s review; and 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.

Although SRHI believes that the Forward-Looking Statements are reasonable, they are not guarantees of future results, performance or achievements. A number of factors or assumptions have been used to develop the Forward-Looking Statements, including: there being no significant disruptions affecting the development and operation of MTV; the availability of certain consumables and services and the prices for power and other key supplies being approximately consistent with assumptions in the Technical Studies; labour and materials costs being approximately consistent with assumptions in the Technical Studies; fixed operating costs being approximately consistent with assumptions in the Technical Studies; permitting and arrangements with stakeholders being consistent with current expectations as outlined in the Technical Studies; certain tax rates, including the allocation of certain tax attributes, being applicable to MTV; the availability of financing for MTV’s planned development activities on terms and conditions acceptable to MTV; assumptions made in mineral resource and mineral reserve estimates and the financial analysis based on the mineral reserve estimate and in the case of the PEA, the mineral resource estimate, including (as applicable), but not limited to, geological interpretation, grades, commodity price assumptions, metallurgical performance, extraction and mining recovery rates, hydrological and hydrogeological assumptions, capital and operating cost estimates, and general marketing, political, business and economic conditions. 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) possible variations in grade or recovery rates; (ii) copper price fluctuations and uncertainties; (iii) delays in obtaining governmental approvals or financing; (iv) risks associated with the mining industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to mineral reserves, production, costs and expenses; and labour, health, safety and environmental risks) and risks associated with the other portfolio companies’ industries; (v) performance of the counterparty to the ENAMI Tolling Contract; (vi) risks associated with investments in emerging markets; (vii) general economic, market and business conditions; (viii) market volatility that would affect the ability to enter or exit investments; (ix) failure to secure financing in the future on terms acceptable to the Company, if at all; (x) commodity price fluctuations and uncertainties; (xi) those risks disclosed under the heading “Risk Management” in SRHI’s Management’s Discussion and Analysis for the three month period ended June 30, 2019; and (xii) those risks disclosed under the heading “Risk Factors” or incorporated by reference into SRHI’s Annual Information Form dated March 6, 2019. The Forward-Looking Statements speak only as of the date hereof, unless otherwise specifically noted, and 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.

Disclaimer

Qualified Persons

Scientific or technical information in this presentation relating to MTV is based on information prepared by Dr Antonio Luraschi, RM CMC, Manager of Metallurgic Development and Senior Financial Analyst, Wood; Mr Sergio Navarrete, RM CMC, Mining Engineer, Wood; Mr Alfonso Ovalle, RM CMC, Mining Engineer, Wood; Mr Michael G. Hester, FAusIMM, Vice President and Principal Mining Engineer, Independent Mining Consultants, Inc.; Mr Enrique Quiroga, RM CMC, Mining Engineer, Q&Q Ltda; Mr Gabriel Vera, RM CMC, Metallurgical Process Consultant, GVMetallurgy; and Mr Sergio Alvarado, RM CMC, Consultant Geologist, General Manager and Partner, Geoinvestment Sergio Alvarado Casas E.I.R.L., all of whom are independent "Qualified Persons" as such term is defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects. The Technical Report was filed by SRHI on SEDAR on December 14, 2018. Readers are encouraged to read the Technical Report in its entirety.

Non-IFRS Financial Measures

"Cash costs", "Adjusted EBITDA" and "Working Capital" are non-IFRS financial performance measures. Further details on non-IFRS measures are provided in the MD&A accompanying SRHI financial statements filed from time-to-time on SEDAR at www.sedar.com.

Speakers

Michael Harrison

Interim President and Chief Executive Officer

Michael Staresinic

Chief Financial Officer

MTV Long Term Financing and Offtake Agreement

- \$45MM prepayment facility provided by Anglo American Marketing Limited and Kimura Capital LLP
- Principal available for 12 months
 - 3 month LIBOR plus:
 - 8.00% per annum for up to 12 months depending on certain conditions
 - 6.25% per annum thereafter
 - Repayable in 12 equal quarterly instalments beginning 1 year from closing
 - Early repayment flexibility
 - Copper price participation mechanism if LME Cash Price monthly average is above \$6,600/Mt
- Offtake
 - Lenders have offtake rights to purchase up to 100% of copper cathode production at MTV

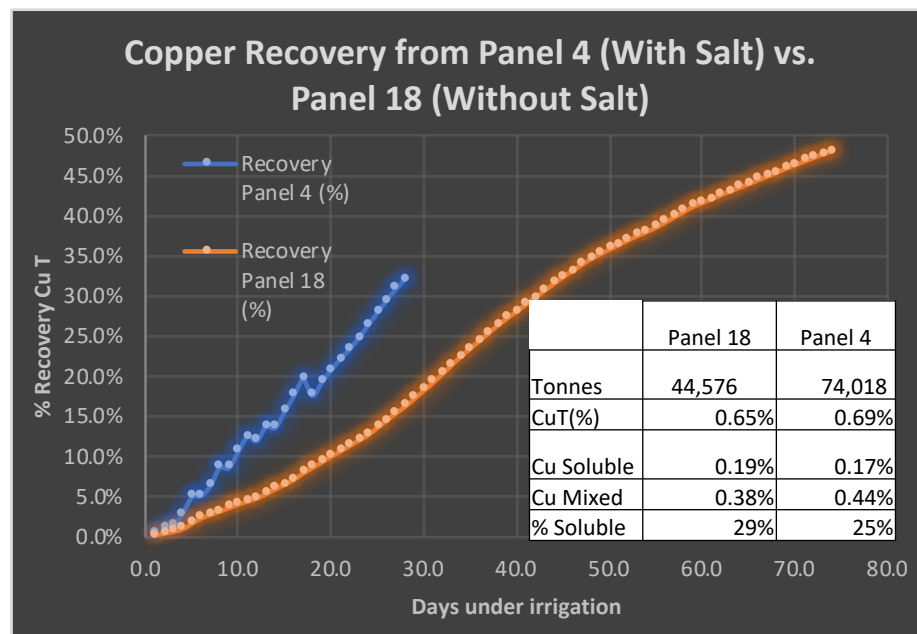
MTV Growth Projects

- Target: Increase production to 40 million pounds per year and drop cash costs to \$1.70 per lb.
- Don Gabriel Expansion
 - Expansion from 25,000 tonnes per month to >75,000 tonnes per month
 - Scale drops unit costs
- Commenced salt application
 - Add salt to mixed oxide-sulfide ore
 - Increased recovery rate, decreased acid consumption, decreased leach time
- Papomono underground development
 - Higher grade underground deposit (3 million tonnes @ 1.5% Cu)
 - Higher mining rates with costs expected to halve

Salt Leach Project

- Salt introduced at agglomeration stage in June 2019
- Oxidation of sulphide material expected to:
 - improve copper recoveries by ~8%
 - reduce acid consumption
 - decrease the leach time by ~40%.
- Salt leach expected to reduce cash costs and improve MTV's working capital position.
- Current pumps and valves to be replaced by permanent titanium pumps and valves in the fourth quarter

- Total cost of the Salt leach project is expected to be \$7.1 million; in line with the March 2018 Technical Report.



Key Milestones & Upcoming Catalysts

Key Milestones		Comment	Status / Timing
Corporate	Strengthen board and management	Expanded operational expertise	Complete
NI 43-101 Technical Reports	Consolidated Technical Report	Contracted Wood plc (formerly AMEC) to complete a NI 43-101 pre-feasibility study on the Papomono UG deposit and a PEA-level study on the ancillary deposits.	Complete – November 2018
Operations	Don Gabriel Expansion	Select and mobilize open pit mining contractors to triple ore production from Don Gabriel	Complete - Mining contractor mobilized in September 2018; Production from Don Gabriel in July was 90,000 tonnes of ore
	Salt Leach Implementation	Modify acid leach to chloride oxidation and leach process to increase metallurgical recoveries by 10%	Stage 1 Complete – salt introduced to leach pad in June 2019
	Papomono Masivo Incline Block Cave	Increase production from high-grade underground deposit	Detailed Engineering nearing completion, Underground development contractor selected permitting underway, expected in September 2019
Financing	Secure Expansion Financing	Arrange long-term financing through combination of debt and off-take	Financing terms announced August 14, 2019 – subject to documentation
Exploration	Resource Expansion and Exploration program	Commence infill drilling in H2 2018 and a property wide program in 2019 Complete geophysics program at Papomono	In progress

MTV Q2 2019 Production Results

Quarterly production statistics:

Operating information Copper (MTV Operations)	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Total Ore Mined (thousands of tonnes)	158	254	235	264	288
Total Waste Mined (thousands of tonnes)	239	552	816	1,499	1,577
Ore Processed (thousands of tonnes)	218	313	298	311	354
Grade (% Cu)	0.62%	0.74%	0.60%	0.61%	0.62%
Cu Production (tonnes)	1,401	1,462	1,596	1,793	1,737
Cu Production (thousands of pounds)	3,089	3,224	3,518	3,953	3,829
Cash Cost per Pound Produced ⁽¹⁾	\$2.59	\$2.07	\$2.27	\$2.27	\$2.63
Realized Copper Price (USD per pound)	\$3.12	\$2.61	\$2.76	\$2.81	\$2.70

¹ - Cash Cost is a non-IFRS measure – Cash costs of production include all costs absorbed into inventory less non-cash items such as depreciation and non-site charges such as trucking charges capitalized to inventory. Cash costs per pound produced are calculated by dividing the aggregate of the applicable costs by copper pounds produced.

MTV 2019 Forecast

Forecast for 2019 at MTV is as follows:

Operating information Copper (MTV Operations)	Year ended Dec. 31, 2019	6 months ended June 30, 2019
Cu Production (tonnes)	8,250 – 8,750	3,530
Cu Production (millions of pounds)	18.2 – 19.3	7.8
Cash Cost per Pound Produced ⁽²⁾	\$2.20 – \$2.50	\$2.45
Capital Expenditures (\$ millions)	\$25 – \$30	\$6.8

(1) Guidance is based on certain estimates and assumptions, including but not limited to, mineral reserve estimates, grade and continuity of interpreted geological formations and metallurgical performance. Please refer to the technical report prepared by AMEC Foster Wheeler, a Wood company, in respect of the Project filed on December 14, 2018 (the “Technical Report”) and to the Company’s SEDAR filings for complete risk factors.

(2) Cash Cost is a non-IFRS measure – Cash costs of production include all costs absorbed into inventory less non-cash items such as depreciation and non-site charges such as trucking charges capitalized to inventory. Cash costs per pound produced are calculate by dividing the aggregate of the applicable costs by copper pounds produced.

Balance Sheet and Liquidity Profile

\$US millions	June 30, 2019	December 31, 2018
Cash and cash equivalents	\$4.6	\$13.5
Working capital ⁽¹⁾	\$3.3	\$19.5
Portfolio investments	\$14.6	\$19.5
Total assets	\$151.5	\$154.5
Total equity attributable to owners of the Company	\$73.2	\$85.6

(1) Measure not recognized by IFRS, see "Disclaimer – Non-IFRS Financial Measures".

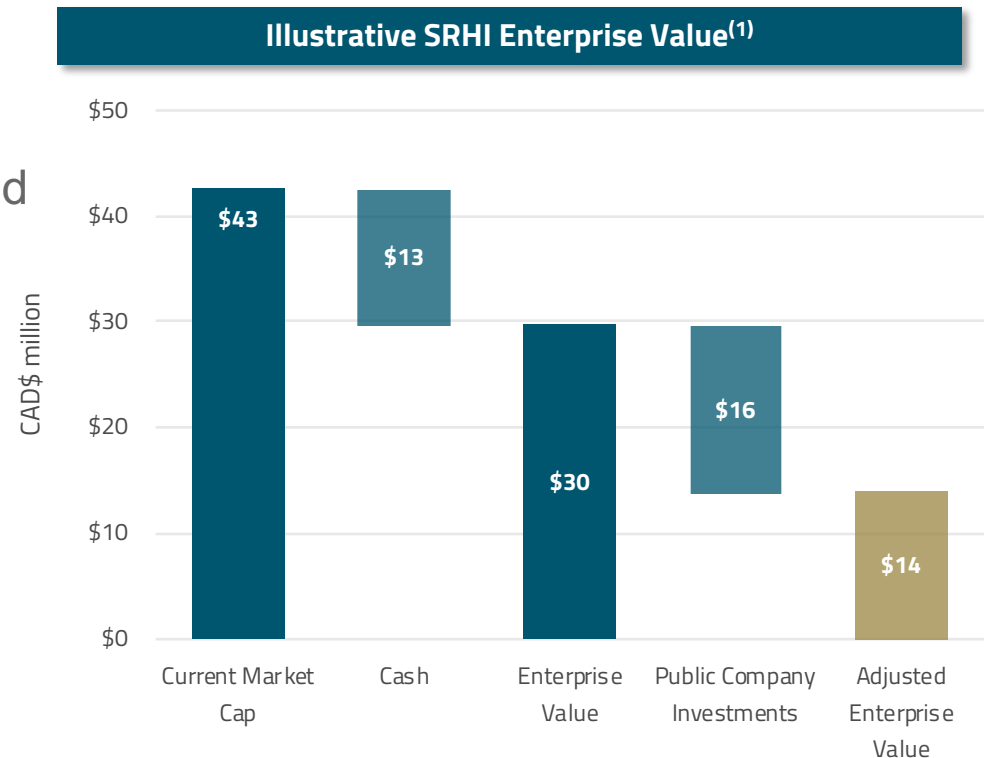
Income Statement – Three Months Ended

\$US millions (except for per share amounts)	June 30, 2019	June 30, 2018
Revenue	\$8.1	\$9.8
Cost of Sales	(11.2)	(9.8)
Gross profit (loss)	(\$3.1)	\$0.0
Expenses	2.8	0.8
Loss on portfolio investments	6.8	6.2
	9.6	7.0
Net loss from continuing operations	(12.7)	(7.0)
Net loss from discontinued operations	(0.5)	(1.2)
Net loss for the period	(\$13.2)	\$(8.2)
Basic and diluted loss per share from continuing operations	(\$0.37)	\$(0.21)
Adjusted EBITDA from continuing operations ⁽¹⁾	(\$2.8)	\$0.3

(1) Measure not recognized by IFRS, see "Disclaimer – Non-IFRS Financial Measures".

Summary

- Financing of \$45MM and new offtake agreement scheduled to close early Q4
- Salt Leach started last week of June, nearly three months ahead of schedule
- Continuing production ramp up at MTV with copper cathode production expected to reach scale in 2021
- Long-term fundamentals for copper remain highly attractive



1) As at June 30, 2019

Contact Details

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