

**SPROTT RESOURCE CORP.  
as an Ordinary Partner**

**and**

**SPROTT RESOURCE CONSULTING LIMITED PARTNERSHIP  
as Managing Partner**

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**THIRD AMENDED AND RESTATED PARTNERSHIP AGREEMENT  
OF SPROTT RESOURCE PARTNERSHIP**

**February 9, 2017**

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**THIRD AMENDED AND RESTATED  
PARTNERSHIP AGREEMENT**

**THIS AGREEMENT** made as of the 9<sup>th</sup> day of February, 2017

**BETWEEN:**

**SPROTT RESOURCE CORP.**,  
a corporation existing under the laws of Canada  
(hereinafter referred to as "**SRC**")

- and -

**SPROTT RESOURCE CONSULTING LIMITED PARTNERSHIP**,  
a limited partnership existing under the laws of Ontario  
(hereinafter referred to as the "**Managing Partner**")

**WHEREAS:**

- (a) SRC and an affiliate of SRC ("**SRC Subco**") each subscribed for and purchased one Class B Unit at a price of \$100 paid in cash per Class B Unit and formed a general partnership (defined herein as the "**Partnership**") under the name "Sprott Resource Partnership" pursuant to the Partnership Agreement between them dated the 28<sup>th</sup> day of September, 2011 (the "**Original Agreement**");
- (b) the Partnership's primary activity is to own and operate businesses and assets in the natural resource sector;
- (c) SRC subsequently subscribed for and purchased 4.4 million Class B Units by way of a contribution of certain of its assets to the Partnership;
- (d) following the subscription and purchase by SRC of 4.4 million Class B Units, the Managing Partner subscribed for and purchased ten Class A Units at a price of \$100 paid in cash per Class A Unit and SRC and SRC Subco admitted the Managing Partner into the Partnership pursuant to an amended and restated partnership agreement dated October 1, 2011 (the "**First Amended Agreement**") amending and restating the Original Agreement;
- (e) following the execution of the First Amended Agreement on October 1, 2011, the Class B Unit held by SRC Subco was redeemed by the Partnership at the option of SRC Subco, SRC Subco ceased to be a Partner of the Partnership and the First Amended Agreement was further amended and restated as of the same date;
- (f) on May 11<sup>th</sup>, 2015, SRC and Sprott Resource Consulting Limited Partnership amended and restated the First Amended Agreement, as further amended and restated as of the same date to address changes to SRC's financial reporting and to better align the interests of SRC and the Managing Partner ("**Second Amended Agreement**");

- (g) on the date hereof, SRC consummated a plan of arrangement under Section 192 of the *Canada Business Corporations Act* (the “**Arrangement**”) pursuant to which Adriana Resources Inc. (the “**Corporation**”) acquired all of the shares in the capital of SRC and SRC became a wholly-owned subsidiary of the Corporation;
- (h) in connection with the consummation of the Arrangement, the parties hereto desire to amend and restate the Second Amended Agreement, and intend that the Partnership and their relationship in respect thereof be governed by this Agreement which shall record the agreement among the Partners respecting the Partnership going forward;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the premises and the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereby agree as follows:

## **ARTICLE 1 DEFINITIONS**

### Section 1.1 Definitions

In this Agreement, unless the context otherwise requires, the following terms shall have the following meanings:

“**Accountant**” means PricewaterhouseCoopers LLP or such other national accounting firm that is agreed to by the parties;

“**Act**” means the *Partnerships Act* (Ontario), as amended from time to time;

“**Affiliate**” has the meaning ascribed thereto in the *Securities Act* (Ontario);

“**Agreement**” means this third amended and restated partnership agreement, and any amendment hereto or amendment and restatement hereof made from time to time;

“**Annual Net Asset Value of the Partnership**” means, in respect of a fiscal year, the average of each Quarterly Net Asset Value of the Partnership for such fiscal year;

“**Authority Limits**” means that document approved and delivered to the Managing Partner from time to time by the directors of the Corporation which sets forth the amounts and limits of delegation of authority to the Managing Partner;

“**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday on which the Toronto Stock Exchange is open for trading;

“**Capital**” means, at any time, the aggregate amount of original capital contributed by the Partners through the subscription for and purchase of Units, plus any additional amounts contributed either by the contribution of additional capital by the Partners in accordance herewith or by the issue of additional Units;

“**Capital Account**” means the separate account to be established and maintained for each Ordinary Partner pursuant to Section 4.4 hereof;

**“Class A Unit”** means a Class A unit interest in the Partnership, with a subscription price of \$100 per unit or such other amount as the Managing Partner may determine from time to time;

**“Class B Unit”** means a Class B unit interest in the Partnership, with a subscription price of \$100 per unit or such other amount as the Managing Partner may determine from time to time;

**“Corporation”** has the meaning set forth in the recitals hereto;

**“Corporation MSA”** means the Management Services Agreement between the Corporation and Sprott Consulting Limited Partnership, the parent of the Managing Partner;

**“First Amended Agreement”** has the meaning set forth in the recitals hereto;

**“Government Authority”** means any national, federal, state, provincial, county, municipal, district or local government or government body, or any public administrative or regulatory agency, political subdivision, commission, court, arbitral body, board or representative of any of the foregoing, foreign or domestic, of, or established by, any such government or government body which has authority in respect of a particular matter or any quasi-governmental body having the right to exercise any regulatory authority thereunder;

**“Managing Partner”** means Sprott Resource Consulting Limited Partnership or any successor managing partner of the Partnership appointed pursuant to the terms hereof;

**“Net Asset Value of the Partnership”** means, in respect of a particular date, the Partnership’s total assets less its total liabilities and less its minority interest or non-controlling interest, all as at such date as set forth in the Partnership’s financial statements prepared in respect of the fiscal quarter ending on such date;

**“Net Profits of the Partnership”** means, for any fiscal year of the Partnership, the net profits of the Partnership less the profits or loss attributable to the minority interest or non-controlling interest for such fiscal year as set forth in the Partnership’s audited financial statements prepared in respect of such fiscal year and adjusted for any amounts to be agreed upon between the Partners; provided that if the Partnership incurs net losses for such fiscal year after deducting the profits or loss attributable to the minority interest or non-controlling interest and any amounts to be agreed upon between the Partners, such amount shall be referred to herein as **“Net Losses of the Partnership”**;

**“Ordinary Partners”** means SRC and any additional persons who may be admitted to the Partnership from time to time with the consent of SRC;

**“Ordinary Resolution”** means (a) if there is more than one Ordinary Partner holding Class B Units, a resolution (i) approved by more than 50% of the votes cast by those Ordinary Partners holding Class B Units who vote on the resolution, in person or by proxy, at a meeting of Ordinary Partners, or at any adjournment thereof, called in accordance with this Agreement or (ii) consented to in writing by Ordinary Partners holding more than 50% of the Class B Units; or (b) if there is only one Ordinary Partner holding Class B Units, a resolution consented to in writing by that Ordinary Partner;

**“Original Agreement”** has the meaning set forth in the recitals hereto;

**“Original Capital Contribution”** means the amount initially contributed by SRC and SRC Subco through the subscription for Class B Units pursuant to the provisions of Section 4.1 of the Original Agreement;

**“Partners”** means, collectively, the Managing Partner and the Ordinary Partners;  
**“Partnership”** has the meaning set forth in the recitals hereto;

**“Partnership Business”** means the owning and operating of natural resource related businesses and assets;

**“Quarterly Net Asset Value of the Partnership”** means, in respect of a fiscal quarter of the Partnership, the average of the Net Asset Value of the Partnership as at end of such fiscal quarter and the Net Asset Value of the Partnership as at the end of the immediately preceding fiscal quarter;

**“Register”** means the register of Partners maintained by the Managing Partner;  
**“Resolution”** means an Ordinary Resolution or a Special Resolution;

**“Second Amended Agreement”** has the meaning set forth in the recitals hereto;

**“Special Resolution”** means (a) if there is more than one Ordinary Partner holding Class B Units, a resolution (i) approved by not less than 66 2/3% of the votes cast by those Ordinary Partners holding Class B Units who vote on the resolution, in person or by proxy, at a meeting of the Ordinary Partners, or at any adjournment thereof, called in accordance with this Agreement or (ii) consented to in writing by Ordinary Partners holding not less than 66 2/3% of the Class B Units; or (b) if there is only one Ordinary Partner holding Class B Units, a resolution consented to in writing by that Ordinary Partner;

**“SRC”** has the meaning set forth in the recitals hereto;

**“SRC Subco”** means 7983956 Canada Inc., a corporation incorporated under the laws of Canada and being a wholly-owned subsidiary of SRC;

**“Subsequent Capital Contribution”** means any amount(s) subsequently contributed, from time to time, by the Ordinary Partners through the subscription for Units pursuant to the provisions of Section 4.1 hereof;

**“Tax Act”** means *Income Tax Act* (Canada), as amended from time to time;

**“Taxes”** means all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital, capital gains, alternative, net worth, transfer, profits, withholdings, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, in all casts imposed by any Government Authority in respect thereof; and

**“Units”** means, collectively, the Class A Units and the Class B Units.

## Section 1.2 Interpretation

For all purposes of this Agreement, except as otherwise expressly provided for, or unless the context otherwise requires:

- (a) “this Agreement” means this amended and restated partnership agreement as it may from time to time be supplemented or further amended pursuant to the applicable provisions hereof;
- (b) the table of contents, headings, articles and sections hereof are for convenience of reference only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (c) all accounting terms not otherwise defined herein have the meanings ordinarily assigned to them in accordance with, and all computations made pursuant to this Agreement shall be made in accordance with Canadian generally accepted accounting principles (including, without limitation, International Financial Reporting Standards), as applicable from time to time applied on a consistent basis; notwithstanding the foregoing, the parties agree that any accounting policy changes, from time to time, that are retrospective in nature as they relate to distributions under this Agreement shall be applied as agreed to by the Partners acting reasonably on an equitable basis;
- (d) any reference to a currency herein is a reference to Canadian currency and the accounts of the Partnership shall be maintained in that currency;
- (e) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto;
- (f) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity; and
- (g) words importing gender shall include the masculine, feminine or neuter gender and words in the singular include the plural and vice versa.

## **ARTICLE 2 THE PARTNERSHIP**

### Section 2.1 Name

The Partnership shall carry on business under the name “Spratt Resource Partnership” or such other name as the Managing Partner, acting reasonably, may determine from time to time. However, no change in the reference to “Spratt” shall be made unless it is in conjunction with such a change pursuant to the provisions of the Corporation MSA. The Managing Partner shall notify the Ordinary Partners of any change in the name of the Partnership.

## Section 2.2 Fiscal Year

The fiscal year of the Partnership shall end on December 31 in each calendar year or such other date as the Managing Partner, acting reasonably, may determine from time to time. The Managing Partner shall notify the Ordinary Partners of any change in the fiscal year of the Partnership.

## Section 2.3 Business of the Partnership

The Partnership has been formed primarily for the purpose of owning and operating natural resource related businesses and assets. Sprott Consulting Limited Partnership, the parent of the Managing Partner, has entered into the Corporation MSA with the Corporation whereby it provides management and administrative services to the Corporation.

## Section 2.4 Office of the Partnership

The principal office of the Partnership shall be at Suite 2700, Royal Bank Plaza, South Tower, 200 Bay Street, Toronto, Ontario M5J 2J1. The Managing Partner may, from time to time, change the location of the Partnership's principal office within the Province of Ontario. The Managing Partner shall give prior notice in writing to the Ordinary Partners of any change in the location of the principal office of the Partnership.

## Section 2.5 Representations and Warranties of Each Ordinary Partner

Each Ordinary Partner represents, warrants and covenants to the Managing Partner that:

- (a) it is resident in Canada for the purposes of the Tax Act;
- (b) it is not a person nor a partnership an interest in which is a "tax shelter investment" for the purposes of the Tax Act;
- (c) it is not a "non-Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (d) it has the legal capacity or competence to enter into and be bound by this Agreement, and to take all actions required pursuant hereto, and further that all necessary approvals of directors, shareholders, partners, members, trustees or otherwise have been given in connection with the entering into of this Agreement;
- (e) this Agreement has been duly executed and delivered by the Ordinary Partner and constitutes a legal, valid and binding obligation of the Ordinary Partner enforceable against it in accordance with its terms, subject to usual exceptions regarding equitable remedies and creditors' rights generally; and
- (f) the execution, delivery and performance by the Ordinary Partner of this Agreement does not or would not with the passage of time or the giving of notice, or both, constitute or result in a violation or a breach of or a default under its constating documents, by-laws or any agreement to which it is or will be a party or by which it is or will be bound or any law or regulation applicable to it.

Each Ordinary Partner covenants and agrees that, unless prior written notice is given to the Managing Partner, it will not cease to be resident in Canada for the purposes of the Tax Act, will not take any action or omit to take any action that would cause it or an interest therein to be a “tax shelter investment” for purposes of the Tax Act, or otherwise change its status as represented herein or transfer or purport to transfer its Units to any person, firm or corporation that is not resident in Canada or a partnership that is not a “Canadian partnership” for the purposes of the Tax Act or any person or partnership that is or an interest in which would be a “tax shelter investment” or in any other case if such change, transfer or purported transfer would have the effect of altering the status of the Partnership in relation to any of the above-mentioned statutes or any similar statute affecting such status. Each Ordinary Partner shall advise the Managing Partner on behalf of the Partnership upon request of its status under such statute or any similar statute affecting the status of the Partnership or of any other matter which affects or may from time to time affect such status. The Managing Partner may require those Ordinary Partners who are non-residents of Canada for the purposes of the Tax Act, or partnerships that are not “Canadian partnerships” for the purposes of the Tax Act or are persons or partnerships that are or interests in which are tax shelter investments, to sell their Units to persons resident in Canada for purposes of the Tax Act or partnerships that are “Canadian partnerships” for purposes of the Tax Act and which are neither tax shelter investments nor persons or partnerships interests in which are tax shelter investments. In the event that an Ordinary Partner fails to comply with such a request, the Managing Partner shall have the right to sell such Ordinary Partner’s Units or to purchase the same on behalf of the Partnership at fair market value, as determined by an independent third party selected by the Managing Partner.

#### Section 2.6 Actions Against Property and Assets

No Ordinary Partner shall, in its capacity as an Ordinary Partner, register any lien, caveat, charge or other encumbrance against the property or other assets of the Partnership, whether real or personal, or permit any lien, caveat, charge or other encumbrance affecting them personally to be recorded or to remain undischarged against such property or assets, nor shall any Ordinary Partner bring any action for partition or sale in connection with such property or assets.

#### Section 2.7 Title

All assets and securities brought into the Partnership or acquired on account of the Partnership are assets of the Partnership and will be used by the Partners exclusively for the purposes of the Partnership Business. Except as prohibited by law or as expressly set forth in this Agreement, legal title to all such assets and securities shall be registered in the name of the Managing Partner (in trust for the Partnership), the Partnership or any entity which the Managing Partner determines to be the registered holder of title to Partnership assets or securities either as nominee or in trust for the Partnership.

#### Section 2.8 Term of Partnership

The Partnership shall be deemed to have commenced business as of the date of the Original Agreement and shall continue until the happening of the earliest of:

- (a) the passing of a Special Resolution to dissolve the Partnership;
- (b) the disposition of all or substantially all of the assets of the Partnership;

- (c) the date on which one Partner holds all of the Units; and
- (d) the entry of a final judgment, order or decree of a court of competent jurisdiction adjudicating the Partnership to be a bankrupt, and the expiration without appeal of the period, if any, allowed by applicable law in which to appeal therefrom;

### **ARTICLE 3 THE UNITS**

#### Section 3.1 Number of Units

The Partnership is authorized to issue 100 Class A Units and an unlimited number of Class B Units.

#### Section 3.2 Nature of the Units

Each issued and outstanding Unit of a class shall be equal to each other Unit of such class with respect to all matters, including the right to receive distributions from the Partnership and otherwise, and no Unit shall have any preference, conversion, exchange, pre-emptive or redemption rights in any circumstances over any other Unit of a class. Each holder of Class B Units will be entitled to one vote for each Class B Unit owned by it in respect of all matters to be voted upon by the Ordinary Partners. Holders of Class A Units will not be entitled to any voting rights.

#### Section 3.3 Unit Certificates and Confirmation

The Partnership will not issue certificates evidencing the number of Units held by Partners. However, on any purchase or redemption of Units, the Partnership shall issue confirmation slips indicating the nature of the transaction effected by the Partner and the number of Units held by such Partner after such transaction.

#### Section 3.4 Subdivision or Consolidation of Units: Fractional Units

The Managing Partner may not subdivide or consolidate the Units of a class without prior consent of the Ordinary Partners by Ordinary Resolution. Fractions of Units may be issued by the Partnership. Fractions of Units will carry all the rights and be subject to the provisions hereof applicable to whole Units of a class in the proportion which they bear to one Unit. Any fractions of Units shall be rounded to three decimal places.

#### Section 3.5 Receipt

The receipt of any money, liquid securities or other property from the Partnership by a person in whose name any Unit is registered or by the duly authorized agent of such person in that regard, or if such Unit is registered in the names of more than one person, the receipt thereof by any one of such persons or by the duly authorized agent of any such person in that regard, shall be a sufficient discharge (i) for such money, liquid securities or other property and (ii) from all liability of the Partnership to see to the application thereof. The receipt of other property will be subject to a current independent valuation of such property to be arranged by the Managing Partner, acting reasonably, upon prior notice to, and in consultation with, the Ordinary Partners and the Corporation.

### Section 3.6 Registrar and Transfer Agent

The registrar and transfer agent shall be the Managing Partner or such other person as the Managing Partner may designate by notice in writing to the Ordinary Partners. The registrar and transfer agent shall:

- (a) maintain the Register to record the names and addresses of the Partners, the number of Units held by each Partner and particulars of the issue and transfer of the Units;
- (b) maintain such other records as may be required by law; and
- (c) cause transfers of the Units to be recorded in accordance with the provisions of Section 3.8, if applicable.

The Managing Partner shall be authorized to make such reasonable rules and regulations pertaining to maintenance of the Register and the period of time during normal business hours that the Register is open for inspection as provided for in Section 3.7.

### Section 3.7 Inspection of Register

The Managing Partner shall permit any Ordinary Partner or his agent duly authorized in writing to:

- (a) inspect and take extracts from the Register during normal business hours; and
- (b) obtain a copy of the information set forth in the Register within a reasonable period of time after the date of filing of its written request therefor,

provided that such person agrees, in writing, that the information contained in the Register will not be used by such person except in connection with any matter relating to the affairs of the Partnership.

### Section 3.8 Transfer of Units

Subject to Section 5.2, Class A Units are not transferable by the Managing Partner without the prior approval of (a) the Corporation and (b) the Ordinary Partners by Special Resolution, provided that such Units may be transferred to an Affiliate of Sprott Inc.

Class B Units are not transferable by an Ordinary Partner without the prior written consent of the Managing Partner, provided that such Units may be transferred to an Affiliate of an Ordinary Partner subject to such transferee providing the representations and warranties set out in Section 2.5.

### Section 3.9 Successors in Interest of Ordinary Partners

The Managing Partner shall cause to be recorded in the Register as the holder of such Units, the name of any person becoming entitled to any Units as a result of a transfer made in accordance with Section 3.8 or as a consequence of the death or insolvency of any Ordinary Partner, or otherwise by operation of law, upon:

- (a) production of proper evidence of such entitlement and such other evidence as may be required by law and upon compliance with the requirements of the Managing Partner; and
- (b) delivery of a form of transfer acceptable to the Managing Partner duly completed and properly executed.

#### **ARTICLE 4 PARTNERSHIP CAPITAL**

##### Section 4.1 Partnership Capital

Acting reasonably, the Managing Partner is authorized and directed to do all things which it deems to be necessary, convenient, appropriate or advisable in connection with the terms of any subscription for Units. Notwithstanding the foregoing, at no time when any Unit is outstanding shall Units be issued for consideration other than \$100 per Unit or such other amount as the Managing Partner may determine from time to time acting reasonably, upon prior notice to, and in consultation with, the Ordinary Partners.

SRC and SRC Subco each initially subscribed for and purchased one (1) Class B Unit for \$100 paid in cash per Class B Unit (each, an “**Original Capital Contribution**”).

Following the Original Capital Contribution, SRC subscribed for and purchased an additional 4.4 million Class B Units by way of a contribution of property in an amount equal to the fair market value of such property. Such additional number of Class B Units subscribed for by SRC shall be subject to adjustment in the manner described in section 2.4 of the Asset Transfer Agreement dated October 1, 2011.

Each of the Ordinary Partners may subsequently, from time to time, subscribe for and purchase additional Class B Units (each such additional capital contribution following the Original Capital Contribution, a “**Subsequent Capital Contribution**”).

Following the additional subscription and purchase of 4.4 million Class B Units by SRC, the Managing Partner subscribed for and purchased ten (10) Class A Units for \$100 paid in cash per Class A Unit.

##### Section 4.2 No Additional Contribution by Managing Partner

On the issuance of additional Class B Units, the Managing Partner shall not be required to contribute any further Capital to the Partnership.

##### Section 4.3 Allocations of Net Profits and Losses for Accounting Purposes

- (a) At the end of each fiscal year of the Partnership, any Net Profits of the Partnership for such fiscal year shall be allocated to the Managing Partner and to the Ordinary Partners in the proportion of the distributions set out in Section 8.1(a) and Section 8.1(b). All allocations to the Ordinary Partners shall be made to each Ordinary Partner *pro rata* based on the number of Class B Units held by such Ordinary Partner.

- (b) At the end of each fiscal year of the Partnership, any Net Losses of the Partnership for such fiscal year shall be allocated to each Ordinary Partner *pro rata* based on the number of Class B Units held by such Ordinary Partner.

#### Section 4.4 Capital Account

An individual Capital Account shall be established and maintained in the records of the Partnership for each Ordinary Partner.

The Capital Account of each Ordinary Partner shall be credited with the amount of the Original Capital Contribution and any Subsequent Capital Contribution such Ordinary Partner has contributed to the Partnership.

The Capital Account of each Ordinary Partner shall be debited for the amount of the Original Capital Contribution and any Subsequent Capital Contribution returned to the Ordinary Partner by the Partnership.

The Ordinary Partners shall not have the right to withdraw or to make any demand for withdrawal of any amount of income or capital from the Partnership or to receive any allocation or distribution from the Partnership except as expressly provided in this Agreement. Except as may be expressly provided in this Agreement, an Ordinary Partner shall not be entitled to any interest on its Capital Account and shall not have the right to demand the return of all or any part of the amount standing to its credit in its Capital Account in the Partnership.

#### Section 4.5 Return of Capital

Subject to the provisions of this Agreement, the Managing Partner shall, in consultation with the directors of SRC and the Corporation, determine when capital should, in whole or in part, be returned to the Ordinary Partners. If the Ordinary Partners receive any return of capital pursuant to this Section 4.5, they shall be liable to the Partnership for any sum (not in excess of such amount of capital returned) necessary to discharge debts and liabilities of the Partnership to creditors who extended credit or whose claims otherwise arose prior to such return of capital.

### **ARTICLE 5 MANAGEMENT OF PARTNERSHIP**

#### Section 5.1 Management of Partnership

Subject to the provisions of this Agreement and the Authority Limits in effect from time to time, the Managing Partner shall have power and authority to transact the business of the Partnership and to deal with and in the Partnership assets for the use and benefit of the Partnership. For these purposes, subject to any provisions of this Agreement to the contrary, and in accordance with the standard of care set forth in Section 5.13, the Managing Partner shall have power and authority to manage and carry on the Partnership Business and to do any and all acts and things required in connection therewith and incidental thereto and to execute all documents in respect thereof required to be signed by the Partnership. The Managing Partner shall be in charge of the Partnership, the Partnership Business and assets in all respects and in all matters, and, shall have such power and authority as may be necessary to carry out its rights, duties and obligations as provided in this Agreement. No person dealing with the Partnership is required to determine or inquire into the authority or power of the Managing Partner to take any action or make any decision on behalf of and in the name of the Partnership.

Section 5.2 Assignment of Rights of Managing Partner, Etc.

- (a) Assignment of Rights of Managing Partner. The Managing Partner shall not sell, assign, encumber, transfer or otherwise dispose of its Class A Units except with the prior written consent of the Ordinary Partners (and, where such Ordinary Partners include SRC, the prior written consent of the Corporation), unless such disposition of interest or rights is in connection with and ancillary to a corporate reorganization provided that the surviving or resulting entity is an Affiliate of Sprott Inc. and is resident in Canada for purposes of the Tax Act or, where such Affiliate is a partnership, is a "Canadian partnership" for purposes of the Tax Act. The Managing Partner shall promptly notify the Ordinary Partners and the Corporation in writing of any change in the effective control of the Managing Partner, directly or indirectly.
- (b) Deemed Withdrawal of Managing Partner. The Managing Partner shall be deemed to withdraw as managing partner of the Partnership in the event of bankruptcy, dissolution, liquidation or winding-up of the Managing Partner (or the commencement of any act or proceeding in connection therewith which is not contested in good faith by the Managing Partner) or by the insolvency of the Managing Partner or by the appointment of a trustee, receiver or receiver and manager of the affairs of the Managing Partner or if a mortgagee or other encumbrancer shall take possession of the property or assets of the Managing Partner or a substantial part thereof or if a levy or execution or any similar process shall be levied or enforced against the property or assets of the Managing Partner. The Managing Partner shall forthwith advise the Ordinary Partners and the Corporation by written notice of the occurrence of any event referred to in this Section 5.2(b).
- (c) Effective Date of Deemed Withdrawal of Managing Partner. In the event of the deemed withdrawal of the Managing Partner as managing partner of the Partnership by virtue of the provisions of Section 5.2(b) hereof, the effective date of such deemed withdrawal and the date on which the Managing Partner shall cease to be the managing partner of the Partnership shall be the earlier of the appointment of a new managing partner of the Partnership by the Ordinary Partners or the expiration of 90 days from the date of the giving of the notice of the occurrence of an event referred to in Section 5.2(b) hereof. In any such event or upon a removal of the Managing Partner under Section 5.3, the Managing Partner shall be deemed to have surrendered its Class A Units to the Partnership for cancellation and the Managing Partner shall cease to be the managing partner for all purposes hereof and to have any rights hereunder.

Section 5.3 Removal of Managing Partner

- (a) With the prior written consent of the Corporation, the Managing Partner may be removed as a managing partner of the Partnership at any time by a Special Resolution of the Ordinary Partners provided that any such Special Resolution shall also by its provisions appoint a new managing partner of the Partnership to replace the Managing Partner and to fulfill its obligations hereunder and the removal of the Managing Partner shall be effective upon the passing of such Special Resolution.

- (b) In the event that the Managing Partner ceases to be the Managing Partner for any reason, the Managing Partner shall cease to have any rights hereunder (other than to any fees and expenses owed to the Managing Partner as of such date), and shall be deemed to have resigned and surrendered its Class A Units to the Partnership for cancellation, and the Ordinary Partners may appoint forthwith by Ordinary Resolution a new managing partner of the Partnership to replace the Managing Partner.

#### Section 5.4 Resignation of Managing Partner

The Managing Partner may resign as a managing partner of the Partnership by providing the Ordinary Partners and the Corporation with a minimum of six (6) months written notice, which notice period may be waived by the Ordinary Partners.

#### Section 5.5 Power and Authority of the Managing Partner

Without limiting the generality of Section 5.1 but subject to Section 5.7 hereof, the power and authority of the Managing Partner to make all decisions with respect to the business and affairs of the Partnership and to take such action for and on behalf of the Partnership as it may deem necessary or appropriate to enable the Partnership to carry out its purposes as set forth herein, shall include, without limitation (except as may be limited by any Special Resolution, and subject to the Authority Limits and any direction by the directors of the Corporation), in accordance with the standard of care set forth in Section 5.13, full and complete power and authority:

- (a) to execute any and all documents on behalf of the Partnership, including but not limited to, agreements, leases, deeds, mortgages, notes, bonds, assignments, stock powers and other forms of contracts and all amendments, modifications or rescissions of the same;
- (b) provide or arrange for all portfolio management required by the Partnership including, without limitation, managing the Partnership Business in a manner consistent with the investment objectives, guidelines and restrictions of the Partnership;
- (c) enter into agreements and execute any documents required to make investments for the Partnership and perform any and all acts as may be in its judgment necessary or appropriate to the management of the investments of the Partnership subject to the exceptions in this Agreement;
- (d) to prepare, or have prepared, and file all tax returns for the Partnership (but not the tax returns or other reporting of the individual Partners, or of their respective successors, heirs, representatives, executors or assigns, in their individual capacities) and make all appropriate tax elections for the Partnership, including any special basis adjustments, designations, objections or filings of any kind which may be appropriate or desirable under applicable laws pertaining to taxation on the income of the Partnership, provided, however, that the Ordinary Partner(s) benefiting from such election, if any, shall reimburse the Partnership for any additional costs incurred by the Partnership in making the election for and on behalf of the Partnership;

- (e) to institute, prosecute, defend and settle any legal, arbitration or administrative actions or proceedings on behalf of or against the Partnership;
- (f) to maintain and operate the assets of the Partnership or any part or parts thereof;
- (g) to employ, terminate the employment of, supervise and compensate such persons, firms or corporations (including legal counsel and accountants or auditors) for and in connection with the Partnership Business and the acquisition, development, improvements, operation, refinancing, sale, exchange or other disposition of any assets of the Partnership or any interest in any of such assets as the Managing Partner, in its sole discretion, may deem necessary or desirable;
- (h) to pay any debts and other obligations of the Partnership, including amounts due under permanent financing of improvements and other loans to the Partnership and costs of operation and maintenance of the assets of the Partnership;
- (i) to pay all Taxes, assessments, rents and other impositions applicable to the assets of the Partnership and undertake when appropriate any action or proceeding seeking to reduce or waive payment of such Taxes, assessments, rents or other impositions;
- (j) to deposit all monies received by the Managing Partner for or on behalf of the Partnership as may be designated by the Managing Partner and to disburse and pay all funds on deposit on behalf of the Partnership in such amounts and at such times as the same are required in connection with the ownership, maintenance and operation of the assets of the Partnership;
- (k) to hold the registered title to the assets of the Partnership in its name or the name under which it carries on the Partnership Business, for the use and benefit of and in trust for the Partnership;
- (l) to perform other obligations provided elsewhere in this Agreement to be performed by the Managing Partner; and
- (m) to do anything (including the investment of Partnership funds) that is in furtherance of or is incidental to the Partnership Business or any obligations of the Managing Partner provided for in this Agreement.

#### Section 5.6 Evidence of Authority

The signed statement of the Managing Partner, reciting that it has authority to undertake any act or has the necessary consents of the Ordinary Partners to take any such act, when delivered to any third party, shall be sufficient evidence that any such third party shall require concerning the capacity of such Managing Partner, and any such third party shall be entitled to rely upon such statement and shall not be required to inquire further as to any of the facts contained in such statement, said facts being deemed to be true insofar as such third party is concerned. The Managing Partner, by its signature alone, may sign any instrument and bind the Partnership and the Partnership property.

Section 5.7 Limitations on Powers and Authority of Managing Partner

- (a) Notwithstanding the powers of the Managing Partner set forth in this Agreement, the Managing Partner shall not have the right or power, without the prior written consent of the Ordinary Partners and, unless otherwise provided in the Authority Limits, the Corporation, to do any of the following:
  - (i) do any act in contravention of this Agreement;
  - (ii) do any act which would make it impossible to carry on the Partnership Business;
  - (iii) encumber assets of the Partnership as security for, or otherwise guarantee the repayment of, the indebtedness of persons, firms or entities other than the Partnership, except for Partnership purposes and in the best interests of the Partnership;
  - (iv) consent to or cause a judgment against the Partnership; and
  - (v) do any act set out in Section 10.3.
- (b) The Managing Partner shall only have the right or power to invest or divest Partnership funds, or otherwise provide financing, to any person, firm or entity, or purchase or divest of assets, as have been approved by a Special Resolution of the Ordinary Partners and by the directors of the Corporation or otherwise as contemplated under the Authority Limits and such approval has been communicated in writing to the Managing Partner;
- (c) Unless the directors of the Corporation otherwise permit (which permission shall not be unreasonably withheld), the Managing Partner shall ensure that all suitable opportunities to make private equity investments in the natural resource sector coming to the attention of the Managing Partner or its Affiliates shall first be offered to the Partnership. The Managing Partner shall ensure that the personnel engaged pursuant to Section 5.9(a) shall devote such amount of their business time and attention to the business and affairs of the Partnership and the Corporation as is necessary to perform all of its obligations hereunder and under the Corporation MSA.

Section 5.8 Representations and Warranties of Managing Partner

The Managing Partner represents and warrants to the Ordinary Partners that, during the term of the Partnership, the Managing Partner:

- (a) is and will continue to be a partnership formed under the *Partnerships Act* (Ontario), as amended from time to time;
- (b) will be duly registered and qualified to carry on business and will have all requisite authority, licenses and permits to carry on the Partnership Business;
- (c) has the legal capacity or competence to enter into and be bound by this Agreement, and to take all actions required pursuant hereto, and further that all

necessary approvals of its partners have been given in connection with the entering into this Agreement;

- (d) will maintain its existence as long as it is the managing partner of the Partnership;
- (e) will devote as much time to the conduct of the business and affairs of the Partnership as is reasonably required for the prudent management of the business and affairs of the Partnership;
- (f) is a “Canadian partnership” for purposes of the Tax Act; and
- (g) is not, nor is an interest in the Managing Partner, a “tax shelter investment” for purposes of the Tax Act.

The Managing Partner further represents and warrants to the Ordinary Partners that:

- (h) this Agreement has been duly executed and delivered by the Managing Partner and constitutes a legal, valid and binding obligation of the Managing Partner enforceable against it in accordance with its terms, subject to usual exceptions regarding equitable remedies and creditors’ rights generally; and
- (i) the execution, delivery and performance by the Managing Partner of this Agreement do not or would not with the passage of time or the giving of notice, or both, constitute or result in a violation or a breach of or a default under its constating documents, by-laws or any agreement to which it is or will be a party or by which it is or will be bound or any law or regulation applicable to it.

The Managing Partner agrees and covenants that (i) it will not cease to be a “Canadian partnership” for purposes of the Tax Act and will not take any action or omit to take any action that would cause it or the Partnership to cease to be a “Canadian partnership” for purposes of the Tax Act; and (ii) it will not take any action or omit to take any action if such action or omission would cause it or the Partnership to be a “tax shelter investment” for purposes of the Tax Act. The Managing Partner shall not transfer its interest in the Partnership (i) to any person that is a “non-resident” within the meaning of the Tax Act or, in the case of a partnership, a partnership that is not a “Canadian partnership” for the purposes of the Tax Act or (ii) to any person or partnership that is itself, or an interest in which person or partnership is, a “tax shelter investment” for the purposes of the Tax Act.

#### Section 5.9 Specific Duties

Without limiting any other duties or responsibilities imposed upon the Managing Partner in this Agreement or usually performed by a managing partner, the Managing Partner shall perform, or cause to be performed, the following specific services:

- (a) engage personnel to provide the overall management, financial and business supervision of the Partnership Business for the Partnership;
- (b) establish books of account, records and payment procedures including the Capital Accounts as hereinbefore referred to;

- (c) provide bookkeeping and other related services to the Partnership;
- (d) make distributions in accordance with this Agreement;
- (e) receive all funds paid to the Partnership and make all necessary payments and expenditures required to entitle the Partnership to discharge its obligations in accordance with the terms thereof;
- (f) provide such reports to the directors of each of SRC and the Corporation and to the Ordinary Partners as is reasonably requested by the directors of SRC and/or the Corporation from time to time or is required by law; and
- (g) perform all duties imposed by this Agreement on the Managing Partner in a prompt and diligent manner.

#### Section 5.10 Compensation of Ordinary Partners

The Ordinary Partners shall not receive any compensation from the Partnership.

#### Section 5.11 Bank Accounts

The cash funds of the Partnership shall be deposited in bank accounts in the name of the Partnership at such Canadian chartered banks as the Managing Partner shall determine. Disbursements therefrom shall be made by the Managing Partner in conformity with this Agreement. The funds of the Partnership shall not be co-mingled with the funds of any other person including with those of the Managing Partner.

#### Section 5.12 Insurance

The Managing Partner shall ensure that the Partnership shall at all times maintain comprehensive insurance coverage, including fire and third party property and personal liability and business interruption coverage, in such amounts as may be determined appropriate and adequate by the Managing Partner for the protection of the Partnership and its assets.

#### Section 5.13 Standard of Care of Managing Partner

The Managing Partner shall, and shall ensure that its personnel engaged pursuant to Section 5.9(a) shall, exercise the powers granted and discharge its, and their duties hereunder honestly, in good faith and in the best interests of the Partnership and, in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent managing partner, or person, would exercise in comparable circumstances.

If the Managing Partner and any personnel engaged pursuant to Section 5.9(a) are uncertain as to compliance with the obligations in the preceding paragraph, when any issues are to be decided in respect of which the interests of the Ordinary Partners and those of the Managing Partner (or its related parties) may differ materially (including, but not limited to, capital management, investment/divestment decisions, reputational factors and conflict of interest areas), the Managing Partner shall, and shall ensure that its personnel engaged pursuant to Section 5.9(a) shall, fully inform the Board of Directors of SRC and the Corporation and the Conflicts Resolution Committee of the Board of Directors of the Corporation (and the personnel engaged pursuant to Section 5.9(a) shall at least contemporaneously therewith

inform the Managing Partner) and, except where the resolution of such issues has been prescribed by contract or written policy approved by the independent directors of the Corporation, the Managing Partner shall, and shall ensure that its personnel engaged pursuant to Section 5.9(a) shall, facilitate the exercise of informed and independent judgement by the directors of the Corporation in resolving such issues. The Managing Partner shall provide to SRC and the Corporation within 45 days after the end of the fiscal year of the Partnership a certificate of compliance with this Section 5.13 of this Agreement.

## **ARTICLE 6 LIABILITY AND INDEMNIFICATION**

### **Section 6.1 Liability of the Managing Partner**

Neither the Managing Partner nor any of its officers, directors, employees, partners, agents or trustees shall be liable to the Partnership or any Ordinary Partner thereof for any loss or damage suffered by the Partnership or any Ordinary Partner thereof, as the case may be, (i) which arose out of any action or inaction of the Managing Partner if such course of conduct did not constitute bad faith, gross negligence, wilful misconduct, wilful neglect or default or a material failure to comply with applicable laws, regulations or restrictions or the provisions set forth in this Agreement or wilful failure to comply with express written directions given by the directors of the Corporation, by Ordinary Resolution or with the Authority Limits, or (ii) where the Managing Partner, in good faith, and absent fraud of its personnel, determined that such course of conduct was in the best interests of the Partnership.

The Ordinary Partners acknowledge and agree that neither the Managing Partner nor any of its officers, directors, employees, partners, agents or trustees shall be responsible for any loss of opportunity whereby the value of any of the property or assets of the Partnership could have been increased nor shall any of them be responsible for any decline in value of the property or assets of the Partnership where (i) such decline is not the result of the Managing Partner's bad faith, gross negligence, wilful misconduct, wilful neglect or default or a material failure to comply with applicable laws, regulations or restrictions or the provisions set forth in this Agreement or (ii) the Managing Partner, in good faith, and absent fraud of its personnel, determined that such course of conduct was in the best interests of the Partnership.

The Managing Partner 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 Partnership 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 Managing Partner acted reasonably in relying thereon, provided any such person was selected and engaged by the Managing Partner with the care, diligence and skill that a reasonably prudent managing partner would exercise in comparable circumstances.

### **Section 6.2 Liability of the Ordinary Partners**

Except as may be otherwise expressly provided by applicable law, the Ordinary Partners shall not be liable or accountable, in damages or otherwise, to the Partnership.

### Section 6.3 Indemnification of the Managing Partner

The Partnership shall indemnify and hold harmless the Managing Partner 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 Partnership has approved such settlement) in respect of the acts, omissions, transactions, duties, obligations or responsibilities of the Managing Partner as the managing partner to the Partnership and from a breach by the Partnership of its obligations under Section 14.7, save and except where (a) such expenses, losses, damages, liabilities, demands, charges, costs or claims are the result of the bad faith, gross negligence, wilful misconduct, wilful neglect or 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 written directions given by either the independent directors of the Corporation, by Ordinary Resolution or with the Authority Limits and (ii) the Managing Partner did not, in good faith, and absent fraud of its personnel, determine such course of conduct was in the best interests of the Partnership.

### Section 6.4 Indemnification of the Partnership

The Managing Partner shall indemnify and hold harmless the Partnership from any costs, damages, liabilities or expenses suffered or incurred by the Partnership as a result of the Managing Partner's bad faith, gross negligence, wilful misconduct, wilful neglect or default or a material failure to comply with applicable laws, regulations or restrictions or the provisions set forth in this Agreement or wilful failure to comply with express written directions given by either the directors of the Corporation, or by Ordinary Resolution, unless the Managing Partner, in good faith, and absent fraud of its personnel, determined that such course of conduct was in the best interest of the Partnership.

## **ARTICLE 7 ACCOUNTING**

### Section 7.1 Books of Account

The Partnership books of account shall be maintained at the head office of the Partnership or at such other locations and by such person or persons as may be designated by the Managing Partner and permitted by any applicable law. The Corporation and each Ordinary Partner or its auditor or any regulatory body having jurisdiction over the Corporation and the Ordinary Partners shall have, during reasonable business hours and upon reasonable notice, access to the books of the Partnership and in addition, at his or her expense, shall have the right to copy such books and to require, at any time, an audit of the Partnership's books of account. The Managing Partner, at the expense of the Partnership, shall cause to be prepared, and distributed to the Corporation and each Ordinary Partner, the following:

- (a) within 90 days of the end of each fiscal year of the Partnership, annual audited financial statements, including a balance sheet, statement of income, statement of changes in financial position, statement of comprehensive income, statement of cash flow and statement of changes in capital as of the close of the Partnership's fiscal year, with comparative financial statements for the immediately preceding fiscal year;
- (b) the annual income tax returns of the Partnership;

- (c) a report on the allocations and distributions made by the Partnership during such fiscal year pursuant to the terms of this Agreement; and
- (d) such other information as is necessary to enable the Ordinary Partner to file income tax returns with respect to such Ordinary Partner's income from the Partnership in respect of such fiscal year and is required or desirable to enable the Ordinary Partner to fulfill its continuous disclosure and other statutory compliance obligations under applicable securities, corporate and other laws and under stock exchange requirements.

#### Section 7.2 Additional Financial Information

Within 45 days after the end of each of the first three quarters of each fiscal year of the Partnership (or such shorter period of time as each Ordinary Partner may, pursuant to applicable securities laws, be required to file its quarterly financial statements with securities regulatory authorities or deliver its quarterly financial statements to holders of its outstanding securities), the Managing Partner will forward to each Ordinary Partner shown on the Register as an Ordinary Partner during such quarter and the Corporation the unaudited interim consolidated financial statements of the Partnership for such quarter, which have been reviewed by the auditor for the Partnership, containing statements of operations for the relevant quarter and year to date period and such other information as is, in the reasonable opinion of the Managing Partner, material to the Partnership Business or is requested by the Ordinary Partner or by the Corporation (acting reasonably) and is required or desirable to assist such Ordinary Partner or the Corporation in fulfilling its continuous disclosure obligations under applicable securities laws and stock exchange requirements.

#### Section 7.3 Method of Accounting

The Partnership books of account shall be maintained and its net income and net loss computed in accordance with generally accepted accounting principles consistently applied from year to year except as otherwise required or permitted under applicable securities laws. However, the Managing Partner shall have the right, for income tax purposes to adopt any different method of accounting, to adopt different treatment of particular items and to make and revoke such elections on behalf of the Partnership and the Ordinary Partners under the Tax Act as the Managing Partner may deem, acting reasonably appropriate and in the best interests of the Ordinary Partners, not inconsistent with this Agreement.

#### Section 7.4 Appointment of Accountants

The Managing Partner shall, on behalf of the Partnership, retain Accountants to audit and report on the financial statements of the Partnership as at the end of each fiscal year of the Partnership. The Ordinary Partners, by Ordinary Resolution, may, at the Partnership's expense, engage independent valuers to perform a valuation of the assets and portfolio investments of the Partnership.

#### Section 7.5 Preparation of Tax Information

The Managing Partner shall prepare and file all information returns as required by the Tax Act and provide to the Partners all such materials in such form as will enable the Partners to file information returns as required by that Act.

## **ARTICLE 8 DISTRIBUTIONS AND ALLOCATIONS TO PARTNERS**

### Section 8.1 Distributions

The Managing Partner shall distribute to the Ordinary Partners, on an annual basis, out of the Net Profits of the Partnership for the fiscal year an amount equal to the Net Profits of the Partnership for such fiscal year.

### Section 8.2 Timing of Distributions

The Managing Partner shall make the distributions referenced to in Section 8.1 within five (5) Business Days following the completion of the financial statements of the Partnership for the relevant fiscal year of the Partnership to which the distribution relates, except that if the Partnership does not have sufficient cash on hand in the opinion of the Managing Partner considered necessary to meet anticipated future operating deficiencies and future expenses and liabilities, the Managing Partner shall distribute only such cash on hand that is available for distribution and the Partnership shall be indebted to the Ordinary Partner in an amount equal to the unpaid portion of such distribution and shall repay such indebtedness as cash becomes available to it for distribution.

### Section 8.3 Determination and Allocation of Taxable Income and Loss

The Managing Partner shall determine the Partnership's taxable income or loss in each fiscal year after claiming the maximum amount of any deductions, credits and other amounts available to it, including capital cost allowance for that fiscal year which is permitted under the Tax Act. Taxable income and losses shall be allocated in respect of each fiscal year of the Partnership as follows:

- (a) all taxable income, to the extent possible, will be allocated to each Ordinary Partner *pro rata* based on the number of Class B Units held by the Ordinary Partners; and
- (b) all losses shall be allocated to each Ordinary Partner *pro rata* based on the number of Class B Units held by the Ordinary Partners.

## **ARTICLE 9 ADMISSION AND WITHDRAWAL OF ORDINARY PARTNERS**

### Section 9.1 No Admission of New Ordinary Partners

No new Ordinary Partners may be admitted to the Partnership, except as provided in Section 10.9.

### Section 9.2 Assignment of Class B Units

The Ordinary Partners hereby covenant and agree that they will not sell, assign, transfer, mortgage, pledge, encumber, hypothecate or otherwise dispose of all or any part of their interests in the Partnership to any person, firm, corporation or other entity except as agreed to by the Ordinary Partners subject to the exception set out in Section 3.8.

## **ARTICLE 10 MEETINGS**

### **Section 10.1 Special Meetings of Ordinary Partners**

A special meeting of the Ordinary Partners may be called at any time by the Managing Partner and shall be called by the Managing Partner upon written request signed by at least one Ordinary Partner entitled to vote. Any such request shall specify the purpose for which the meeting is to be held and any Resolutions which Ordinary Partners may vote on pursuant to this Agreement that are to be voted on at the meeting. If the Managing Partner fails to call a special meeting within five (5) days after the receipt of such request, any of the requesting Ordinary Partners may call such meeting and the notice calling such meeting shall be signed by such requesting Ordinary Partner. Any meeting called by such requesting Ordinary Partner shall be conducted in accordance with the provisions of this Agreement. Special meetings shall be held in the City of Toronto, Ontario or in such other city as the Managing Partner may reasonably determine.

### **Section 10.2 Notice of Meetings and Quorum**

Notice of any meeting of the Ordinary Partners shall be given to each Ordinary Partner entitled to vote at such meeting at its address shown in the Register, to the Managing Partner and to the Accountant. Any such notice shall be mailed by prepaid mail, personally delivered, or delivered by facsimile transmission at least ten (10) days and not more than thirty (30) days prior to the meeting and shall state the time and place where such meeting is to be held. The notice shall specify, in general terms, the nature of all business to be transacted thereat in sufficient detail to enable the Ordinary Partners to make a reasoned judgement concerning each matter to be considered at the meeting. A copy of the text of any proposed Special Resolution shall accompany the mailing of the notice. Accidental failure to give notice to an Ordinary Partner shall not invalidate a meeting, any adjournment thereof or any proceeding thereat. A quorum for a meeting of Ordinary Partners shall consist of Ordinary Partners present in person or represented by proxy holding in total not less than ten percent (10%) of the number of outstanding Units, except for purposes of selecting a Chairman in respect of which a quorum shall be those Ordinary Partners present or represented by proxy. If a quorum is not present on the date for which the meeting is called within one-half hour of the time fixed for the holding of such meeting, the meeting shall be adjourned to be held on a date fixed by the Chairman, which date shall be not later than ten (10) days thereafter, at which adjourned meeting one or more Ordinary Partners entitled to vote at the meeting and present in person or represented by proxy shall constitute a quorum. Notice for adjourned meetings shall be given not less than five (5) days in advance and otherwise in accordance with the provisions for notice contained in this Section 10.2 except that such notice need not specify the nature of business to be transacted. Any business may be transacted at the adjourned meeting which might properly have been transacted at the original meeting.

### **Section 10.3 Powers Exercisable by Special Resolution**

The Ordinary Partners may by Special Resolution:

- (a) amend this Agreement pursuant to Section 13.2;
- (b) approve or disapprove the sale or exchange of all or substantially all of the property and assets of the Partnership;

- (c) amend or rescind any Special Resolution;
- (d) replace the Accountant;
- (e) change the nature of the Partnership Business;
- (f) authorize any borrowing of the Partnership whether secured or unsecured;
- (g) require the Ordinary Partners to make Subsequent Capital Contributions;
- (h) require the Managing Partner on behalf of the Partnership to enforce any obligation or covenant against the Ordinary Partner; or
- (i) remove the Managing Partner in accordance with Section 5.3 or accept the resignation of the Managing Partner in accordance with Section 5.4.

#### Section 10.4 Voting

Except as otherwise provided for herein, at all meetings of Ordinary Partners each Ordinary Partner or his duly appointed proxy holder shall be entitled to one vote for each Class B Unit recorded in its name on the Register on the date of the meeting. With the exception of Special Resolutions, each Resolution to be voted on at a meeting of Ordinary Partners shall be decided by a show of hands unless a poll is demanded by any person entitled to vote at the meeting in which case a poll shall be taken by the Chairman of the meeting. The Chairman of the meeting shall not have a casting vote on any Resolution. A poll shall be taken on every Special Resolution to be voted on at any meeting of the Ordinary Partners.

With respect to the voting on any Resolution:

- (a) for which no poll is required or requested, a declaration made by the Chairman of the meeting as to the results of the voting on any such Resolution shall be conclusive evidence thereof, and
- (b) for which a poll is required or requested, the result of the poll shall be deemed to be the decision of the meeting on such Resolution.

#### Section 10.5 Proxies

Any Ordinary Partner entitled to vote may vote in person or by proxy at any meeting of Ordinary Partners provided that a proxy shall have been received by the Managing Partner for verification two days prior to the meeting or on the date of the meeting filed with the secretary of the meeting. A person appointed as proxy holder need not be an Ordinary Partner. Every proxy purporting to be executed by or on behalf of an Ordinary Partner shall be valid unless challenged by any Ordinary Partner or holder of another proxy prior to or at the time of its exercise, and the burden of proving an invalidity shall rest on the person so challenging. Any challenge to the validity of any proxy shall be made in such form and shall contain such material as the Chairman of the meeting shall reasonably require and all the decisions concerning the validity of proxies shall be made by the Chairman of the meeting. Each proxy is effective until notice in writing, including a subsequent form of proxy, revoking such proxy is delivered to (i) the Managing Partner at any time up to two days prior to the meeting or (ii) the Chairman of the meeting to which the proxy relates on the date of such meeting.

#### Section 10.6 Conduct of Meetings

The Chairman of any meeting of Ordinary Partners shall be an officer or director of the Managing Partner or an individual nominated in writing by the Managing Partner, failing which the Chairman shall be any other person approved by Ordinary Resolution at the outset of the meeting. The Managing Partner shall have the right to authorize the presence of any person at any meeting of Ordinary Partners regardless of whether such person is a Partner. With the approval of the Managing Partner, such persons shall be entitled to address the meeting. Any legal advisor of a Partner, any other person authorized in writing by a Partner and the Accountants and/or former Accountants may attend any meeting of Ordinary Partners and shall be entitled to address the meeting and, except in the case of the Accountants or former Accountants, to move resolutions thereat on behalf of a Partner. Officers and directors of the Managing Partner shall have the right to attend in their capacity as such at any meeting of Ordinary Partners and shall be entitled to address the meeting on the matters properly before it, but the Managing Partner in its capacity as a managing partner shall not have a vote at any such meeting.

#### Section 10.7 Resolutions Binding

Any Resolution passed in accordance with this Agreement at a meeting or in writing shall be binding on all Ordinary Partners and their respective heirs, executors, administrators, other legal representatives, successors and assigns, whether or not such Ordinary Partners were present or represented by proxy at the meeting at which such Resolution was passed, voted against such Resolution or elected not to sign a Resolution in writing.

Minutes of all Resolutions passed and proceedings taken at every meeting of Ordinary Partners shall be made and recorded in a minute book by the Managing Partner. Minutes, when signed by the Chairman of the meeting of Ordinary Partners, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of which minutes shall have been made shall be taken to have been duly held and convened, and all Resolutions passed or proceedings taken as referred to in the minutes shall be deemed to have been duly passed and taken in accordance with this Agreement. The minute book shall be available for inspection by the Ordinary Partners at all meetings of the Ordinary Partners and at all other reasonable times during normal business hours at the principal office of the Partnership.

#### Section 10.8 Rules of Order

The Managing Partner shall be responsible for all rules of order governing conduct of meetings and shall keep, or cause to be kept, an accurate record of all matters discussed and all action taken at the meetings; records shall be available for inspection by any Ordinary Partner at all reasonable times.

#### Section 10.9 Admission of Additional Ordinary Partners

The Ordinary Partners may, by Special Resolution, amend this Agreement to admit additional persons as Ordinary Partners of the Partnership.

## **ARTICLE 11 DEFAULT**

### Section 11.1 Deemed Default

Any one or more of the following acts or omissions shall be deemed a default by any Ordinary Partner under this Agreement:

- (a) attempted dissolution of the Partnership by the Ordinary Partner, unless the same is pursuant to, or is not inconsistent with, the provisions contained in this Agreement;
- (b) the commencement of proceedings in bankruptcy or reorganization under any bankruptcy or insolvency laws against or by the Ordinary Partner, which shall not have been vacated within 60 days;
- (c) the Ordinary Partner making any assignment for the benefit of creditors;
- (d) the Ordinary Partner's failure to perform any material obligation or act required hereunder, which shall be necessary for carrying out the purposes of the Partnership; and
- (e) the Ordinary Partner's material violation or breach of any of the terms or provisions of this Agreement including, without limitation, any assignment or transfer of any Unit in violation of this Agreement.

### Section 11.2 Notice of Default and Consequences

The Ordinary Partner shall promptly give the Managing Partner notice of any default under this Agreement by such Ordinary Partner. If such default is not cured by the Ordinary Partner within 30 days of receipt of such notice from the Ordinary Partner, the Managing Partner may in its discretion dissolve the Partnership.

## **ARTICLE 12 LIQUIDATION AND DISSOLUTION OF PARTNERSHIP**

### Section 12.1 Liquidation or Dissolution of Partnership

Subject to Section 12.2, upon the happening of any of the events specified in Section 2.8 hereof, the Managing Partner shall immediately commence to wind up the affairs of the Partnership and shall liquidate the assets of the Partnership as promptly as possible, unless the Managing Partner shall determine that an immediate sale of the Partnership assets would cause undue loss to the Partnership in which event, or if the Ordinary Partners by Special Resolution shall so determine, (i) the liquidation may be deferred for a reasonable time and/or (ii) all or part of the Partnership assets may be distributed in kind. The Ordinary Partners shall continue to have the right to receive the distributions in accordance with Article 8 during the period of liquidation in the same proportions as before dissolution. The proceeds from liquidation of the Partnership, including repayment of any debts of the Ordinary Partners to the Partnership, shall be applied in the order of priority as follows:

- (a) to payment of the expenses of liquidation of the Partnership;

- (b) to payment of debts of the Partnership;
- (c) to the establishment of any reserves reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership. Such reserves established hereunder shall be held for the purpose of paying any such contingent or unforeseen liability or obligations and, at the expiration of such period as the Managing Partner reasonably deems advisable, of distributing the balance of such reserves in the manner provided hereinafter in this Section 12.1; and
- (d) the balance, if any, shall be divided among the Partners as to 0.00001% to the Managing Partner and as to 99.99999% to the Ordinary Partners.

Any and all assets owned by the Partnership may be transferred to the Ordinary Partners at no cost upon the passing of a Special Resolution to that effect. Acting reasonably, the Managing Partner will transfer employees directly employed by the Partnership to the Ordinary Partners or an entity directed by the Ordinary Partners.

#### Section 12.2 Right to Acquire Managing Partner Units

Upon the happening of any of the events specified in Section 2.8 hereof, any one or more of the Ordinary Partners may purchase all but not less than all of the Class A Units held by the Managing Partner for consideration in an amount having a value equal to the amount that the Managing Partner would have received under Section 12.1(d).

### **ARTICLE 13 AMENDMENT OF AGREEMENT**

#### Section 13.1 Amendment by Managing Partner

The Managing Partner may, upon prior notice to but without consent from any Ordinary Partner and the Corporation, amend this Agreement:

- (a) in order to protect the interests of the Ordinary Partners if necessary in the opinion of the Managing Partner acting reasonably and in good faith;
- (b) to permit the admission (subject to Section 10.9), substitution, withdrawal or removal of Ordinary Partners in accordance with this Agreement;
- (c) to effect a change that, as determined by the Managing Partner in good faith, is reasonable, necessary or appropriate to enable the Partnership to take advantage of, or not be detrimentally affected by, changes in applicable laws;
- (d) to cure any ambiguity or clerical error or to correct, change, amend or supplement any provision contained herein which may be defective or inconsistent with any other provision in this Agreement; or
- (e) to effect a change that, as determined by the Managing Partner acting reasonably, does not adversely affect the interests of any Ordinary Partner.

Within fifteen (15) days following the date any amendment to this Agreement made pursuant to this Section 13.1 becomes effective, the Managing Partner shall provide Ordinary Partners with full details and a copy of, the amendment.

#### Section 13.2 Amendment by Ordinary Partners

The Ordinary Partners may, by Special Resolution and with the concurrence of the Managing Partner, amend this Agreement.

#### Section 13.3 Mutual Review of Agreement

The Managing Partner and the directors of SRC and the Corporation agree to review this Agreement every 3 years from and after the date hereof in order to ensure that it continues to meet the reasonable expectations of the parties.

### **ARTICLE 14 MISCELLANEOUS PROVISIONS**

#### Section 14.1 Notices

Any notice to be given under this Agreement shall be in writing and shall be delivered, mailed by prepaid mail or sent by telecopy addressed to a Partner as its address as shown on the Register. All such notices shall if delivered, be deemed to have been received upon receipt; if transmitted by facsimile, e-mail or other similar method of transmission, be deemed to have been given on the next Business Day following the day they were sent; and if mailed, be deemed to have been given on the fifth Business Day following the date they were mailed. In the event of disruption of normal postal service, notice shall be made by delivery, facsimile, e-mail or other similar transmission only.

#### Section 14.2 Third Party Beneficiaries

The Managing Partner and SRC intend that the Corporation be a third party beneficiary of this Agreement and that this Agreement is intended for the benefit of, and shall be enforceable by, the Corporation and its successors, and for such purpose, the Managing Partner and SRC, as applicable, confirm that each of them is acting as trustee on its behalf, and agrees to enforce such provisions on its behalf. the Corporation shall be entitled to rely on the provisions of this Agreement referring to the Corporation in any proceeding or other forum.

#### Section 14.3 Binding Effect

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

#### Section 14.4 Governing Law

This Agreement shall be interpreted according to and shall be governed by the laws of the Province of Ontario. Should any dispute arise in connection with this Agreement, including, but without restricting the generality of the foregoing, any question in respect of the interpretation, validity, termination or non-termination of this Agreement, the parties agree to submit to the exclusive jurisdiction of the courts of the Province of Ontario.

#### Section 14.5 Other Instruments

The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the Partnership created by this Agreement and the transactions contemplated hereby. The partners acknowledge that the parent of the Managing Partner and the Corporation have entered into the Corporation MSA and this Agreement shall be read in conjunction with such agreement.

#### Section 14.6 Legal Construction

In case any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. Furthermore, in lieu of each such invalid, illegal or unenforceable provisions, there shall be added automatically as a part of this Agreement, a provision as similar in terms to such invalid, illegal or unenforceable provision as may be possible and be valid, legal and enforceable.

#### Section 14.7 Counterparts

This Agreement may be executed in any number of counterparts by facsimile or PDF execution with the same effect as if all parties hereto had signed the same document. This Agreement may also be adopted in any subscription form or similar instrument signed by an Ordinary Partner, with the same effect as if such Ordinary Partner had executed a counterpart of this Agreement. All counterparts and adopting instruments shall be construed together and shall constitute one and the same Agreement.

#### Section 14.8 Taxes

Payments and distributions made pursuant to Section 8.1 shall be made exclusive of applicable Taxes (if any).

#### Section 14.9 Time

Time shall be of the essence of this Agreement.

#### Section 14.10 Currency

All amounts referred to in this Agreement and all references to "dollars" shall be deemed to be and to refer to Canadian dollars.

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

**IN WITNESS WHEREOF**, this Agreement has been executed by the parties hereto as of the date first written above.

**SPROTT RESOURCE CORP.**

By: "Stephen Yuzpe"

Name: Stephen Yuzpe

Title CEO & President

**SPROTT RESOURCE CONSULTING LIMITED PARTNERSHIP,  
by its general partner,  
SPROTT RESOURCE CONSULTING GP INC.**

By: "Stephen Yuzpe"

Name: Stephen Yuzpe

Title President