

SPROTT

RESOURCE
HOLDINGS



Sprott Resource Holdings Inc.

Investor Presentation

February 2017

Forward-Looking Information

Certain statements in this presentation contain forward-looking information (collectively referred to herein as the “Forward-Looking Statements”) within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify Forward-Looking Statements. In particular, but without limiting the forgoing, this presentation contains Forward-Looking Statements pertaining to: (i) anticipated benefits of the business combination between Sprott Resource Corp. and Adriana Resources inc.; (ii) SRHI’s intention to operate as a diversified holding company; (iii) Corsa’s vision to build a low-cost producer of scale of premium quality coal at a time of market weakness; (iv) InPlay’s vision and strategy; (v) InPlay’s balance sheet target; (vi) the Lac Otelnuik iron ore project’s potential production; (vii) SRHI’s investment strategy, investment process and competitive advantage; and (viii) similar statements concerning anticipated future events, results, circumstances, performance or expectations, that reflect management’s current expectations and are based on information currently available to the management of SRHI and its subsidiaries. Forward-Looking Statements are based on a number of expectations or assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although SRHI believes that the Forward-Looking Statements are reasonable, they are not guarantees of future results, performance or achievements and should not be unduly relied upon. A number of factors or assumptions have been used to develop the Forward-Looking Statements, including: (i) energy markets and the price of oil, natural gas liquids and natural gas and other commodities will be higher in the future; (ii) the price of metallurgical coal will be higher in the future; (iii) the effects of regulation and tax laws of governmental agencies will not materially change; and (iv) the availability of capital on acceptable terms. Actual results, performance or achievements could vary materially from those expressed or implied by the Forward-Looking Statements should assumptions underlying the Forward-Looking Statements prove incorrect or should one or more risks or other factors materialize, including: (i) general economic, market and business conditions; (ii) market volatility that would affect the ability to enter or exit investments; (iii) commodity price fluctuations and uncertainties; (iv) risks associated with the portfolio companies’ industries; and (v) those risks described under the heading “Risk Factors” in the Joint Management Proxy Circular of SRC and ADI dated December 21, 2016 and in SRC’s annual information form dated March 4, 2016 and those listed under the heading “Risks and Uncertainties” in ADI’s Management’s Discussion and Analysis for the Year Ended December 31, 2015 dated February 26, 2016. The Forward-Looking Statements speak only as of the date hereof and, unless otherwise specifically noted, SRHI does not assume any obligation to publicly update any Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable Canadian securities laws.

Sprott Resource Holdings Inc. ("SRHI") is a natural resource focused diversified holding company with ~\$150MM in investable capital

Investments focused on the mining, energy and agriculture, forestry, resource infrastructure and resource based financial service sectors

Structure allows for countercyclical investments in out-of-favour commodities

Managed by leading team of resource investment professionals

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

Sprott Group Overview



- ~\$9.3B AUM

Exchange-Listed Products	Private Resources Investments	Alternative Funds
<ul style="list-style-type: none">• Three physical bullion trusts listed on NYSE and TSX• Two Gold Miners ETF listed on NYSE	<ul style="list-style-type: none">• Private Equity• Private Lending• Integrated financing solutions	<ul style="list-style-type: none">• Core Equity• Sector Equity• Alternative Income• Specialty Credit
~\$4.5B AUM	~\$1.2B AUM	~\$3.5B AUM

As of January 15, 2017

A Transformative Transaction

- SRHI was formed in February 2017 through a business combination between Sprott Resource Corp. and Adriana Resources Inc. The combination creates a unique resource-focused vehicle with a strong portfolio of core assets and capital to deploy
- Sprott Inc. ("Sprott"), a fund managed by a subsidiary of Sprott, and Term Oil Inc. (a corporation controlled by Rick Rule) has made an aggregate \$15MM equity investment in SRHI via private placements
- SRHI is debt free with ample capital to make new investments
 - Total cash of \$55MM¹
 - ~\$150MM¹ in investable capital
- SRHI will benefit from additional resource investing expertise at Board and Management level
- SRHI intends to operate as a diversified holding company focused on the natural resource sector

¹ Excludes capital from the proposed private placement.

A Stronger Company Positioned for Growth

(C\$ Millions)	SRC Pre-Transaction	SRHI Post-Transaction
Cash ¹	\$14	\$55
Public Company Holdings ²	\$56	\$55
Private Company Holdings ³	\$38	\$44
Net Asset Value⁴	\$106	\$150

¹ Pre-transaction cash balance adjusted for remaining proceeds from Independence Contract Drilling (“ICD”) sale. Post-transaction cash balance includes \$15MM investment from the concurrent private placements and \$28MM of cash from ADI.

² Public holdings as of December 5, 2016. Adjusted for sale of ICD shares and public listing of InPlay Oil.

³ As of September 30, 2016, other than InPlay adjusted for \$10MM investment and public listing. Post-transaction includes \$6MM for ADI’s iron ore joint venture.

⁴ Includes other net liabilities.

Board of Directors and Management Team

Terrence A. Lyons

Chairman, Independent Director
Lead Director of Canaccord Genuity Group Inc.

Lenard Boggio

Independent Director
Retired Chartered Accountant (FCA)

Don Charter

Independent Director
Director of IAMGOLD Corp., Dundee REIT and Lundin Mining Corp

Joan E. Dunne

Independent Director
Former CFO, Painted Pony Petroleum, former, Vice President,
Finance and CFO of True Energy Inc.

John Embry

Director

Ron F. Hochstein

Independent Director
President and Chief Executive Officer, Lundin Gold Inc.

Tony Wang

Independent Director
President and Chief Executive Officer, WISCO Canada Resources
Investment Limited

Steve Yuzpe

President, Chief Executive Officer, Director

Rick Rule

Vice Chairman, Director, Chief Investment Officer

Michael Staresinic

Chief Financial Officer, Managing Director

Arthur Einav

General Counsel, Corporate Secretary, Managing Director

Andrew Stronach

Managing Director

Michael Harrison

Managing Director

Corey Posesorski

Associate

Sarah-Jane Martin

Associate General Counsel

Capital Structure Overview

Basic Shares Outstanding (MM) ¹	510.5
Warrants (MM)	81.1
FD Shares Outstanding (MM) ¹	591.6
NAV (C\$MM) ²	\$150MM
NAV per share (C\$/basic share) ²	\$0.30

¹ Does not include shares issued for proposed private placement.

² Public investments as of December 5, 2016. Private investments as of September 30, 2016. Includes other net liabilities.

Sprott Group's Competitive Advantage

Project knowledge and conservative approach

- Broad 30-year experience with most project types, management and jurisdictions
- Proven, disciplined approach to valuation and focus on risk management
- In-house technical services team provides initial assessment with increased speed and reduced cost

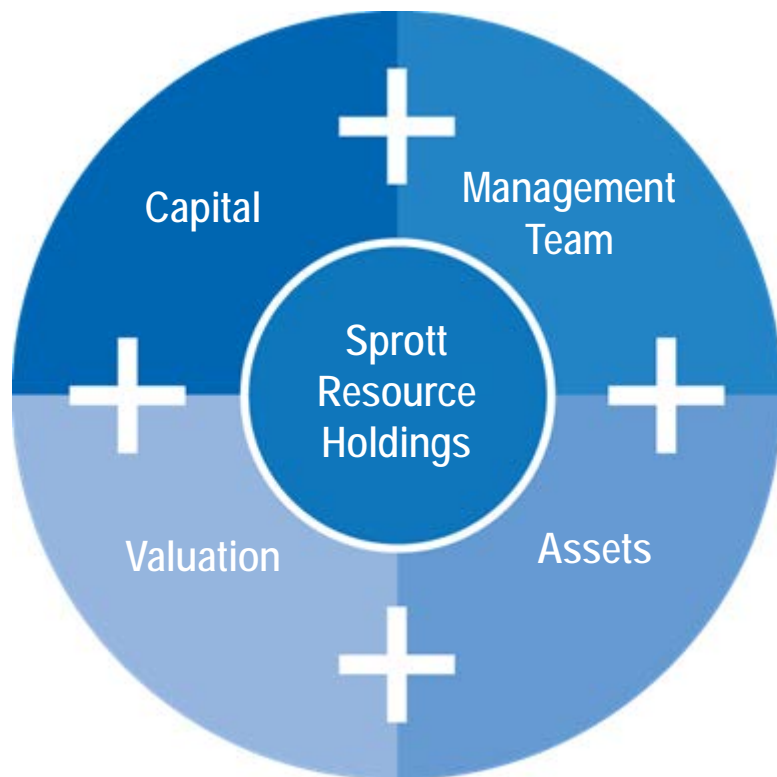
Deal flow and recognition as an established resource investor

- Strong deal flow in natural resources
- Wide-reaching equity participation in the sector globally through existing portfolios
- Opportunities sourced through Sprott Group's private, debt and public investment groups

Established Strategic Network

- Access to in-house technical, financial and legal expertise
- Extensive database of management teams, directors and investors
- Network of trusted due diligence providers

How We Invest



- Our investment decisions are guided by a set of core beliefs:
 - ① Management Team
 - ② Asset Quality
 - ③ Valuation
 - ④ Capital
- We seek opportunities in businesses with favourable characteristics in these four areas and where opportunities exist for our capital and relationships to be a catalyst in the business
- Our permanent capital structure allows us to maximize the benefits from long-term trend investing to grow book value per share

Our Approach to Creating Value



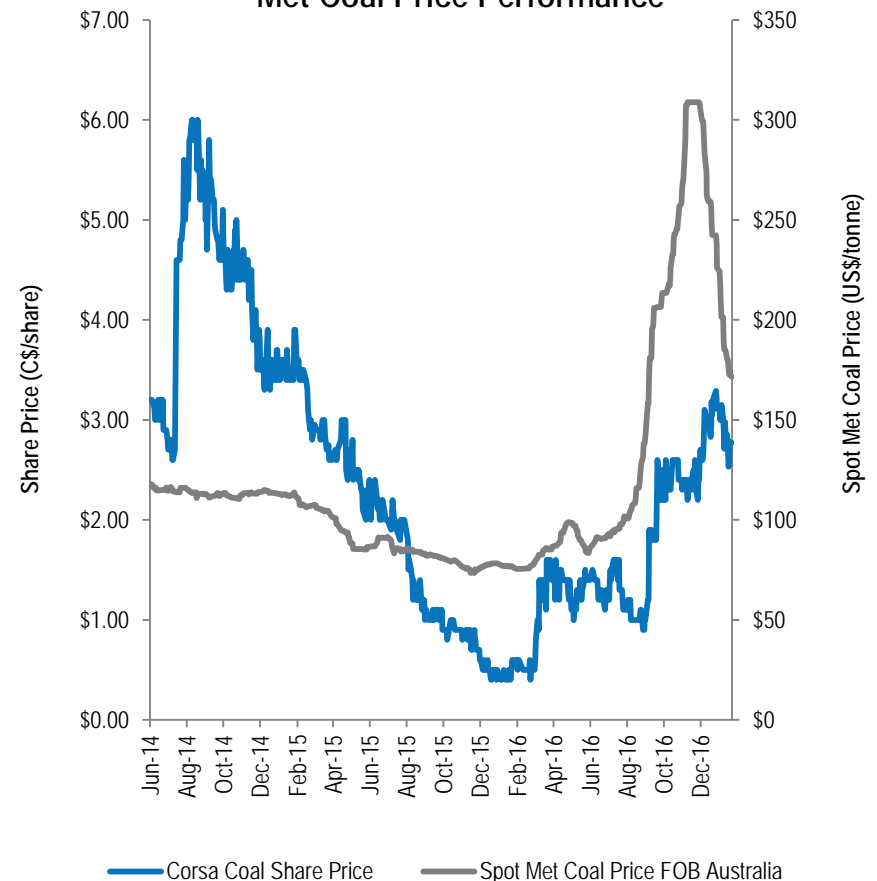
- Identify opportunities where our capital and team can be a catalyst for advancing a business and creating / unlocking value
- Upon investing in a business, we become actively involved in the enterprise by providing strategic advice and direction
- We provide a strong framework for corporate governance and ensure that the necessary decisions are made to maximize the value of the business for its shareholders over a definable time frame
- We use access to our global investor network to support capital raising
- Monetization occurs when the defined opportunity to create value has been achieved

Core Holding: Corsa Coal Corp.

- Growth-oriented premium quality metallurgical (“met”) coal producer with a strong balance sheet
- Vision: To build a low-cost producer of scale of premium quality coal at a time of market weakness
- Met coal prices have increased ~180%¹ since January 2016
- Corsa acquired PBS Coals from Severstal in July 2014 with the backing of SRHI and consortium of investors
- SRHI has invested ~\$40 million to date
- Key shareholders include:
 - Quintana Capital Group (50% ownership)
 - SRHI (17.2% ownership)
 - Lundin Family (16% ownership)

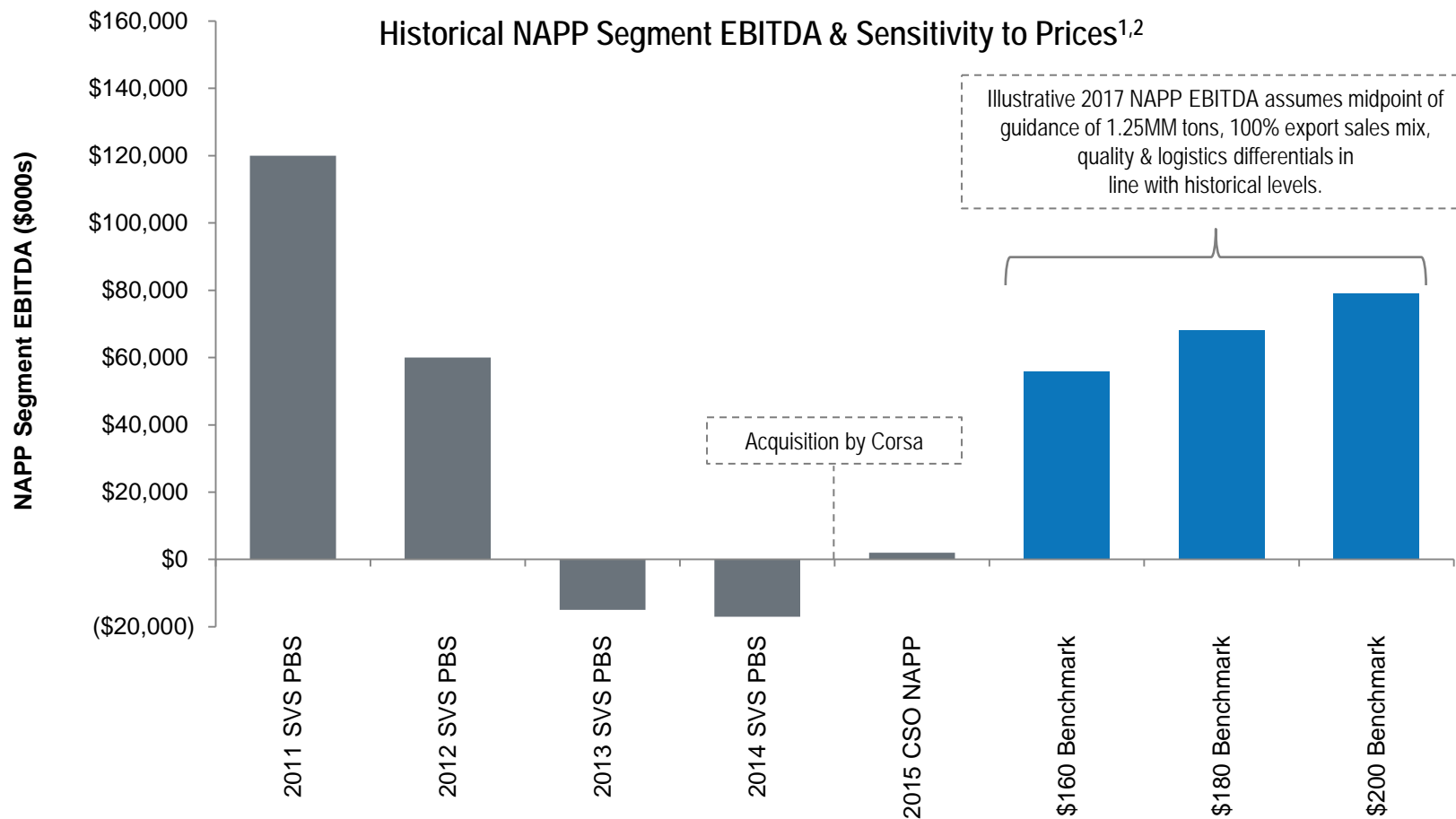
¹ As at January 23, 2017

Corsa Share Price & Met Coal Price Performance¹



Source: Bloomberg.

Corsa Coal: Operating Leverage to Rebound in Met Coal Prices



¹ Figures 2014 and earlier represent PBS metallurgical segment EBITDA. Figures past 2015 represent illustrative NAPP segment contributions.

Source: Corsa Coal corporate presentation.

² EBITDA is a non-GAAP measure. This financial measure is not recognized under International Financial Reporting Standards ("IFRS" or "GAAP"). EBITDA: Earnings before deductions for interest, taxes, depreciation and amortization.

Core Holding: InPlay Oil Corp.

- InPlay Oil Corp. (“InPlay”) is a publically traded energy exploration and development company based in Calgary, Alberta
- Vision: InPlay’s strategy is to acquire high-quality, light oil growth assets in Alberta to advance their strategy of building a large, low-decline, liquids-focused asset base capable of generating significant growth on a per share and absolute basis
- SRHI and JOG Capital, a leading Calgary based oil and gas PE fund, backed the management team in 2014 to build a light oil focused producer
- Currently producing 3,600 boed (63% light oil and liquids)
- Strong balance sheet targeting 0.8-1.0x debt to cash flow in 2017
- SRHI has invested ~\$35 million to date
- Key shareholders include:
 - JOG Capital (34% ownership)
 - SRHI (11% ownership)

Inplay - 2017 Forecast

Commodity Price Assumptions¹

WTI Oil Price (US\$/bbl)	\$55.00
Edmonton Par (C\$/bbl)	\$67.77
AECO Gas Price (\$/mcf)	\$3.00

Operational Forecast

Avg Production (boed) (% liquids)	4,000 - 4,200 (66%)
Exit Production (boed) (% liquids)	4,300 - 4,500 (68%)
Funds Flow (\$mm) ²	\$33.2
Capital Program (\$mm)	\$28.0
Net Wells Drilled	12.0
Year End Net Debt (\$mm) ²	\$32.0
Year End Net Debt / Funds Flow	0.8x

Sensitivities

+\$5/bbl WTI (mm)	\$3.8
-\$5/bbl WTI (mm)	(\$5.0)
+/- \$0.25/mcf AECO (mm)	\$0.6

Source: InPlay Oil corporate presentation.

¹ Assumptions include WTI \$55 USD/bbl, FX \$0.76 USD/CDN and AECO natural gas \$3.00 /GJ, WTI/Edmonton Light differential \$3.50 USD/bbl.

² Values reflect results for the mid range of forecasted average production

Other Investments



- + One Earth Farms Corp. ("OEF") is a privately held vertically integrated branded food business focused on natural and organic meats and other value-added branded products. OEF's products are currently sold in five Canadian provinces along with select EU markets, China and the Middle East.



- + Union Agriculture Group ("UAG") is a privately held diversified agribusiness firm that owns and manages over 139,000 hectares of farmland in Uruguay. Through its subsidiaries UAG also raises livestock for sale, is involved in the logistics business through the ownership and operation of silo facilities and vehicles, and participates in local and international trading markets by originating grain from more than 100 producers in Uruguay.



- + R.I.I. North America Inc. is a privately held Calgary-based upstream oil company that owns the North American intellectual property rights for the patented STRIP (Solvent Thermal Resource Innovations Process) enhanced oil recovery technology.

LAC OTELNUK PROJECT

- + The Lac Otelnuke iron ore project, located in the Labrador Trough in Quebec, is the largest iron ore deposit in Canada. The project has a defined resource of 27.48 billion tonnes and could produce ~50 million tonnes per annum with a concentrate grade of 68.0% Fe.

Strategy Executed: PBS Coals Transaction

Total timeline = 11 months

Identify Opportunity

- + Identified long-term value of coal
- + Sought low-cost coal producer
- + Top-quality management

Financing and Team Selection

- + Acquired 37% interest (two investment tranches)
- + Provided growth capital

\$55MM
investment

Strategic Development

- + Board representation
- + \$95MM private placement by outside investors

Monetization

- + Coal prices rose dramatically
- + Facilitated RTO and sold shares in secondary offering for \$99.8MM
- + Sold to OAO Severstal for proceeds of \$140.8MM

\$240MM
gross proceeds

Strategy Repeated: Corsa Coal Investment

Identify Opportunities

Out of favour sector

The price of metallurgical coal falls by

50%

between 2010 and 2014

Available Asset at Attractive Valuation

OAO Severstal makes strategic decision to exit US

Financing / Team Selection

Partner with Proven Management Team

SRHI begins discussions to fund Corsa Coal's acquisition of PBS Coals with co-investors Quintana Capital and the Lundin Group

Deploy Capital Counter-cyclically

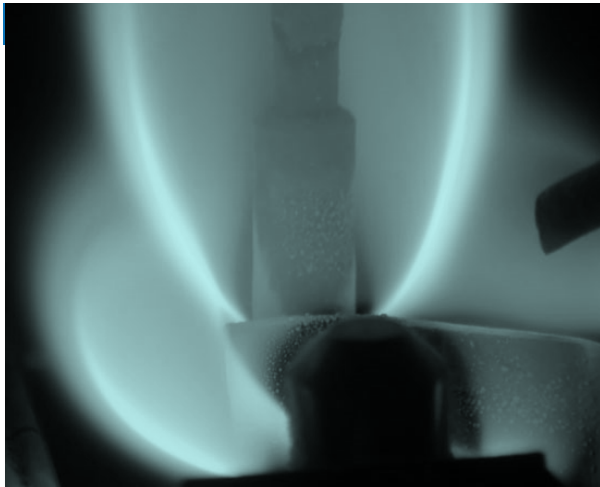
SRHI invests \$36.3 million in Corsa Coal to acquire PBS Coals for US\$60 million.

Portfolio Allocations

Our investment portfolio is allocated across **3 sectors:**

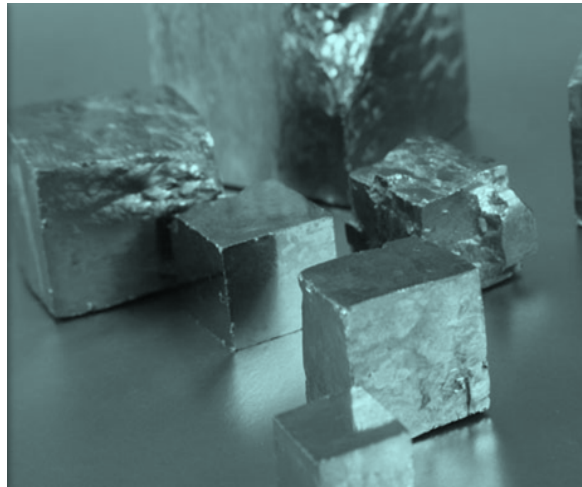
Energy & Energy Services

\$20MM¹ FAIR VALUE



Mining

\$48MM^{1,2} FAIR VALUE



Agriculture

\$32MM¹ FAIR VALUE



Cash of **\$55MM** to deploy²

¹ Public investment as at December 5, 2016. Private investments as at September 30, 2016.

² Following the Combination, does not include other net liabilities.

Summary

- Transaction creates unique resource-focused vehicle with ~\$150MM¹ in investable capital
- Team has repositioned portfolio to focus on strong core holdings
- No debt
- Cash to deploy in current resource markets
- Increased support and ownership from Sprott
- Strong board and management team
- Public investments comprise significant percentage of market cap
- Capital to make new investments to grow NAV per share and narrow the discount to NAV per share

¹ Excludes capital from the proposed private placement.

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