



March 3, 2017

Dear Shareholders,

In December 2016, we announced that Sprott Resource Corp. ("SRC") would combine with Adriana Resources Inc. ("ADI") to form Sprott Resource Holdings Inc. ("SRHI"), a new company that trades on the TSX under the ticker SRHI. This transaction, which closed in February 2017, has created a unique, resource-focused investment vehicle with approximately \$50 million in net cash, no debt and a strong portfolio of core holdings. Sprott Inc. ("Sprott") and certain related entities, one of which is a corporation controlled by Rick Rule, invested \$15 million in SRHI on closing of the transaction. These equity investments will further strengthen our balance sheet and will also increase our alignment with Sprott, one of the world's best known resource investors. We look forward to increased collaboration with the Sprott team and expect to benefit from improved access to their technical and due diligence expertise and deal origination capabilities.

As part of the transaction, Rick Rule has joined SRHI as Chief Investment Officer and Michael Harrison as Managing Director. SRHI has also added significant resource industry expertise at the board level combining the previous SRC board with Rick Rule, Donald C. Charter and Xinting (Tony) Wang. Each of these individuals brings with them a deep network of industry contacts and a proven ability to identify and originate new investments.

We believe this deal has come at an opportune time and we are excited about the opportunities in front of us. We have a unique diversified portfolio of core holdings across four commodities, a team of professionals with a broad range of skills and experience, and ample cash to put to work at a very attractive phase of the natural resource cycle. We look forward to working together to create meaningful value for our shareholders in the months and years ahead.

We thank the members of the ADI board of directors who have stepped down as part of this transaction for their hard work, dedication and many contributions to ADI. We would also like to take this opportunity to acknowledge the efforts of former ADI CFO Carlos Pinglo, and wish him all the best in his future endeavours. Finally, we thank Peter Grosskopf for his service on the SRC board of directors and we look forward to continuing to work closely with Peter in his capacity of CEO of Sprott. We believe SRHI has a bright future ahead of it and we look forward to reporting to you on our progress throughout the year.

Sincerely,

(signed) "Steve Yuzpe"

President and Chief Executive Officer