



November 10, 2017

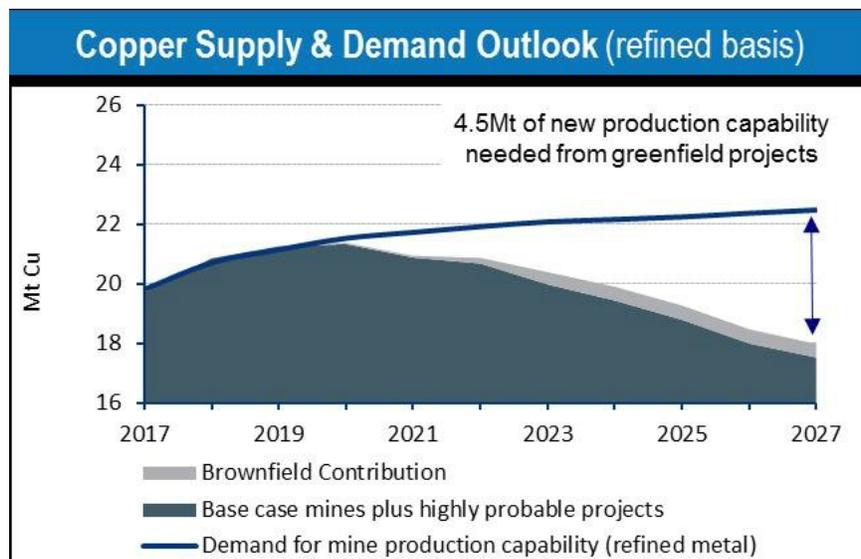
Dear Shareholders,

Over the past 18 months, we have worked very hard to reposition the Sprott Resource Holdings Inc. (“SRHI”) portfolio to ensure that our resources are concentrated in a small number of material holdings that we believe have the greatest potential to create value for our shareholders. Through this process, we have monetized a number of smaller legacy holdings including, most recently, selling our remaining position in Union Agriculture Group. Early in the year, we completed a business combination with Adriana Resources Inc. in a transaction that strengthened our cash position, enabling us to pursue new accretive investment opportunities in sectors that we believe we have the best potential for value creation.

In October, after evaluating more than 80 potential investments in 6 different commodities, we completed a USD\$40 million investment for a 70% equity interest in Minera Tres Valles (“MTV”), a Chilean copper producer. We are very excited about this investment and I would like to devote the bulk of this letter to outlining our views on copper and how we believe this particular investment will benefit you, our shareholders.

Why Copper?

We are very bullish on copper because from our analysis, long-term supply/demand fundamentals support improving copper prices. There are a number of factors that led us to this conclusion, first among which is our belief that a structural supply deficit is coming. The bear market in copper from 2010-2015 contributed to under investment in the sector, which contributed to significant supply destruction. Existing mines are beginning to experience declining ore grades and a lack of exploration has resulted in an insufficient number of new, high-quality discoveries.



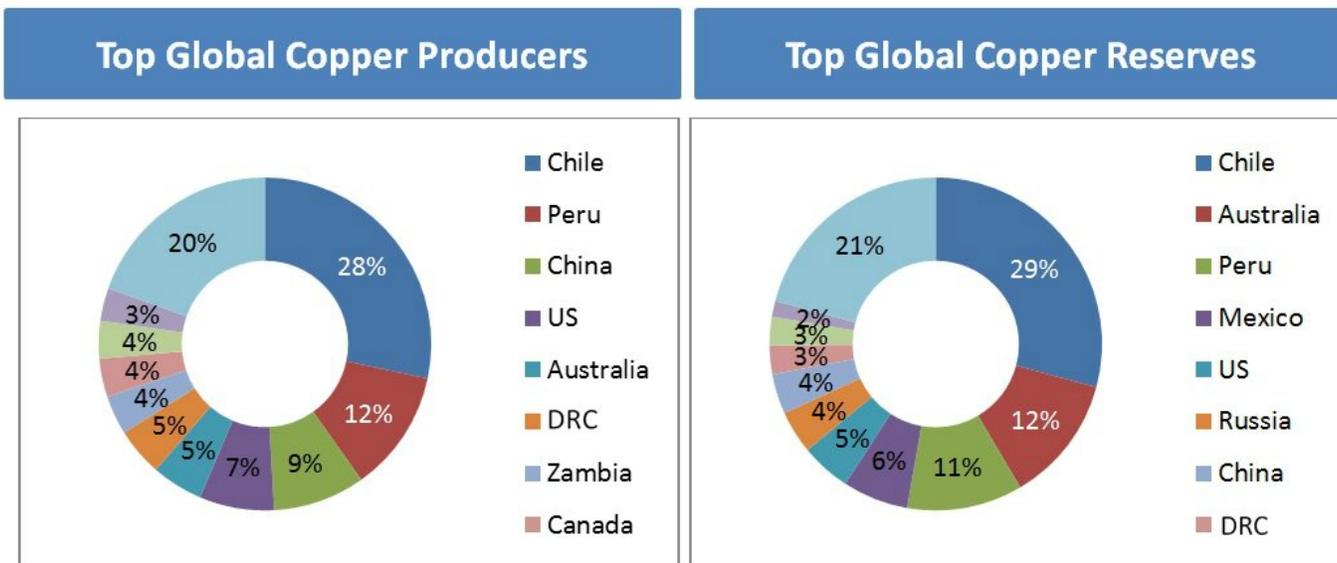
Source: Wood Mackenzie

On the demand side of the equation, we expect China to continue consuming ever-increasing quantities of copper, with investment in its electrical power grid being the key driver of this consumption. In addition, it is becoming increasingly clear that electrification of the automobile industry is coming much quicker than previously anticipated. The average electric vehicle (“EV”) requires about three times as much copper as the average gasoline or diesel powered vehicle. We believe the emergence of EVs will provide an additional structural tailwind for copper.

Why Chile?

When we evaluate a new investment opportunity, one of the most important factors we consider is the jurisdiction in which the asset operates. In the case of MTV, we view its location in Chile as a significant positive factor. Chile is one of the most progressive mining jurisdictions in the world, with very low geopolitical risk and a strong legal framework that ensures stability. The country enjoys a well-functioning market economy and sophisticated financial markets, as well as a highly-skilled and capable workforce.

From a geological standpoint, Chile is truly unique and is home to the largest concentration of world-class porphyry copper deposits. It is the leading global copper producer, accounting for close to 30% of total annual production. Chile also has exceptionally large reserves which also account for nearly one third of the world's total known copper reserves.



Source: USGS.

Why MTV?

In addition to the macro and geographic considerations outlined above, there were a number of factors specific to MTV that made this investment especially attractive to SRHI. MTV owns 100% of the currently producing Minera Tres Valles copper mining and refining complex located in Salamanca, Chile. This complex was previously owned by Vale SA, a leading Brazilian mining firm that invested USD\$242 million developing the property. The asset includes an extensive land package with significant exploration potential and MTV has an experienced team in place with strong technical resources. This team has dramatically lowered the cost of production at MTV and will continue to be responsible for ongoing operations and implementing a strategic growth plan.

What's Next?

Over the coming months, there will be a number of technical reports completed which will provide further information on the growth opportunity at MTV. As these reports are completed, we will keep you abreast of our progress at this exciting new copper project and other developments within the SRHI portfolio.

We also want to thank Don Charter and Tony Wang for their contributions as directors of the Company. Don and Tony tendered their resignations and we wish them every success in their future endeavours.

On behalf of our Board of Directors and employees, I thank you for your continued support.

Sincerely,

(signed) "Steve Yuzpe"

President and Chief Executive Officer