

August 10, 2018

Dear Shareholders,

During the second quarter of 2018, Sprott Resource Holdings Inc. ("SRHI") continued to focus on advancing the Minera Tres Valles ("MTV") copper mine in Chile.

In recent months, copper prices have fallen amid rising global trade tensions. However, our long-term outlook remains unchanged and we expect the recently introduced tariffs and political rhetoric to have little sustained impact on the price of copper. Our view remains constructive because the key mid-to-long-term drivers of demand for the metal are intact. These drivers include sustained Chinese consumption, the need to modernize global electrical grids, accelerating adoption of electrical vehicles and continued developments in battery storage and renewable energy technologies. In addition, supply disruptions have the potential to drive short-term increases in the copper price. Recent labour disruptions at some Chilean mines have led some analysts to increase their copper price targets. SRHI is pleased that, earlier this year, MTV ensured labour peace for the foreseeable future by entering into a three-year contract with its union.

We are pleased with the progress the MTV team made during the quarter. The new large-scale mine contractor began mobilizing on site at the end of the second quarter and despite some expected slowdowns associated with the transition from the previous contractor, production is now beginning to ramp up. In July, MTV crushed more than 100,000 tonnes of ore for the first time since 2013. MTV has commenced procurement of long-lead time items for the salt-leach project and is finalizing the selection of the EPC contractor this month.

Our metallurgical coal investment, Corsa Coal, has weathered downturn in the North American coal industry and is well-positioned to benefit from a rebound in coal price.

InPlay Oil is benefiting from higher oil prices in the first half of 2018 which futures forecasts show pricing to be stronger in the second half of the year. The company has a strong inventory of low-decline Cardium locations both in the heart of the Pembina Oil field and in Willesden Green area which has been the recent focus and currently showing robust results from wells drilled.

In July, SRHI provided a short-term, tactical financing of USD\$7.2 million, as part of a USD\$17.5 million senior secured credit facility to a private royalty company. The financing was done in conjunction with other Sprott entities and allows SRHI to use its treasury holdings to generate meaningful interest income while retaining equity exposure in a unique business. We view this as a short-term tactical investment, with the expectation of earning a strong cash yield and rate of return in a short period of time.

On behalf of our Board of Directors and employees, I thank you for your continued support and we look forward to reporting to you on our progress in the months ahead.

Sincerely,

(signed) "Steve Yuzpe"

President and Chief Executive Officer