



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR

May 12, 2020

Tuesday, June 23, 2020 at 12:00 p.m. (Toronto time)

SPROTT RESOURCE HOLDINGS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "Meeting") of the holders of common shares of SPROTT RESOURCE HOLDINGS INC. (the "Corporation" or "SRHI") will be held virtually at <https://web.lumiagm.com/242957813> on Tuesday, June 23, 2020 at 12:00 p.m. (Toronto time), for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2019, together with the auditors' report thereon;
2. to elect the directors of the Corporation to hold office until the close of the next annual meeting of shareholders;
3. to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the board of directors to fix the remuneration to be paid to the auditors;
4. to pass an ordinary resolution, ratifying and re-approving the Corporation's 10% rolling stock option plan as more particularly set out in the Management Information Circular accompanying this Notice of Meeting; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The Management Information Circular ("Circular") provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

Whether or not you expect to participate in the Meeting, please exercise your right to vote by completing and returning the form of proxy. Please complete, date and sign the enclosed form of proxy and return it in the enclosed envelope to TSX Trust Company, at 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1, or by facsimile at (416) 595-9593, Attention: Proxy Department or vote on-line at www.voteproxyonline.com. If you are a beneficial shareholder and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary. To be effective, a proxy must be received by TSX Trust Company, not later than 12:00 p.m. (Toronto time) on June 19, 2020, or in the case of any adjournment of the meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

SRHI is actively monitoring the coronavirus disease 2019 (COVID-19) situation and is sensitive to the public health and travel concerns shareholders and other potential Meeting attendees may have and the protocols that federal, provincial, and local governments have and may further impose. Due to current government orders and public health directives regarding social distancing, including the maximum size of public gatherings, SRHI will be convening and conducting an audio-only virtual Meeting. At the virtual Meeting, registered shareholders, non-registered (or beneficial) shareholders, and their duly appointed proxyholders will be able to participate and vote "real time" at the Meeting, provided they are connected to the internet and have logged in at <https://web.lumiagm.com/242957813>. Non-registered shareholders must carefully follow the procedures set out in the Circular in order to vote virtually and participate in the Meeting through the live audio webcast. Non-registered shareholders who do not follow the procedures set out in the Circular will nonetheless be able to listen to the live webcast of the Meeting, but will not be able to participate in the Meeting or vote. There will not be a formal presentation by management at the Meeting. You have to be connected to the internet at all times to be able to vote — it is your responsibility to make sure you stay connected for the entire Meeting.

To ensure that shareholders' votes are cast at the Meeting, SRHI encourages each shareholder to submit a form of proxy or voting instruction form in a timely manner in advance of the Meeting, further to the instructions in the accompanying Circular. The Meeting will be available online through a live webcast accessible via <https://web.lumiagm.com/242957813>.

BY ORDER OF THE BOARD

Toronto, Ontario
May 12, 2020

"Terrence Lyons"
Terrence Lyons
Chairman of the Board

SPROTT RESOURCE HOLDINGS INC.
MANAGEMENT INFORMATION CIRCULAR FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 23, 2020
GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (this "Circular") dated May 12, 2020 is furnished in connection with the solicitation by or on behalf of management of Sprott Resource Holdings Inc. (the "Corporation" or "SRHI") of proxies to be used at the annual and special meeting of the holders of common shares ("shareholders") of the Corporation (the "Meeting") to be held virtually at <https://web.lumiagm.com/242957813> on Tuesday, June 23, 2020 at 12:00 p.m. (Toronto time), and at all adjournments thereof, for the purposes set forth in the notice of the Meeting that accompanies this Circular (the "Notice of Meeting"). It is expected that the solicitation will be made primarily by mail but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or regular employees of the Corporation. Such persons will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation ("Common Shares") in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and the Circular to beneficial owners of Common Shares and obtaining proxies therefor. The total cost of the solicitation will be borne by the Corporation.

Appointment of Proxyholder

The persons named by management in the enclosed form of proxy accompanying this Circular are directors or officers of the Corporation. **A shareholder of the Corporation has the right to appoint a person other than the persons designated by management of the Corporation in such form of proxy (who need not be a shareholder of the Corporation) to attend and act for such shareholder and on behalf of such shareholder at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person to be appointed in the blank space provided or by completing another proper form of proxy.

Shareholders who wish to appoint a person other than the management nominees identified on the form of proxy or voting instruction form ("**VIF**") (including a Beneficial Shareholder (as defined below) who wishes to appoint themselves to attend) must carefully follow the instructions in the Circular and on their form of proxy or VIF. These instructions include the additional step of registering such proxyholder with our transfer agent, TSX Trust Company, by emailing: tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found at <https://tsxtrust.com/resource/en/75>, after submitting their form of proxy or VIF. **Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving a Control Number to participate in the Meeting and only being able to attend as a guest.**

In the case of **registered shareholders**, the completed, dated and signed form of proxy should be sent in the enclosed envelope or otherwise to the Corporation's registrar and transfer agent, TSX Trust Company, at 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1, or vote on-line at www.voteproxyonline.com, or by submitting your proxy by facsimile at (416) 595-9593, Attention: Proxy Department. In the case of **Beneficial Shareholders** who receive these materials through their broker or other intermediary, the shareholder should complete and send the form of proxy or VIF, as applicable, in accordance with the instructions provided by their broker or other intermediary (see "*Advice to Beneficial Holders of Common Shares*"). **To be effective, a proxy must be received by TSX Trust Company not later than 12:00 p.m. (Toronto time) on June 19, 2020, or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.**

Revocation of Proxy

A shareholder who has given a proxy may revoke it: (i) by depositing an instrument in writing signed by the shareholder or by the shareholder's attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder's attorney, who is authorized in writing with TSX Trust Company at 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1 or at the registered office of the Corporation up to 5:00 p.m. (Toronto time) on the last business day preceding the date of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment; (ii) by depositing such instrument in writing with the Chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof; or (iii) in any other manner permitted by law.

Voting of Proxies

The persons named in the enclosed form of proxy will vote for, against or withhold from voting the Common Shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions contained therein and if the shareholder specifies a choice with respect to any matter to be acted on, the Common Shares will be voted accordingly. **In the absence of such specifications, such Common Shares will be voted "for" each of the matters referred to herein.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters, if any, which may properly come before the Meeting or any adjournment thereof. **At the date of the Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the Common Shares represented by properly executed proxies given in favour of the persons designated by management of the Corporation in the enclosed form of proxy will be voted on such matters in accordance with the judgment of the named proxy.**

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many holders of Common Shares, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be admitted to participate in the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, most of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions), or withheld from voting, upon the instructions of the Beneficial Shareholder. In Canada, without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are properly communicated to the appropriate person within the required timeframe.**

Applicable securities laws require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. In accordance with the requirements of applicable securities laws, the Corporation has distributed copies of the Notice of Meeting, this Circular and the form of proxy to the intermediaries/brokers for onward distribution to Beneficial Shareholders. The Corporation will not be sending the Circular or other proxy-related materials directly to non-objecting Beneficial Shareholders but rather will instruct an intermediary to complete such mailing. In addition, the Corporation intends to pay for an intermediary to deliver to objecting Beneficial Shareholders the Circular, other proxy-related materials and the request for voting instructions made by an intermediary. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy or VIF, as applicable, supplied to a Beneficial Shareholder by its broker (or the

agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. In Canada, the majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically asks Beneficial Shareholders to return the proxy forms or VIFs, as applicable, to Broadridge. Alternatively, Beneficial Shareholders can either call their toll free telephone number to vote their Common Shares, or access Broadridge's dedicated voting web site at www.proxyvote.com to deliver their voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the applicable meeting. **A Beneficial Shareholder receiving a Broadridge proxy or VIF, as applicable, cannot use that proxy or VIF to vote Common Shares directly at the Meeting. The proxy or VIF, as applicable, must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or an agent of the broker), a beneficial shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should appoint themselves as proxy by entering their own names in the blank space on the form of proxy or VIF, as applicable, provided to them, return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting, and take the additional step of registering themselves with our transfer agent, TSX Trust Company, by emailing: tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found at <https://tsxtrust.com/resource/en/75>, after submitting their form of proxy or VIF.

Record Date

The Corporation's board of directors (the "**Board**" or the "**directors**") have fixed May 11, 2020 as the record date for the determination of shareholders entitled to receive notice of the Meeting. Only shareholders of record at the close of business on such record date are entitled to vote at the Meeting.

IMPORTANT INFORMATION ABOUT SRHI'S VIRTUAL ANNUAL AND SPECIAL MEETING

Out of an abundance of caution and to proactively deal with the impact of COVID-19 pandemic, and to mitigate risks to the health and safety of the Corporation's communities, shareholders and employees and other stakeholders, the Corporation will hold its annual and special meeting in a virtual audio-only format, which will be conducted via live webcast. Shareholders will have an equal opportunity to participate at the Meeting online.

Below are some frequently asked questions regarding the virtual meeting format for the Corporation's Meeting.

How can I participate and vote in the Meeting?

1. Log in at <https://web.lumiagm.com/242957813> at least 15 minutes before the Meeting starts
2. Click on "I have a control number"
3. Enter your 12 digit control number (on your proxy form)
4. Enter the password: **sprott2020** (case sensitive)
5. Vote

The Corporation encourages you to submit your vote in advance to the Corporation's registrar and transfer agent, TSX Trust Company, at 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1, or by voting on-line at www.voteproxyonline.com, or by submitting your proxy by facsimile at (416) 595-9593, Attention: Proxy Department.

When can I join the Meeting online?

You may begin to log into the meeting platform beginning at 11:30 a.m. Eastern Time on June 23, 2020. The Meeting will begin promptly at 12:00 p.m. Eastern Time on June 23, 2020.

How can I ask questions or provide comments on motions on Meeting matters?

While logged in for the Meeting you will be able to submit questions or comments relating to Meeting matters online by clicking on the submit questions button. The Corporation does not intend on holding a question and answer session following the formal business of the Meeting.

What if I misplaced my 12-digit control number?

Please contact TSX Trust Company at TMXInvestorServices@tmx.com by 10:00am (Eastern Time) on June 22, 2020 to get your control number.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As of May 12, 2020, there were **34,082,992** Common Shares issued and outstanding. Each Common Share has the right to one vote on each matter at the Meeting.

As of the date hereof, the only persons or companies known by the Corporation to own beneficially, control or direct, directly or indirectly, more than 10% of the Common Shares are as follows:

Name	Number of Common Shares Beneficially Owned or Controlled or Directed	Percentage of Outstanding Common Shares
Cowen Investment Management LLC ⁽¹⁾	4,470,400	13.12%

⁽¹⁾ Cowen Investment Management LLC ("Cowen") is the investment manager of Silver Strike Capital Inc. ("Silver Strike"). Both Cowen and Silver Strike are wholly-owned subsidiaries of Cowen Inc. Cowen does not beneficially own, but exercises control and direction over, certain Common Shares of the Corporation as investment manager of Silver Strike.

BUSINESS OF THE MEETING

Financial Statements

The audited consolidated financial statements of the Corporation for the financial year ended December 31, 2019, together with the auditors' report thereon, will be presented to the shareholders at the Meeting for their consideration.

Election of Directors

At the Meeting, it is proposed that five directors be elected. Each nominee for election as a director is currently a director of the Corporation (three current directors of the Corporation, being Messrs. Harrison, Rule and Stronach, are not standing for re-election as a result of the termination of the MSA (as defined below), which is described further below under "*Management Contracts – The MSA*"). The term of office of each director currently in office will expire at the close of the Meeting and all directors elected at the Meeting will hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed, unless he or she resigns, is removed or becomes disqualified in accordance with the Corporation's by-laws or governing legislation.

Pursuant to a subscription agreement (the "**Subscription Agreement**") dated February 15, 2011 between the Corporation and WISCO International Resources Development & Investment Limited ("**WISCO**"), WISCO is entitled (but not obligated) to nominate one individual (the "**WISCO Nominee**") for appointment or election, from time-to-time, to the Board and, if more than a total of eight nominees are to be proposed for election as directors of the Corporation (as is not the case at the Meeting), WISCO would be also entitled to nominate one additional individual for election to the Board (such individual, also a WISCO Nominee). Any WISCO Nominee must have a close connection to WISCO or its material affiliates. WISCO has nominated Mr. Bo Liu (Senior

Manager of Resources Development with Baosteel Resources Holding (Shanghai) Co. ("**Baosteel**"), an affiliate of WISCO) for election to serve as a director of the Corporation.

The Corporation's by-laws provide for advance notice of nominations of directors ("**Advance Notice Provisions**") in circumstances where nominations of persons for election to the Board are made by shareholders other than pursuant to a requisition of a meeting or a shareholder proposal, in each case made pursuant to the provisions of the *Canada Business Corporations Act* ("**CBCA**"). The Advance Notice Provisions fix deadlines by which a shareholder must notify the Corporation of nominations of persons for election to the Board, as follows: such notice must be provided to the Secretary of the Corporation (i) in the case of an annual meeting of shareholders, at any time not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the nominating shareholder may be given not later than the close of business (Toronto time) on the tenth day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business (Toronto time) on the fifteenth day following the day on which the first public announcement of the date of the special meeting of shareholders was made. The Advance Notice Provisions also stipulate that certain information about any proposed nominee be included in such a notice in order for it to be valid. The purpose of the Advance Notice Provisions is to ensure that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate prior notice of director nominations, as well as sufficient information concerning the nominees, and can thereby exercise their voting rights in an informed manner. In addition, the Advance Notice Provisions should assist in facilitating an orderly and efficient meeting process. A copy of the Corporation's by-laws is available under its profile on SEDAR at www.SEDAR.com.

The Board recommends a vote "for" the election of each of the proposed nominees named in the form of proxy, to serve on the Corporation's board of directors until the next annual meeting of shareholders. **Unless the shareholder who has given such proxy has directed that the Common Shares be "withheld" from voting in the election of directors, the persons named by management of the Corporation in the enclosed form of proxy intend to cast the votes to which the Common Shares represented by such proxy are entitled "for" the election of each of the nominees whose names are set forth below.** Management of the Corporation does not contemplate that any nominee will be unable to serve as a director, but if that should occur for any reason at or prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

The Board has adopted a majority voting policy for director elections providing that, in an uncontested election of directors, any nominee who does not receive a greater number of votes "for" than votes "withheld" will tender a resignation to the Board immediately following the Corporation's annual meeting of shareholders. The Conflict Resolution, Corporate Governance and Nominating Committee of the Board will consider the offer of resignation and, except in exceptional circumstances, will recommend that the Board accept the resignation. The Board will make its decision and will accept the resignation, absent exceptional circumstances. The Board will announce its decision in a press release within 90 days following the Meeting, including the reasons for rejecting the resignation, if applicable. Subject to the terms of the policy, a director who tenders a resignation pursuant to the policy will not participate in any meeting of the Board or the Conflict Resolution, Corporate Governance and Nominating Committee at which the resignation is considered.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including membership on standing committees of the Board and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person. Residential and share ownership information concerning the nominees has been furnished by the respective proposed nominees.

Name, Province and Country of Residence	Director Since ⁽¹⁾	Common Shares Beneficially Owned or over which Control or Direction is Exercised, Directly or Indirectly
Terrence A. Lyons, ICD.D ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada	2005	99,046 ⁽⁸⁾
Lenard F. Boggio, ICD.D ⁽³⁾⁽⁴⁾⁽⁶⁾ British Columbia, Canada	2012	90,068 ⁽⁹⁾
Joan E. Dunne, ICD.D ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ Alberta, Canada	2014	88,636 ⁽¹⁰⁾
Bo Liu ⁽⁷⁾ Shanghai, China	2019	Nil
David Smith, C.DIR ⁽⁵⁾⁽⁶⁾ Ontario, Canada	2018	Nil ⁽¹¹⁾

Notes:

- (1) Includes service on the board of directors of Sprott Resource Corp. ("SRC") (the reverse take-over acquirer of Adriana Resources Inc. ("ADI"), the predecessor of the Corporation).
- (2) Chair of the Board.
- (3) Member of the Conflict Resolution, Corporate Governance and Nominating Committee.
- (4) Member of the Compensation Committee.
- (5) Member of the Environment, Health and Safety Committee.
- (6) Member of the Audit Committee.
- (7) WISCO Nominee. WISCO beneficially owns 1,510,824 of the outstanding Common Shares (or approximately 4.43% of the issued and outstanding Common Shares). Mr. Liu does not beneficially own or exercise control over, directly or indirectly, the Common Shares held by WISCO.
- (8) 83,791 of such Common Shares have been designated for the account of Mr. Lyons under the Corporation's employee profit sharing plan and such plan of SRC assumed by the Corporation (collectively, the "LTIP"). In addition, Common Shares with a grant date value of \$75,000 are to be designated for the account of Mr. Lyons under the LTIP. As at the date hereof, 8,929 of the Common Shares designated under the LTIP (the "LTIP Shares") were not yet vested. For further information concerning the LTIP, see "*Securities Authorized for Issuance under Equity Compensation Plans - LTIP*" below.
- (9) 83,791 of such Common Shares have been designated for the account of Mr. Boggio under the LTIP. In addition, Common Shares with a grant date value of \$75,000 are to be designated for the account of Mr. Boggio under the LTIP. As at the date hereof, 8,929 of the LTIP Shares were not yet vested.
- (10) 83,791 of such Common Shares have been designated for the account of Ms. Dunne under the LTIP. In addition, Common Shares with a grant date value of \$75,000 are to be designated for the account of Ms. Dunne under the LTIP. As at the date hereof, 8,929 of such LTIP Shares were not yet vested.
- (11) Common Shares with a grant date value of \$150,000 are to be designated for the account of Mr. Smith under the LTIP.

Terrence A. Lyons (ICD.D) - Mr. Lyons is a corporate director and is the Chair of the Board. He is also a director of several public and private corporations and currently serves as the Lead Independent Director and Chairman of the Audit Committee of Canaccord Genuity Group Inc. ("Canaccord") as well as a Director of Canaccord's subsidiaries in the United Kingdom, Australia and Asia. He is also a Director of Martinrea International Inc. and Mineral Mountain Resources Ltd. Mr. Lyons is a retired Managing Partner of Brookfield Asset Management, past Chairman of Polaris Materials Corporation recently acquired by US Concrete, past Chairman of Northgate Minerals Corporation which was acquired by Aurico Gold (now Alamos Gold), past Chairman of Eacom Timber Corporation which was recently sold to a private equity firm, former Chairman of Westmin Mining and Vice-Chairman of Battle Mountain Gold. After 9 years he recently retired from the Board of Pavco (BC Pavilion Corporation). Terry is a Civil Engineer (UBC) with an MBA from Western University (formerly the University of Western Ontario). He sits on the Advisory Board of the Richard Ivey School of Business and is active in sports and charitable activities, is a past Governor of the Olympic Foundation of Canada, past Chairman of The Mining Association of B.C., past Governor and member of the Executive Committee of the B.C. Business Council, Past Director of the Institute of Corporate Directors (BC) and in 2007 was awarded the INCO Medal by the Canadian Institute of Mining and Metallurgy for distinguished service to the mining industry.

Mr. Lyons was a director of Royal Oak Ventures Inc. ("Royal Oak") at the request of Brookfield Asset Management ("Brookfield"), which was subject to cease trade orders in each of the provinces in British Columbia, Alberta, Ontario and Quebec due to the failure of Royal Oak to file financial statements since the financial year ended December 31, 2003. After restructuring the cease trade orders were lifted on July 4, 2012. Royal Oak was privatized by Brookfield effective December 31, 2013 and Mr.

Lyons resigned as a director. Mr. Lyons was elected to the board of directors of Royal Oak because of his valuable experience and expertise in financial restructurings in the insolvency context.

Lenard Boggio - Mr. Boggio is a corporate director. He is a retired partner of PwC, where he was the British Columbia leader of the firm's mining industry practice. He has significant expertise in financial reporting, auditing matters and transactional support, previously assisting, amongst others, clients in the mineral resource and energy sectors, including exploration, development and production stage operations in the Americas, Africa, Europe and Asia. Mr. Boggio currently serves as a director of Equinox Gold Corp., Pure Gold Mining Inc., Titan Mining Corporation and provincially owned BC Hydro and Power Authority. He has a Bachelor of Arts Degree and an Honours Bachelor of Commerce Degree from the University of Windsor. In 1985 Mr. Boggio became a member of the Institute of Chartered Accountants of BC ("ICABC", now "CPA BC") and was conferred with a Fellow's designation in 2007 by the ICABC for distinguished service to the profession and community. In 2018 he was awarded a Lifetime Achievement Award by the CPA BC for his outstanding lifetime of service to the profession and community. He is a past president of the ICABC and he is also a past Chair of the Canadian Institute of Chartered Accountants. Mr. Boggio holds the ICD.D designation from the Institute of Corporate Directors.

Mr. Boggio was a director of Great Western Minerals Group Ltd. ("GWMG") from January 2013 until his resignation together with all the then current directors in July 2015. On April 30, 2015 GWMG announced that a support agreement was entered into with the holders of a majority of GWMG's secured convertible bonds and GWMG was granted protection from its creditors under the *Companies Creditors Arrangements Act* upon receiving an initial order from the Court. On May 11, 2015, an order was issued by the Financial and Consumers Affairs Authority of the Province of Saskatchewan that all trading in the securities of GWMG be ceased due to its failure to file financial statements for the year ended December 31, 2014. In December, 2015 GWMG entered bankruptcy proceedings.

Joan E. Dunne - Ms. Dunne is a corporate director and, in addition to the Corporation, currently serves on the board of directors of Tundra Oil & Gas Limited (a private, wholly-owned subsidiary of James Richardson & Sons, Limited), where she chairs the Audit Committee, and of Painted Pony Energy Ltd. ("**Painted Pony**") (TSX: PONY), a natural gas producer, where she chairs the Audit and Risk Committee. In 2016, Ms. Dunne was appointed to the board of directors of the Capital Markets Authority Implementation Organization. Ms. Dunne joined the board of directors of Webber Academy (a private school) on January 9, 2019. Ms. Dunne graduated from the University of Calgary with a Bachelor of Commerce degree in 1979 and joined the Canadian Institute of Chartered Accountants (now CPA Canada) in 1983. Ms. Dunne received her ICD.D designation from the Institute of Corporate Directors in 2016. Ms. Dunne was a member of the Canadian Performance Reporting Board of CPA Canada from 2012 until 2020. She was a member and Chair of CPA Canada's Small Company Advisory Group of CPA Canada from 2011 until February 2017. Ms. Dunne was Vice President, Finance and CFO of Painted Pony Ltd. from start-up in February 2007 until retiring in September 2013. Ms. Dunne was Vice President, Finance and CFO of True Energy Inc., and subsequently True Energy Trust, from November 2002 until June 2006. From December 2000 to November 2002, Ms. Dunne consulted for various petroleum companies in the areas of finance, tax and investor relations. Prior thereto, she was Vice President, Finance and CFO of Ionic Energy Inc. since January 1998. From October 1996 until joining Ionic Energy Inc., Ms. Dunne was Vice President, Finance for Petrorep Resources Ltd. Prior thereto and from August 1994 to October 1996, Ms. Dunne held various positions with Barrington Petroleum Ltd, finally as Treasurer.

Bo Liu - Mr. Liu has held the position of Senior Manager of Resources Development with Baosteel, a mineral resource investment, trade and logistic services company, since September 2017. Previously, Mr. Liu held several positions within Baosteel Resources International Co. Ltd and Baosteel Resources Co. Ltd, mineral resource investment, trade and logistic services companies, including Senior Manager of Global Resources Development (November 2010 to August 2017), Senior Manager of Resources Planning and Developing Department (August 2008 to October 2010) and Senior Manager of Alloys Trading and Developing (August 2006 to July 2008). Mr. Liu joined the Baosteel group of companies in 2001. Mr. Liu currently serves on the board of directors of Noront Resources Ltd. (TSX-V:NOT). Mr. Liu graduated from Tongji University in Shanghai, China with a Master Degree of Business Management.

David Smith - Mr. Smith is the Senior Vice-President, Finance and CFO of Agnico Eagle Mines Limited ("Agnico") (TSX:AEM; NYSE:AEM), a gold mining business, and has held this position since October 24, 2012. Mr. Smith currently serves as a director of Canada Nickel Company Inc. Previously Mr. Smith held the position of Senior Vice-President, Strategic Planning and Investor Relations of Agnico. Prior to joining Agnico's investor relations team in 2005, Mr. Smith was a mining analyst and also held a variety of mining engineering positions, both in Canada and abroad. Mr. Smith is a Chartered Director (C.DIR). He has a B.Sc. and M.Sc. in Mining Engineering from Queen's University in Kingston and the University of Arizona, respectively. Mr. Smith is also a Professional Engineer.

Appointment and Remuneration of Auditors

Shareholders will be asked to vote for the appointment of PricewaterhouseCoopers LLP ("PwC") as independent auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the Board to fix the auditors' remuneration, which resolution will be approved if passed by a majority of votes cast at the Meeting, or at any adjournment thereof.

The Board recommends a vote "for" the appointment of PwC as independent auditors for the Corporation until the next annual meeting of shareholders or until a successor is appointed and the authorization of the Board to fix the auditors' remuneration. **Unless the shareholder who has given such proxy has directed that the shares be "withheld" from voting in the appointment of auditors, the persons named by management of the Corporation in the enclosed form of proxy intend to cast the votes to which the Common Shares represented by such proxy are entitled "for" the appointment of PwC as auditors of the Corporation to hold office until the next annual meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors.**

Re-Approval of the Rolling Stock Option Plan

At the Meeting, shareholders will be asked to consider and, if thought advisable, to approve, with or without variation, a resolution authorizing the renewal of the Corporation's stock option plan (the "**Rolling Option Plan**"). The Rolling Option Plan has been amended to reflect certain housekeeping amendments, including removing references to the MSA. The aggregate number of Common Shares reserved for issuance upon the exercise of all options granted under the Rolling Option Plan together with the Common Shares issuable under all other securities based compensation arrangements shall not exceed 10% of the issued and outstanding Common Shares as at the date of such grant (currently being 3,258,299 Common Shares, representing 9.56% of the issued and outstanding Common Shares). As a result, if the Corporation issues additional Common Shares in the future, the number of Common Shares issuable under the Corporation's securities based compensation arrangements will increase accordingly. If any option is terminated, cancelled or has expired without being fully exercised, any unissued Common Shares which have been reserved to be issued upon the exercise of the option shall become available to be issued upon the exercise of options subsequently granted under the Rolling Option Plan. In addition, if any option is exercised, an equivalent number of Common Shares may be reserved for issuance pursuant to the grant of additional options in replacement for such exercised options. No fractional Common Shares may be purchased or issued under the Rolling Option Plan. This summary of the principal terms of the Rolling Option Plan is qualified in its entirety by reference to the complete text of the Rolling Option Plan, a copy of which is attached hereto as Appendix "B". You are urged to carefully read the full text of the Rolling Option Plan.

The Corporation's "burn rate" (calculated by dividing the number of awards granted during the applicable year, by the weighted average number of basic securities outstanding for the applicable year) under the Rolling Option Plan for 2019 and 2018 was 0% and Common Shares issuable pursuant to options outstanding under the Rolling Option Plan represent 0% of the issued and outstanding Common Shares, as no options have been awarded under the Rolling Option Plan since its adoption on May 3, 2017.

The Corporation has established the Rolling Option Plan for the benefit of full-time and part-time employees, directors, officers and service providers (each, an "**Eligible Person**") of the Corporation and affiliated companies, which may be designated from time to time by the Board.

The Board shall have the power, where consistent with the general purpose and intent of the Rolling Option Plan:

- a. to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Rolling Option Plan;
- b. to interpret and construe the Rolling Option Plan and to determine all questions arising out of the Rolling Option Plan or any option, and any such interpretation, construction or determination made shall be final, binding and conclusive for all purposes;
- c. to determine the number of Common Shares underlying each option;
- d. to determine the Option Price (as defined in the Rolling Option Plan) of each option;
- e. to determine the time or times when options will be granted and exercisable;
- f. to determine if the Common Shares which are issuable on the exercise of an option will be subject to any restrictions upon the exercise of such option;
- g. to determine vesting periods for the options; and
- h. to prescribe the form of the instruments relating to the grant, exercise and other terms of options.

The Option Price of each option shall be determined by the Board and shall not be lower than the "Market Price" (as defined below) on the date on which the Board approves the grant of the option and no option term shall exceed 10 years. For purposes of the Rolling Option Plan, Market Price means, as at any date, the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange ("TSX") (or, if the Common Shares are not then listed and posted for trading on the TSX, on such stock exchange in Canada on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Board) for the five consecutive trading days immediately preceding such date, provided that in the event that the Common Shares did not trade on any of such trading days, the Market Price shall be the average of the bid and ask prices in respect of the Common Shares at the close of trading on all of such trading days and provided that in the event that the Common Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of the Common Shares as determined by the Board in its sole discretion.

The Board fixes the vesting terms it deems appropriate when granting options under the Rolling Option Plan. If an option would otherwise expire during a blackout period or within ten business days following the end of such period, the expiry date of the option will be automatically extended to the tenth business day following the end of the blackout period. The options are subject to earlier termination under certain circumstances, including up to 180 days following death and up to 90 days following ceasing to be an employee, officer or director. Options and rights related thereto held by an optionee are not assignable or transferable except to a related Eligible Corporation (as defined in the Rolling Option Plan) or on the death of the optionee.

The Board may amend, suspend or discontinue the Rolling Option Plan or amend options granted under the Rolling Option Plan at any time without shareholder approval; provided, however, that:

- a. shareholder approval shall be obtained for any: (i) amendment for which, under the requirements of the TSX or any applicable law, shareholder approval is required; (ii) increase to the maximum percentage of securities issuable under the Rolling Option Plan; (iii) reduction of the Option Price, or cancellation and reissuance of options or other entitlements, of options granted under the Rolling Option Plan; (iv) extension of the term of options beyond the original Expiry Date (as defined in the Rolling Option Plan); (v) allowance of options granted under the Plan to be transferable or assignable other than for estate settlement purposes; or (vi) amendment to the Rolling Option Plan's amendment provisions; and
- b. the consent of the optionee is obtained for any amendment which materially adversely affects the optionee's rights with respect to, or impairs any option previously granted to an optionee under the Rolling Option Plan.

No amendment, suspension or discontinuance of the Rolling Option Plan may contravene the requirements of the TSX or any securities commission or regulatory body to which the Rolling Option Plan or the Corporation is or may be subject.

No options shall be granted to any optionee under the Rolling Option Plan if, at the time of such grant, such grant could result, at any time, in: (i) the number of Common Shares reserved for issuance to Insiders (as defined in the Rolling Option Plan) pursuant to options under the Rolling Option Plan, together with Common Shares reserved for issuance to Insiders under all other securities based compensation arrangements exceeding 10% of the issued and outstanding Common Shares, or (ii) the issuance to Insiders, within a one-year period, of a number of Common Shares under the Rolling Option Plan, together with Common Shares that may be issued to Insiders under all other securities based compensation arrangements exceeding 10% of the issued and outstanding Common Shares.

The equity award value (based on grant date fair value) of any grants of options to Non-Employee Directors (as defined in the Rolling Option Plan) under the Rolling Option Plan shall not exceed \$100,000 to each Non-Employee Director per year.

The text of the resolution approving of the Rolling Option Plan and all unallocated options, rights and entitlements thereunder to be submitted to shareholders at the Meeting is set forth below (the "**Rolling Option Plan Resolution**"):

"RESOLVED that

1. the Corporation's Stock Option Plan (the "**Rolling Option Plan**"), set forth in the Management Information Circular for the meeting of the shareholders Corporation to be held on June 23, 2020 (the "**Meeting**") is hereby approved;
2. all unallocated entitlements under the Rolling Option Plan be and are hereby confirmed and approved;
3. the Corporation shall have the ability to continue granting options under the Rolling Option Plan until June 23, 2023, or such other date that is three years from the date of the Meeting, should the Meeting be rescheduled or adjourned; and
4. any director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to do all acts and things, as such director or officer may determine necessary or advisable to carry out the terms of the foregoing."

The Board recommends a vote "for" the Rolling Option Plan Resolution. In order for the Rolling Option Plan Resolution to be passed, it must be approved by a majority of the votes cast at the Meeting in respect thereof. **Unless the shareholder who has given such proxy has directed that the shares be voted "against" the Rolling Option Plan Resolution, the persons named by management of the Corporation in the enclosed form of proxy intend to cast the votes to which the shares represented by such proxy are entitled "for" the Rolling Option Plan Resolution.**

If the Rolling Option Plan Resolution is not approved, the Corporation will be unable to grant any further options under the Rolling Option Plan, although any outstanding options previously granted thereunder will remain outstanding and be governed by their terms of grant and the Rolling Option Plan, provided, however, that any Common Shares underlying such options will not become available for issuance pursuant to further grants under the Rolling Option Plan upon the termination, expiration or exercise of such outstanding options.

Other Matters

The Corporation knows of no other matters to be submitted to the shareholders at the Meeting. If any other matters properly come before the Meeting, it is the intention of the persons named by management of the Corporation in the enclosed form of proxy to vote the Common Shares they represent in accordance with their judgment on such matters.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In connection with the services provided to the Corporation by Sprott Consulting Limited Partnership ("**SCLP**") under the MSA (as described below under "*Management Contracts – MSA*"), until its termination, SCLP has supplied the services of persons to serve as President and Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") of the Corporation. SCLP also has supplied the services of persons to serve as Chief Investment Officer ("**CIO**"), Associate General Counsel and Corporate Secretary, and Managing Directors (an officer title) and, until January 17, 2019, General Counsel of the Corporation (collectively, the President and CEO, CFO, CIO, Associate General Counsel and Corporate Secretary, Managing Directors and General Counsel, the "**SCLP Executives**").

Management Services Fees paid under the MSA were designed to pay SCLP for the management of the Corporation. The SCLP Executives were provided by Sprott Inc. ("**SII**") through SCLP and the Management Services Fees paid under the MSA were used to compensate the SCLP Executives. The compensation paid by the Corporation to the SCLP Executives was determined by SCLP in consultation with the Compensation Committee.

Upon the termination of the MSA (described further below under "*Management Contracts – The MSA*"), it is anticipated that Terry Lyons, the Chairman of the Corporation, will become the Interim Chief Executive Officer of the Corporation. In addition, it is anticipated that Michael Staresinic will continue to serve as the Corporation's Chief Financial Officer and will become employed directly by the Corporation. The Board will determine the composition of the balance of the Corporation's management team in due course. The Corporation expects to go through a transitional period in the second half of 2020 while the Board determines the Corporation's strategy to recruit a permanent Chief Executive Officer and other members of the executive management team. Certain transitional services will be provided by SCLP on an interim basis until no later than December 31, 2020 at no cost to the Corporation in accordance with the terms of a transitional support agreement dated May 12, 2020 between SCLP and the Corporation (the "**TSA**"), further details of which are described below under "*Management Contracts – The MSA*".

Incentive Awards

The Corporation may award options under the Corporation's Rolling Option Plan or LTIP Shares under the LTIP to employees and independent directors of the Corporation.

As noted above, SCLP, in consultation with the Compensation Committee, determined the compensation paid to the SCLP Executives. As part of this determination, following such consultation with the Compensation Committee, SCLP decided what portion of the SCLP Executives' compensation was to be paid in cash and what portion would be paid as an equity grant. SCLP would then request that the Compensation Committee make a recommendation to the Board to award options or designate LTIP Shares with respect to such portion of the compensation. Based on SCLP's recommendation, the Compensation Committee would then recommend that the Board make awards to the SCLP Executives under the Rolling Option Plan and/or LTIP.

In 2017, as part of the SII restructured long-term incentive plan ("**SII LTIP**"), SII (the sole limited partner of SCLP) determined to also grant certain SCLP Executives common shares of SII ("**SII Shares**") under SII's 2011 Employee Profit Sharing Plan (the "**SII EPSP**") with respect to the services such SCLP Executives provide to SRHI.

Summary Compensation Table

The following Summary Compensation Table sets forth the compensation earned during each of the last three fiscal years by each of the named executive officers of the Corporation (the "**NEOs**"). Other than the Corporation's CEO (and former CEO) and CFO, no other individual was determined to be a NEO for 2019 pursuant to applicable securities laws.

Name and Principal Occupation	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$) ⁽¹⁾	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Michael Harrison, Interim President and CEO ⁽²⁾	2019	—	—	—	—	—	—	180,000	180,000
	2018	—	—	—	—	—	—	213,750	213,750
	2017	—	—	—	—	—	—	543,793	543,793
Michael Staresinic, CFO and Managing Director ⁽³⁾	2019	—	—	—	—	—	—	232,800	232,800
	2018	—	—	—	—	—	—	175,000	175,000
	2017	—	—	—	—	—	—	440,000	440,000
Stephen Yuzpe, Former President and CEO ⁽⁴⁾	2019	—	—	—	—	—	—	72,430	72,430
	2018	—	—	—	—	—	—	267,750	267,750
	2017	—	—	—	—	—	—	936,400	936,400

Notes:

- (1) Each of the NEOs in the above chart was an SCLP Executive and received compensation paid by SCLP or, at the request of SCLP, by the Corporation, including salary, bonus and other compensation attributable to services provided to the Corporation by such persons, however such amounts were determined by SCLP and not by the Corporation. The amounts allocated in the table were determined by SCLP solely for the purposes of this table, based on the role, responsibility and time spent by the respective NEO to fulfill the requirements of their office, which allocation changes from year to year. Such compensation comprised a portion of the management compensation, which is deducted from the Management Services Fee paid by the Corporation; provided that any such deduction could not be greater than 0.5% of the Quarterly Net Asset Value for such fiscal quarter (see "*Management Contracts - MSA*" for the definitions of the foregoing capitalized terms).
- (2) Mr. Harrison was appointed and provided by SCLP as Interim President and CEO on May 7, 2019 and will cease to serve as an officer of the Corporation upon termination of the MSA. Previously, Mr. Harrison was provided by SCLP to serve as a Managing Director of the Corporation since February 9, 2017. Prior to this, Mr. Harrison was the CEO of ADI (the predecessor of the Corporation). In 2019, as part of the SII LTIP, 110,000 SII Shares were granted to Mr. Harrison under the SII EPSP with respect to the services he provides to the Corporation. The SII Shares have an adjusted cost base of \$2.20 per share and vest over 5 years, with 15% of the grant vesting on August 31, 2017 and 21.25% for each year thereafter through to December 31, 2021. Vesting of each annual tranche is also conditional upon the achievement of certain performance conditions determined by SII, including with respect to the performance of SRHI.
- (3) Mr. Staresinic has been provided as CFO and Managing Director by SCLP and is expected to continue to serve as CFO of the Corporation notwithstanding termination of the MSA. In 2017, as part of the SII LTIP, 75,000 SII Shares were granted to Mr. Staresinic under the SII EPSP with respect to the services he provides to the Corporation. The SII Shares have an adjusted cost base of \$2.20 per share and vest over 5 years, with 15% of the grant vesting on August 31, 2017 and 21.25% for each year thereafter through to December 31, 2021. Vesting of each annual tranche is also conditional upon the achievement of certain performance conditions determined by SII, including with respect to the performance of SRHI.
- (4) Mr. Yuzpe resigned as President, CEO and director on May 7, 2019. During the period January 1, 2019 to May 7, 2019, Mr. Yuzpe voluntarily opted to receive \$29,161 of his 2019 compensation in the form of fully vested LTIP Shares (20,600 LTIP Shares) rather than in cash. During the year ended December 31, 2018, Mr. Yuzpe voluntarily opted to receive \$87,493 of his 2018 compensation in the form of fully vested LTIP Shares (44,172 LTIP Shares) rather than in cash. The value of such LTIP Shares was determined based upon the closing price of the Common Shares on the last trading day immediately preceding, or on the date of, designation of such LTIP Shares. In 2017, as part of the SII LTIP, 220,000 SII Shares were granted to Mr. Yuzpe under the SII EPSP with respect to the services he provided to the Corporation. The SII Shares had an adjusted cost base of \$2.20 per share and vest over 5 years, with 15% of the grant vesting on August 31, 2017 and 21.25% for each year thereafter through to December 31, 2021. Vesting of each annual tranche was also conditional upon the achievement of certain performance conditions determined by SII, including with respect to the performance of SRHI.

Incentive Plan Awards

As noted above, SCLP, in consultation with the Compensation Committee, determined the compensation paid to the NEOs. As part of this determination, SCLP decided what portion of the SCLP Executive's compensation was to be paid in cash and what portion, if any, would be paid as an equity grant. If a portion was to be paid as an equity grant, SCLP would request that the Compensation Committee recommend that the Board designate LTIP Shares with respect to that portion of the compensation that SCLP determined should be paid in LTIP Shares. See "*Securities Authorized for Issuance under Equity Compensation Plans - LTIP*" below. Based on SCLP's recommendation, the Compensation Committee would recommend that the Board make awards to the NEOs under the LTIP. The Compensation Committee did not otherwise consider designating LTIP Shares to the SCLP

Executives. During the year ended December 31, 2019, SCLP determined that compensation paid to the NEOs should be paid fully in cash. However, Mr. Yuzpe voluntarily opted to receive a portion of his 2019 compensation in the form of fully vested LTIP Shares rather than in cash.

It is currently the Corporation's policy not to award options under the Rolling Option Plan to NEOs.

Outstanding Option-Based and Share-Based Awards

The following table provides information regarding all option based and share-based awards of the Corporation held by each of the NEOs outstanding as of December 31, 2019, including LTIP Shares designated for the accounts of the NEOs for the financial year ended December 31, 2019.

Name ⁽²⁾	Option Based Awards				Share-Based Awards ⁽¹⁾		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽³⁾	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-Based Awards that have not vested (\$)	Market or Payout Value of Vested Share-Based Awards not Paid or Distributed
Michael Harrison	150,000 ⁽⁴⁾	3.80	November 17, 2020	—	—	—	—
Michael Staresinic	—	—	—	—	—	—	17,686 ⁽⁵⁾

Notes:

- (1) As disclosed in the Notes to the Summary Compensation Table, certain NEOs also hold SII Shares granted by SII under the SII EPSP, which SII Shares are subject to vesting conditions.
- (2) As of December 31, 2019, Mr. Yuzpe's market or payout value of vested share-based awards not paid or distributed amounted to \$173,572. See Note 4 to the Summary Compensation Table above for further details regarding Mr. Yuzpe's share-based awards granted in 2019.
- (3) Calculated as the difference (if positive) between the December 31, 2019 closing price on the TSX of \$0.76 per Common Share and the exercise price of the options.
- (4) Granted to Mr. Harrison by ADI (the predecessor of the Corporation) in his capacity as CEO of ADI prior to the reverse take-over of ADI by SRC.
- (5) Calculated based on a December 31, 2019 closing price on the TSX of \$0.76 per Common Share.

Value Vested or Earned Under Incentive Plan Awards During the Financial Year ended December 31, 2019

The following table provides information regarding the value on vesting of incentive plan awards of the Corporation for each of the NEOs for the financial year ended December 31, 2019.

Name ⁽³⁾	Option-Based Awards - Value Vested During the Year	Share-Based Awards - Value Vested During the Year (\$) ⁽¹⁾⁽²⁾	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Michael Harrison, Interim President and CEO	—	—	—
Michael Staresinic, CFO and Managing Director	—	—	—

Notes:

- (1) Summarizes the aggregate value of those share-based awards that vested during the year ended December 31, 2019 that would have been realized if LTIP Shares had been sold on their vesting date during the year ended December 31, 2019.
- (2) As disclosed in the Notes to the Summary Compensation Table, certain NEOs also hold SII Shares granted by SII under the SII LTIP, which SII Shares are subject to vesting conditions.
- (3) For the financial year ended December 31, 2019, Mr. Yuzpe's share-based awards value vested during the year amounted to \$29,161. See Note 4 to the Summary Compensation Table above for further details regarding Mr. Yuzpe's share-based awards granted in 2019.

Equity-Based Anti-Hedging Policy

On March 3, 2017, the Corporation adopted a Share Trading Policy, which prohibits the Corporation's directors, officers and employees (the "**Corporation Personnel**") from, among other things, purchasing financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities of the Corporation (or equivalents such as share units, the value of which is derived from equity securities) granted as compensation or held, directly or indirectly, by the Corporation Personnel. This prohibition also applies to equity securities (or equivalents such as share units, the value of which is derived from equity securities) of publicly traded subsidiaries of the Corporation held, directly or indirectly, by Corporation Personnel.

Pension Plan Benefits

The Corporation does not, provide a pension or savings plan for its NEOs or Corporation Personnel.

Termination and Change in Control Benefits

The Corporation has not entered into an agreement with any current officer of the Corporation that provides for benefits on termination, resignation, retirement, change of control or change in responsibility (collectively, "**termination entitlements**"). The Corporation is also not responsible for any termination entitlements payable by SCLP to the officers of the Corporation. See also "*Management Contracts*".

DIRECTOR COMPENSATION

The Compensation Committee recommends, and the Board approves, the compensation of the independent directors of the Corporation. The Compensation Committee believes that the independent directors of the Corporation should be compensated in a form and amount which is appropriate and which is customary for comparable organizations, having regard for such matters as time commitment, responsibility and trends in director compensation.

The Corporation's non-independent directors were provided by SCLP under the MSA and were not entitled to any additional compensation from the Corporation, SCLP or any other entity for serving as directors of the Corporation.

During 2019, independent directors of the Corporation were entitled to the following compensation for serving on the Board and the standing committees of the Board:

- Annual retainer fee for each independent director: \$50,000 (an independent director of the Corporation who serves as the Chair of the Board receives an additional annual retainer fee of \$25,000, for a total annual retainer fee of \$75,000).
- Annual retainer fee for each independent director serving on the Audit Committee: \$10,000 (the Chair of this committee receives an additional annual committee retainer fee of \$10,000, for a total annual committee retainer fee of \$20,000).
- Annual retainer fee for each independent director serving on the Compensation Committee, the Conflict Resolution, Corporate Governance and Nominating Committee or the Environment, Health and Safety Committee (a new Committee of the Corporation formed on February 1, 2018): \$5,000 (the Chairs of each of these committees receives an additional annual committee retainer fee of \$5,000, for a total annual committee retainer fee of \$10,000).
- An annual equity award in the amount of \$75,000.
- Reimbursement for travel expenses relating to meeting attendance.

Directors may also, from time to time, receive further retainers and/or meeting fees for participation on *ad hoc* committees of the Board. An ad hoc special committee was established on February 11, 2019 to review and evaluate potential measures to address the Corporation's market valuation (the "**Special Committee**"). On February 18, 2020, the Corporation announced that the Special Committee had been dissolved but its strategic review continues at the Board level. The conclusion of the Special Committee was to complete a transition to focus the Corporation's investment thesis as a pure-play copper-mining company, to continue to pursue

alternatives to divesting its portfolio of investments in order to further support MTV and to continue to look for strategic alternatives for the Corporation.

Equity Ownership Policy for Independent Directors

The Compensation Committee has determined that future equity awards to independent directors will be made pursuant to the LTIP.

The Board adopted an equity ownership policy for independent directors (the "Ownership Policy") effective February 9, 2017. The objective of the Ownership Policy is to ensure that each independent director of the Corporation holds a meaningful equity ownership interest in the Corporation. The Corporation believes that equity ownership by independent directors focuses the attention of independent directors on the long-term interests of the Corporation and its shareholders and also aligns the interests of independent directors with that of the Corporation's shareholders. Pursuant to the Ownership Policy, each independent director is required during his or her term of office as a director to hold Common Shares with an aggregate cost of not less than five times the annual retainer awarded to each independent director. The current independent directors of the Corporation must comply with the Ownership Policy by no later than February 9, 2021 and each new person assuming office as a director must comply with the Ownership Policy by no later than four years from the date of assuming office. If a director elects to receive all or part of his or her cash compensation in LTIP Shares, such LTIP Shares are counted towards compliance with the Ownership Policy. However, Common Shares issuable pursuant to any unexercised options held by a director are not counted towards compliance with the policy. The Compensation Committee is responsible for monitoring and ensuring compliance with the Ownership Policy.

Director Compensation Table

The following table provides information regarding compensation paid to individuals for services as a director of the Corporation during the financial year ended December 31, 2019.

Name ^(1,5)	Fees Earned (\$) ⁽¹⁾	Share-based Awards (\$) ⁽²⁾	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$) ⁽³⁾
Terrence A. Lyons	130,000	75,000	—	—	—	—	205,000
Lenard F. Boggio	105,000	75,000	—	—	—	—	180,000
Joan Dunne	95,000	75,000	—	—	—	—	170,000
Bo Liu	29,166	—	—	—	—	—	29,166
Arthur Richards Rule IV ⁽⁴⁾	—	—	—	—	—	—	—
David Smith	85,000	75,000	—	—	—	—	160,000
Andrew Stronach ⁽⁴⁾	—	—	—	—	—	—	—

Notes:

- (1) Includes fees for services on the Special Committee during 2019
- (2) On January 17, 2019, the Board designated Common Shares for the account of each of Messrs. Lyons, Boggio, Smith and Ms. Dunne in the amount of \$75,000 with respect to the year ended December 31, 2019 in accordance with the LTIP. The obligation to fulfill such LTIP Shares designated for Messrs. Lyons, Boggio and Smith and Ms. Dunne remains outstanding and when such obligation is fulfilled, the quantum of such LTIP Shares will be determined.
- (3) Does not include amounts paid as reimbursement for expenses.
- (4) Messrs. Rule's and Stronach's services have been provided by SCLP under the MSA. Messrs. Rule and Stronach are not standing for re-election as a result of the termination of the MSA. Mr. Rule received no compensation from the Corporation, SCLP or any other entity for serving as a director of the Corporation. Mr. Stronach received compensation of \$19,000 in 2019 in respect of his service as an officer of the Company. SCLP is wholly-owned by SII. Mr. Rule owned 26,370,382 of the outstanding shares of SII (or approximately 10.8%) as at December 31, 2019. 273,963 of such SII Shares have been designated for the account of Mr. Rule under SII's equity incentive plan and, as of the date hereof, all of these designated SII Shares were vested.
- (5) Michael Harrison, Interim President and CEO, also served as a director of the Corporation. Mr. Harrison's compensation in respect of the Corporation is fully disclosed in the Summary Compensation Table above dealing with compensation for the NEOs. Mr. Harrison did not receive any additional compensation from the Corporation, SCLP or any other entity for serving as a director of the Corporation. Mr. Harrison's services have been provided by SCLP under the MSA. Mr. Harrison is not standing for re-election as a result of the termination of the MSA.

Option-Based Awards and Share-Based Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table provides information regarding all option-based and share-based awards to each of the Corporation's directors outstanding as of December 31, 2019, including awards granted and LTIP Shares designated for the accounts of the Corporation's directors before the financial year ended December 31, 2019. No option-based awards were granted to the directors during the financial year ended December 31, 2019.

Name ^(1,3)	Option-Based Awards				Share-Based Awards		
	Number of Securities underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-Based Awards that have not vested (\$) ⁽²⁾	Market or Payout Value of Vested Share-Based Awards not Paid or Distributed
Terrence A. Lyons	—	—	—	—	8,929	6,786	61,845
Lenard F. Boggio	—	—	—	—	8,929	6,786	61,250
Joan Dunne	—	—	—	—	8,929	6,786	56,895
Bo Liu	—	—	—	—	—	—	—
Arthur Richards Rule IV ⁽⁴⁾	—	—	—	—	—	—	—
David Smith	—	—	—	—	—	—	—
Andrew Stronach ⁽⁴⁾	—	—	—	—	—	—	—

Notes:

- (1) Non-independent directors were not entitled to option-based awards, share-based awards or other compensation from the Corporation.
- (2) Calculated based on a December 31, 2019 closing price on the TSX of \$0.76 per Common Share.
- (3) Mr. Harrison's compensation in respect of the Corporation is fully disclosed in the Summary Compensation Table above dealing with compensation for the NEOs. Mr. Harrison did not receive any additional compensation from the Corporation, SCLP or any other entity for serving as a director of the Corporation. Mr. Harrison is not standing for re-election as a result of the termination of the MSA.
- (4) Messrs. Rule and Stronach are not standing for re-election as a result of the termination of the MSA.

Value Vested or Earned Under Incentive Plan Awards During the Financial Year ended December 31, 2019

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each of the directors for the financial year ended December 31, 2019.

Name ^(1,3)	Option-based Awards - Value Vested During the Year (\$)	Share-based Awards - Value Vested During the Year (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Terrence A. Lyons	—	11,310	—
Lenard F. Boggio	—	11,310	—
Joan Dunne	—	11,310	—
Bo Liu	—	—	—
Arthur Richards Rule IV ⁽⁴⁾	—	—	—
David Smith	—	—	—
Andrew Stronach ⁽⁴⁾	—	—	—

Notes:

- (1) Non-independent directors were not entitled to option-based awards, share-based awards or other compensation from the Corporation.
- (2) Summarizes the aggregate value of those share-based awards that vested during the year ended December 31, 2019 that would have been realized if LTIP Shares had been sold on their vesting date during the year ended December 31, 2019. See Note 2 to the Director Compensation Table above for details regarding the share-based awards.

- (3) Mr. Harrison's compensation in respect of the Corporation is fully disclosed in the Summary Compensation Table above dealing with compensation for the NEOs. Mr. Harrison did not receive any additional compensation from the Corporation, SCLP or any other entity for serving as a director of the Corporation. Mr. Harrison is not standing for re-election as a result of the termination of the MSA.
- (4) Messrs. Rule and Stronach are not standing for re-election as a result of the termination of the MSA.

Equity-Based Anti-Hedging Policy

The directors are subject to the Share Trading Policy. See "*Executive Compensation - Equity-Based Anti-Hedging Policy*".

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets forth certain information as at December 31, 2019 regarding the equity compensation plans of the Corporation pursuant to which Common Shares may be issuable from the Corporation's treasury:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities remaining Available for Future Issuance under Equity Compensation Plans [excluding common shares reflected in column (a)] (c)
Equity compensation plans approved by security holders - Former ADI Rolling Option Plan	150,000	3.80	Nil. ⁽¹⁾
Equity compensation plans approved by security holders - the Rolling Option Plan	Nil.	Nil.	3,258,299
Equity compensation plans not approved by security holders	Nil.	Nil.	Nil.
Total	150,000	3.80	3,258,299

Notes:

- (1) Effective May 9, 2016, the Board adopted a new Incentive Stock Option Plan (the "**Former ADI Fixed Option Plan**") to replace the "rolling" Incentive Option Plan previously adopted by the Corporation (the "**Former ADI Rolling Option Plan**") and resolved to not issue further stock options under the Former ADI Rolling Option Plan. Options granted under the Former ADI Rolling Option Plan continue to be governed by the terms of the Former ADI Rolling Option Plan, except that Options outstanding under the Former ADI Rolling Option Plan that expire unexercised shall not be available for re-issuance. Common Shares issuable pursuant to options outstanding under the Former ADI Rolling Option Plan represent 0.44% of the issued and outstanding Common Shares. The Board terminated the Former ADI Fixed Option Plan on March 22, 2017, at which time no options were outstanding thereunder.

Rolling Option Plan

For a description of the Rolling Option Plan, see "*Business of the Meeting - Re-Approval of the Rolling Option Plan*".

LTIP

Participation in the LTIP is limited to the Corporation's directors and eligible full-time employees of the Corporation and any affiliated entity which has adopted the LTIP (collectively, the "**Members**"). The Corporation and such affiliated entities are collectively referred to as the "**Participating Entities**".

The selection of Members (other than the Corporation's directors, who are deemed to be Members under the LTIP) and the specific terms of any benefits granted to a Member, including the number of LTIP Shares, vesting schedule and timing of distributions (after discharge of debt owing in respect of LTIP Shares) in cash or Common Shares will be determined by the Compensation

Committee or the general partner or other controlling person of a Participating Entity, as applicable. Management of the Corporation is responsible for administering the LTIP.

Pursuant to the LTIP, Common Shares may be purchased in the open market or from a third party by the independent trustee(s) under the LTIP (the "Trustee") and the Common Shares so purchased shall be designated for the account of the particular Member in accordance with the Corporation's written direction. The Member shall have no interest in nor entitlement to such Common Shares until such time as the Common Shares have been distributed to him or her or disposed of by the LTIP, in accordance with the terms of the LTIP and the Member's applicable employment or other contract entitling him or her to benefits under the LTIP (the "Members' Contract"). All or a part of the LTIP Shares in a Member's account will vest in the Member from time to time in accordance with the Member's Contract. From time to time the Trustee will, upon written direction from the Corporation, allocate to the Member the contributions, profits, capital gains and capital losses incurred, realized, received or accrued in respect of the vested LTIP Shares in the Member's account. Subject to the terms of the Members' Contract and the *Income Tax Act* (Canada) ("Tax Act"), distributions of allocated cash or LTIP Shares, may be made to the Member at any time upon the written direction of the Corporation provided that the Trustee shall distribute only the net amount available for distribution to the Member and only upon the discharge of any debt owing by the LTIP trust in respect of the LTIP Shares at the time of distribution. Any applicable taxes or interest shall be the sole responsibility of the Members.

In the event that a Member's employment with a Participating Entity is terminated for cause or, if the Member's Contract provides for forfeiture as a result of the Member resigning employment to provide services to a competitor, all LTIP Shares unvested, vested and allocated to the Member under the LTIP shall be forfeited and the amounts thereof shall be reallocated to the other Members of the LTIP at the end of the taxation year of the LTIP trust as the Corporation shall direct.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Circular, or otherwise not required to be disclosed herein, no "informed person" or nominee for election as a director of the Corporation, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries. The term "informed person" as defined in National Instrument 51-102 – *Continuous Disclosure Obligations* means (i) director or officer of the Corporation; (ii) a director or executive officer or a person or corporation that is itself an informed person or subsidiary of the Corporation; (iii) any person or corporation who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or corporation as underwriter in the course of a distribution; and (iv) the Corporation if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any such securities.

MANAGEMENT CONTRACTS

The MSA

For the financial year ended December 31, 2019, under the management services agreement between the Corporation SCLP dated February 9, 2017 (as amended effective February 1, 2018 and as amended effective March 2, 2020, the "MSA"), SCLP manages or, subject to certain restrictions, engaged others to manage, all of the undertaking, affairs and assets of the Corporation and provides all necessary or advisable administrative services and facilities. By mutual agreement, the MSA will terminate effective June 23, 2020. The MSA was most recently amended effective March 2, 2020, to update the various sections of the then-current agreement dated March 2, 2018. Without limiting the generality of the foregoing, under the terms of the MSA, subject to the directions and orders of the Corporation from time to time, SCLP is responsible for:

- (a) administering the day-to-day business and affairs of the Corporation, including identifying and making investment decisions relating to the Corporation (in consultation with the Corporation), the preparation of all written and printed material for distribution to shareholders of the Corporation and assisting the Corporation in compliance with securities laws, applicable stock exchange matters or other applicable regulatory matters;
- (b) providing all internal accounting, asset valuation (in consultation with the Corporation), audit and legal services in respect of the Corporation and other usual and ordinary office services as may be necessary;
- (c) nominating at least four separate individuals to serve in the following capacities: two as directors of the Corporation, one as a director, President and CEO of the Corporation, and one as CFO of the Corporation;
- (d) providing services in respect of the Corporation's daily operations;
- (e) distributing all securities which the Corporation may decide to issue during the term of the MSA and to take all actions as SCLP reasonably considers necessary or desirable in the sale of securities of the Corporation;
- (f) authorizing payment on behalf of the Corporation of expenses incurred on behalf of the Corporation and negotiating contracts with third-party providers of services;
- (g) maintaining the books and records of the Corporation and supervising compliance by the Corporation with record-keeping requirements under applicable law;
- (h) dealing with banks, insurance companies and custodians, including the maintenance of bank records and the negotiation and securing of bank financing or refinancing and insurance policies;
- (i) monitoring relationships with the custodians, registrar and transfer agents, auditors, legal counsel, insurance agents and other organizations or professionals serving the Corporation;
- (j) from time to time, or when requested by the Corporation, making reports to the Corporation and/or its shareholders of SCLP's performance of the services provided under the MSA;
- (k) preparing accounting, management and other reports, including reports of the Corporation's performance to shareholders, interim and annual reports to shareholders and financial statements;
- (l) providing all other administrative services and facilities required by the Corporation in relation to its shareholders, including the preparation for and holding of meetings of shareholders; and
- (m) providing such other managerial and administrative services and carrying out such other duties as may be reasonably required for the ongoing business and administration of the Corporation.

In consideration for the management and administrative services provided by SCLP to the Corporation pursuant to the MSA, the Corporation is required to pay SCLP, in respect of each fiscal quarter, a management services fee (the "**Management Services Fee**") equal to 0.5% of the Quarterly Net Asset Value for such fiscal quarter (other than for each of the Corporation's fiscal quarter ended December 31, 2019, March 31, 2020, June 30, 2020, September 30, 2020 and December 31, 2020 where the Management Services Fee is reduced to only cover some of the direct costs of SCLP-management), less the total remuneration paid directly by the Corporation to all persons nominated by SCLP as employees, officers or directors of the Corporation who provide investment management services to the Corporation (the "**Management Personnel**") but excluding any expenses recorded as a result of the granting of stock options under the Corporation's stock option plan for such fiscal quarter. The MSA also provides that, to the extent that the Quarterly Net Asset Value for a fiscal quarter is in excess of \$1 billion, the Management Services Fee will be reduced to 0.375%. The "**Quarterly Net Asset Value**" in respect of a fiscal quarter of the Corporation is the amount equal to the average of the Net Asset Value as at the end of such fiscal quarter and the Net Asset Value as at the end of the immediately preceding fiscal quarter. The Corporation is also responsible for all reasonable expenses incurred by SCLP in connection with its duties pursuant to the MSA provided that the Corporation shall not pay the rent and customary investment management services expenses of the Management Personnel.

The MSA also provides that, if and to the extent that SCLP is requested in writing by the Board to render services to the Corporation other than those required to be rendered pursuant to the MSA, such additional services and activities will be compensated for separately and will be on such terms that are generally no less favourable to the Corporation than those available from arm's length parties (within the meaning of the Tax Act) for comparable services. In addition to the Management Services Fee payable to SCLP pursuant to the MSA, the Corporation is responsible for paying all fees and expenses incurred in connection with the operation and administration of its business.

Under the MSA, the Adjusted Annual Operating Expenses shall not exceed 3% of the Annual Net Asset Value in respect of fiscal years commencing with the Corporation's fiscal year ended December 31, 2018 and thereafter (the "**Maximum Adjusted Annual Operating Expenses**"). Where such Adjusted Annual Operating Expenses exceed the Maximum Adjusted Annual Operating Expenses (unless otherwise consented to by the Board), the Management Services Fee payable by the Corporation to SCLP in respect of the last quarterly payment to be made in respect of such fiscal year shall be reduced to ensure the Adjusted Annual Operating Expenses are equal to (or, in any case, do not exceed) the applicable Maximum Adjusted Annual Operating Expenses. For the year ended December 31, 2019, the Corporation's annualized Adjusted Annual Operating Expense was more than 3% and the Management Services Fee payable for the quarter ended December 31, 2019 was reduced to \$nil. "**Annual Net Asset Value**" means, in respect of a fiscal year, the average of each Quarterly Net Asset Value for such fiscal year. "**Adjusted Annual Operating Expenses**" means for any fiscal year the Management Services Fee calculated in accordance with Section 5 of the MSA, plus the other general and administrative expenses incurred in connection with the operation and administration of the Consolidated Corporation as set forth in this Agreement, less: (i) costs resulting from servicing debt of the Consolidated Corporation; (ii) costs incurred in the purchasing or selling of the Consolidated Corporation's direct or indirect investments; (iii) initial and ongoing expenses recorded as a result of the granting of stock options under the Corporation's stock option plan other than those granted to directors of the Corporation; (iv) mark-to-market stock-based compensation paid by the Consolidated Corporation; (v) any taxes imposed on the Consolidated Corporation by government authorities; and (vi) any other amounts as approved by the Conflict Resolution, Corporate Governance and Nominating Committee. "**Consolidated Corporation**" means the Corporation and its non-operating subsidiaries.

Pursuant to the MSA, SCLP agreed to exercise, and to ensure that its nominees exercise, the powers granted and discharge its, and their, duties under the MSA honestly, in good faith and in the best interests of the Corporation and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent manager, or Person, would exercise in comparable circumstances. Subject to the duty of an affiliate to offer opportunities it identifies to its client(s), unless the Board otherwise permitted, all suitable opportunities coming to the attention of SCLP or its affiliates to make private equity investments in the natural resource sector were to first be offered to the Corporation.

Pursuant to the MSA, the Corporation agreed to indemnify SCLP and its directors and officers, among others, in respect of certain losses and claims, subject to prescribed exceptions.

For the year ended December 31, 2019, the Corporation paid or accrued to SCLP a Management Services Fee in the amount of approximately US\$1.7 million for services SCLP rendered to the Corporation in accordance with the terms of the applicable MSA (such amount includes the management compensation amount of approximately US\$0.4 million). No termination payments were or are payable by the Corporation to SCLP in connection with termination of the MSA.

As disclosed by the Corporation in a press release, SCLP and the Corporation have entered into the TSA pursuant to which the MSA will terminate effective June 23, 2020 (the "**Termination Date**"). Pursuant to the TSA, the Corporation is required to change the name of the Corporation or any of its affiliates, as applicable, to one which does not include the word "Sprott" or any words similar thereto. Therefore, pursuant to the TSA, the Corporation has agreed to change its name by incorporating a new wholly-owned subsidiary under the *Canada Business Corporations Act* with the name "SRHI Inc." ("**New Subco**") and, immediately following the termination of the MSA, amalgamating with New Subco under section 184(1) of the *Canada Business Corporations Act*, wherein the amalgamated corporation shall assume the articles of the Corporation, other than adopting the name of New Subco instead of the name of the Corporation. In addition, the TSA provides for: (i) the Corporation and SCLP to cooperate prior

to the Termination Date with respect to the transition of employee benefit programs and migration of the Corporation's website; and (ii) SCLP to provide certain transitional services following the Termination Date until no later than December 31, 2020, including physical office workspace and infrastructure for certain of the Corporation's representatives, computer software, network and telecom services, executive administrative support, access to Messrs. Harrison and Stronach for the purpose of asking questions and soliciting views related to the previously provided management services and the Corporation's assets, and certain other office function related support. The foregoing summary of the TSA is qualified in its entirety by reference to the TSA, a copy of which has been filed and is available under the Corporation's SEDAR profile at www.sedar.com.

Other

Sprott Consulting GP Inc. ("SCGP") (Ontario) is the general partner of SCLP. As of the date hereof, the directors and officers of SCGP are: Peter Grosskopf, Ontario (CEO and director), Michael Staresinic, Ontario (CFO), Arthur Einav, Ontario (Managing Director, General Counsel and Corporate Secretary) and Andrew Stronach, Ontario (Managing Director). The sole limited partner of SCLP, and the sole shareholder of Sprott Consulting GP Inc., is SII (Ontario). As of the date hereof, the directors and officers of SII are: Ronald Dewhurst, Australia (Chair), Peter Grosskopf, Ontario (CEO and director), Sharon Ranson, Ontario (director), Arthur Richards Rule IV, California (director), Rosemary Zigrossi, Ontario (director), Graham Birch, United Kingdom (director), Whitney George, United States (President), Kevin Hibbert, Ontario (CFO, Senior Managing Director and Co-Head of the Enterprise Shared Services Group) and Arthur Einav, Ontario (General Counsel, Corporate Secretary, Senior Managing Director and Co-head of the Enterprise Shared Services Group). SII is a publicly traded corporation on the TSX (TSX:SII).

None of SCLP or its associates or affiliates has been indebted to the Corporation or its subsidiaries since January 1, 2019.

Aside from the transactions described in this Circular, none of SCLP or its associates or affiliates has had any significant transactions with the Corporation or its subsidiaries at any time since January 1, 2019.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board has adopted:

- a written mandate for the Board;
- a written charter for each of the Audit Committee, the Compensation Committee, the Conflict Resolution, Corporate Governance and Nominating Committee and the Environment, Health and Safety Committee;
- a written code of business conduct and ethics (the "Code");
- a written position description for the CEO;
- a written position description for the Chair of the Board;
- a written majority voting policy for director elections;
- a written policy for pre-approval of audit and non-audit services;
- a written corporate disclosure policy;
- a written share trading policy;
- a written whistleblower policy;
- a written policy for investment approval authority limits;
- a written surplus cash investment policy;
- a written charitable donations and sponsorship policy;
- a written related party transactions policy;

- a written diversity policy;
- a written environmental and sustainability policy; and
- the Ownership Policy.

Board of Directors

Composition of the Board

The Board currently comprises eight directors. The Board has concluded that five directors (Messrs. Lyons, Boggio, Liu and Smith and Ms. Dunne), being a majority, are "independent" for purposes of board membership, as defined in the Canadian Securities Administrators' National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). The remaining three directors are not independent: Mr. Harrison is Interim President and CEO of the Corporation, Mr. Stronach was an executive officer of the Corporation in 2018, and Mr. Rule is the CIO of the Corporation, President and CEO of Sprott U.S., a wholly-owned subsidiary of SII, and a director of SII. As such, the Board is currently constituted with a majority of independent directors.

For all five individuals (Messrs. Lyons, Boggio, Liu and Smith and Ms. Dunne) nominated for election as directors of the Corporation at the Meeting, the Board has concluded that all five directors are "independent" for purposes of board membership, as defined in NI 58-101.

To facilitate its exercise of independent judgment in carrying out its responsibilities, the Board has an independent Chair of the Board and has adopted policies and other informal mechanisms described elsewhere in this Circular, including at "*Statement of Corporate Governance Practices - Board of Directors - Board Meetings and Attendance*", "*Statement of Corporate Governance Practices - Board of Directors - Chair of the Board*", "*Statement of Corporate Governance Practices - Board Committees - Conflict Resolution, Corporate Governance and Nominating Committee*" and "*Statement of Corporate Governance Practices - Ethical Business Conduct*". Additionally, the Audit Committee, the Compensation Committee, the Conflict Resolution, Corporate Governance and Nominating Committee and the Environment, Health and Safety Committee are each composed entirely of "independent" directors.

Other Directorships

Certain nominees for election as a director of the Corporation are also directors of other public companies. Information as to such other directorships is set out in the chart below.

Director	Public Company
Lenard F. Boggio	Equinox Gold Corp. Pure Gold Mining Inc. Titan Mining Corporation
Joan E. Dunne	Painted Pony Energy Ltd.
Bo Liu	Noront Resources Ltd.
Terrence A. Lyons	Canaccord Genuity Group Inc. Martinrea International Inc. Mineral Mountain Resources Ltd.
David Smith	Canada Nickel Company Inc.

Board Meetings and Attendance

The Board meets regularly to review the activities and financial results of the Corporation and as necessary to review and consider significant impending actions of the Corporation.

The Board met formally nine times during 2019 and seven times between January 1, 2020 and May 12, 2020.

The independent directors of the Board did not hold regularly scheduled meetings at which non-independent directors and members of management were not in attendance. However, open and candid discussion among the independent directors was facilitated by the small size of the Board and the fact that the Chair of the Board is independent. Additionally, the independent directors had the opportunity to hold ad hoc meetings that were not attended by the non-independent directors and members of management and they availed themselves of this opportunity, at their entire discretion, whenever they deemed necessary. At such ad hoc meetings, non-independent directors, executive officers who are not members of the Board and other guests attending these meetings were asked to withdraw for a certain period in order to allow the independent directors to discuss issues freely amongst themselves. In 2019, seven such meetings were held (excluding meetings of the Special Committee). Further, the independent directors of the Board had informal discussions amongst themselves outside of formal Board meetings as the need arose and, when determined to be appropriate by the independent directors, matters considered in such discussions were raised at the next formal Board meeting.

The attendance record of each director for all meetings of the Board and its standing committees held during the year ended December 31, 2019 was as follows:

Name	Board Meetings (Attended/Held)	Audit Committee Meetings (Attended/Held)	Compensation Committee Meetings (Attended/Held)	Conflict Resolution, Corporate Governance and Nominating Committee Meetings (Attended/Held)	Environment, Health and Safety Committee (Attended/Held)
Lenard F. Boggio	9/9	4/4	3/3	3/3	~
Joan E. Dunne	9/9	4/4	3/3	3/3	4/4
Michael Harrison ^(1,2)	5/5	~	~	~	~
Bo Liu ⁽¹⁾	5/5	~	~	~	~
Terrence A. Lyons	9/9	~	3/3	3/3	4/4
Arthur Richards Rule IV ⁽²⁾	7/9	~	~	~	~
David Smith	9/9	4/4	~	~	4/4
Andrew Stronach ^(1,2)	5/5	~	~	~	~
Stephen Yuzpe ⁽³⁾	3/3	~	~	~	~

Notes:

- (1) Messrs. Harrison, Liu and Stronach were each appointed as a director of the Corporation on May 9, 2019.
- (2) Messrs. Harrison, Rule and Stronach are not standing for re-election as a result of the termination of the MSA.
- (3) Mr. Yuzpe resigned as President, CEO and a director of the Corporation on May 7, 2019.

Chair of the Board

The Chair of the Board is currently Terrence A. Lyons, who is an independent director.

The Board has adopted a position description for the Chair of the Board. The Chair's key responsibilities include duties relating to: overseeing the operations and affairs of the Board; providing leadership to foster the effectiveness of the Board; ensuring there is an effective relationship between the Board and senior management of the Corporation; ensuring that appropriate structures and procedures are in place so that the Board may function independently of management; recommending, where necessary, the holding of meetings of independent directors; leading the process by which the independent directors seek to ensure that the Board represents and protects the interest of the Corporation's securityholders; ensuring the directors receive the information required for the proper performance of their duties, including information relevant to each meeting of the Board; and chairing all meetings of the Board and shareholders.

See also "*Position Descriptions*" below.

Board Mandate

The mandate of the Board is to supervise the management of the business and affairs of the Corporation and to act in the best interests of the Corporation. The Board discharges its responsibilities either directly or through the Audit Committee, the Compensation Committee, the Conflict Resolution, Corporate Governance and Nominating Committee or the Environment, Health and Safety Committee. The Board approves all significant decisions that affect the Corporation before they are implemented and is ultimately responsible for the approval and implementation of the Corporation's strategic plan. The text of the Board's mandate is set out in Appendix "A" to this Circular.

Board Committees

The Board currently has four standing committees (each a "Committee"): the Audit Committee, the Compensation Committee, the Conflict Resolution, Corporate Governance and Nominating Committee, and the Environment, Health and Safety Committee. All four of these Committees are presently composed entirely of "independent" directors. Each of these Committees has enacted a charter, as approved by the Board. The Board may establish other ad hoc committees from time to time for specific initiatives. On February 11, 2019 the Corporation announced the establishment of the Special Committee comprised solely of independent directors (Messrs. Boggio, Lyons (Chair) and Smith and Ms. Dunne) to review and evaluate potential measures to address the Corporation's market valuation. On February 14, 2020, the Special Committee was dissolved but its strategic review continues at the Board level.

Audit Committee

Currently, the Audit Committee is composed of the following three directors: Messrs. Boggio (Chair) and Smith and Ms. Dunne. All three members are considered "independent" and "financially literate" (as such terms are defined in National Instrument 52-110 - *Audit Committees*). The education and experience of each member of the Audit Committee that is relevant to his or her performance of responsibilities as an audit committee member are noted in each such person's biography at "*Business of the Meeting - Election of Directors*" and, with respect to Mr. Boggio and Ms. Dunne, also at "*Statement of Corporate Governance Practices - Compensation Committee*".

The Audit Committee is responsible for, among other things:

- reviewing the annual financial statements and the interim financial statements, management's discussion and analysis and related news releases and recommending their approval by the full Board;
- reviewing the proposed audit plan and proposed audit fees;
- evaluating the performance of the external auditors and recommending the appointment and compensation of the independent accountants;
- identifying the principal business risks and reviewing related risk management policies; and
- pre-approving all non-audit services.

The Board has adopted a charter for the Audit Committee which sets out the mandate and purpose of the Audit Committee, as well as its duties and responsibilities. A copy of the Corporation's Audit Committee Charter is set out in Appendix "A" in the Corporation's Annual Information Form dated March 24, 2020.

Compensation Committee

The Compensation Committee is composed of the following three directors: Messrs. Boggio (Chair) and Lyons and Ms. Dunne and, as such, is composed entirely of independent directors.

In addition to their general business background, senior management experience and involvement with other companies, each Compensation Committee member also had experience on the Compensation Committee. The following experience of the members of the Compensation Committee was also relevant to their responsibilities and the members of the Compensation

Committee drew upon this experience, as well as the skills gained with this experience, to enable them to make decisions on the suitability of the Corporation's compensation policies and practices.

Name	Education and Experience
Lenard F. Boggio, ICD.D (Chair)	<p>Mr. Boggio is a retired partner of PwC, where he was the British Columbia leader of the firm's mining industry practice. He has significant expertise in financial reporting, auditing matters and transactional support, previously assisting, amongst others, clients in the mineral resource and energy sectors, including exploration, development and production stage operations in the Americas, Africa, Europe and Asia. Mr. Boggio currently serves as a director of Equinox Gold Corp., Pure Gold Mining Inc., Titan Mining Corporation and provincially owned BC Hydro and Power Authority. He has a Bachelor of Arts Degree and an Honours Bachelor of Commerce Degree from the University of Windsor. In 1985 Mr. Boggio became a member of the CPA BC and was conferred with a Fellow's designation in 2007 by the ICABC for distinguished service to the profession and community. In 2018 he was awarded a Lifetime Achievement Award by the CPA BC for his outstanding lifetime of service to the profession and community. He is a past president of the ICABC and he is also a past Chair of the Canadian Institute of Chartered Accountants. Mr. Boggio holds the ICD.D designation from the Institute of Corporate Directors.</p>
Joan Dunne, ICD.D	<p>Ms. Dunne serves on the Board of Directors of Tundra Oil & Gas Limited (a private, wholly-owned subsidiary of James Richardson & Sons, Limited), where she chairs the Audit Committee and of Painted Pony, a natural gas producer, where she chairs the Audit and Risk Committee. Ms. Dunne was Vice President, Finance and CFO of Painted Pony from start-up in February 2007 until retiring on September 2, 2013. Ms. Dunne was Vice President, Finance and CFO of True Energy Inc., and subsequently True Energy Trust from November 2002 until June 2006. From December 2000 to November 2002 Ms. Dunne consulted for various petroleum companies in the areas of finance, tax and investor relations. Prior thereto, she was Vice President, Finance and CFO of Ionic Energy Inc. since January 1998. From October 1996 until joining Ionic Energy Inc., Ms. Dunne was Vice President, Finance for Petrorep Resources Ltd. Prior thereto and from August 1994 to October 1996, Ms. Dunne held various positions with Barrington Petroleum Ltd, finally as Treasurer. Ms. Dunne graduated from the University of Calgary in 1979 with a Bachelor of Commerce degree and joined the Canadian Institute of Chartered Accountants in 1983. She received the ICD.D designation from the Institute of Corporate Directors in 2016.</p>
Terrence A. Lyons, ICD.D	<p>Mr. Lyons is a director of several public and private corporations and currently serves as lead director, Chairman of the audit committee and as a member of the corporate governance and compensation committee of Canaccord Genuity Group Inc. He also serves as Chairman of the board of directors and Chairman of the corporate governance and compensation committee of Canaccord Genuity Ltd (UK) and is FCA approved with respect to such roles. Mr. Lyons also serves on Canaccord's subsidiary boards in Australia and Hong Kong, as a director of Martinrea International Inc. and Mineral Mountain Resources Ltd. Mr. Lyons is a civil engineer (University of British Columbia) with an MBA from Western University. He has also received his ICD.D certification from the Institute of Corporate Directors. He is a past Governor of the Olympic Foundation of Canada, past Chairman of the Mining Association of BC and in 2007 was awarded the INCO Medal by the Canadian Institute of Mining and Metallurgy for distinguished service to the mining industry.</p>

The Board has adopted a charter for the Compensation Committee which sets out the mandate, purpose and powers of the Compensation Committee, as well as its duties and responsibilities. The Compensation Committee is responsible for, among other things:

- evaluating the CEO's performance;
- in consultation with the CEO and the Conflict Resolution, Corporate Governance and Nominating Committee, overseeing the evaluation of the Corporation's senior officers and determining their compensation;
- in consultation with the Conflict Resolution, Corporate Governance and Nominating Committee, reviewing and making recommendations with respect to director compensation; and
- reviewing and making recommendations concerning the Corporation's share-based compensation arrangements.

The compensation paid by the Corporation to the SCLP Executives was determined by SCLP and not by the Corporation.

Conflict Resolution, Corporate Governance and Nominating Committee

The Conflict Resolution, Corporate Governance and Nominating Committee is composed of the following three directors: Messrs. Lyons (Chair) and Boggio and Ms. Dunne and, as such, is composed entirely of independent directors.

The Board has adopted a charter for the Conflict Resolution, Corporate Governance and Nominating Committee which sets out the mandate, purpose and powers of such Committee, as well as its duties and responsibilities. The Conflict Resolution, Corporate Governance and Nominating Committee is responsible for, among other things:

- reviewing and, where appropriate, reporting and making recommendations to the Board regarding matters in respect of which director nominees of SCLP may have a conflict of interest due to their relationship with SII and its affiliates;
- developing a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills, diversity and experiences of the Board, retirement dates and the strategic direction of the Corporation;
- in consultation with the Compensation Committee, recommending to the Board the remuneration to be paid to and the benefits to be provided to directors;
- ensuring that an appropriate system is in place to evaluate the effectiveness of the Board and its Committees;
- monitoring conflicts of interests (real or perceived) of both the Board and management in accordance with the Code (as defined below);
- annually or as required, in consultation with the Chair of the Board and the CEO, recruiting and identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders;
- considering whether or not a new nominee to the Board can devote sufficient time and resources to his or her duties as a Board member;
- annually reviewing the effectiveness of the Board appointment/nomination process and senior management appointment process at achieving the Corporation's diversity objectives (see "*Statement of Corporate Governance Practices - Diversity on the Board and in Executive Officer Positions*" below);
- considering on an annual basis and, if determined advisable, recommending to the Board for adoption, measurable objectives for achieving diversity on the Board and in senior management;
- reviewing, monitoring and making recommendations regarding new director orientation and the ongoing development of existing directors;

- periodically reviewing the Corporation's corporate governance policies and formulating policy recommendations aimed at enhancing the Board's and Committees' effectiveness; and
- reviewing investigations and any resolutions of complaints received under the Code and reporting annually to the Board thereon.

Environment, Health and Safety Committee

The Environment, Health and Safety Committee is composed of the following three directors: Messrs. Lyons (Chair) and Smith and Ms. Dunne and, as such, is composed entirely of independent directors.

The Board has adopted a charter for the Environment, Health and Safety Committee which sets out the mandate, purpose and powers of such Committee, as well as its duties and responsibilities. The Environment, Health and Safety Committee is responsible for, among other things:

- periodically reviewing environmental, health and safety policies ("EHS Policies") for the Corporation;
- reviewing and monitoring the management of the implementation of systems necessary for compliance with EHS Policies and applicable legislation, with the specific direction to bring any material non-compliance with such policies and legislation to the attention of the Board in a timely fashion;
- monitoring the effectiveness of EHS Policies, and the systems and monitoring processes which are in place to manage the safety and health of employees, contractors, visitors and the general public and to manage environmental impacts;
- receiving reports from management on significant environmental, health and safety issues;
- reviewing and monitoring the environmental, health and safety performance of the Corporation through regular updates by management;
- receiving regular updates from management regarding compliance with environmental, health and safety legislation, licenses, and the policies and systems in place to monitor such compliance; and
- reporting and, where appropriate, making recommendations to the Board with respect to environmental, health and safety matters.

Position Descriptions

The Board has developed written position descriptions for the CEO and Chair of the Board. The Board has not currently developed written position descriptions for the Chairs of the Committees because it believes that the roles and responsibilities of each such position are sufficiently delineated through the Committee charters. Each Committee Chair's role is to ensure that such Committee effectively assumes and follows its charter and, in consultation with the CEO and other senior officers, as necessary, such Chair sets the agenda for Committee meetings, chairs all Committee meetings, and encourages the input of all Committee members at such meetings.

See also "*Chair of the Board*" above.

Orientation and Continuing Education

To provide orientation to new directors regarding the role of the Board and its Committees, the Board provides copies of its mandate and the charters of the Committees to new directors. To orient new directors on the nature and operation of the Corporation's business, the Board provides new directors with copies of the most recent public filings of the Corporation. New directors also meet with the CEO to review in detail the business of the Corporation. With respect to continuing education, the Board and the Conflict Resolution, Corporate Governance and Nominating Committee do not currently have a formal continuing education program. From time to time, the CEO meets with individual directors to update them on issues relating to the business, and, in between Board meetings, the CEO also provides updates (in writing and verbally) to the directors regarding the Corporation's business to ensure that the directors maintain the level of knowledge regarding the Corporation and its industry.

necessary for them to meet their obligations as directors. Directors are individually responsible for updating their skills necessary to meet their obligations as directors and the Corporation reimburses directors who opt to take third party provided continuing education courses. Several directors have either public company CEO experience or extensive experience on other boards.

Ethical Business Conduct

The Board has adopted a written Code that applies to all directors, officers and employees of the Corporation and its subsidiaries. A copy of the Code is available on the Corporation's website at <https://sprott.com/investment-strategies/sprott-resource-holdings/investor-information/corporate-governance/> and under the Corporation's profile on SEDAR at www.SEDAR.com. The Board is responsible for monitoring compliance with the Code. To facilitate this, the Code requires all Corporation personnel to promptly report any problems or concerns and any actual or potential violations of the Code to the CEO or, if that is not possible or does not resolve the matter, to the Chair of the Audit Committee. The Conflict Resolution, Corporate Governance and Nominating Committee will receive reports from the CEO regarding breaches of the Code, and will in turn report those breaches to the Board. The Conflict Resolution, Corporate Governance and Nominating Committee will review investigations and any resolutions of complaints under the Code and report annually to the Board thereon. Concerns or complaints can be reported on an anonymous basis in writing to the Chair of the Audit Committee. A waiver of the Code will be granted only in exceptional circumstances and by the Board only.

To ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest, the Code requires directors and executive officers who have a material interest in any transaction that the Corporation proposes to enter into, to disclose such interest to the Board and to comply with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. The Conflict Resolution, Corporate Governance and Nominating Committee monitors conflicts of interest (real or perceived) of both the Board and management in accordance with the Code.

The Corporation's directors and officers are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors and officers of conflicts of interest and the fact that the Corporation will rely upon such laws in respect of any director's or officer's conflicts of interest or in respect of breaches of duty by any of the Corporation's directors or officers. All such conflicts must be disclosed by such directors or officers in accordance with the *CBCA*, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Nomination of Directors

The Conflict Resolution, Corporate Governance and Nominating Committee, which is composed entirely of independent directors, in consultation with the Chair of the Board and the CEO, annually or as required, recruits and identifies individuals qualified to become new Board members and recommends to the Board new director nominees (other than the WISCO Nominee(s) nominated by WISCO pursuant to the Subscription Agreement) for the next annual meeting of shareholders. Prior to nominating individuals as directors, the Conflict Resolution, Corporate Governance and Nominating Committee: (a) considers what competencies and skills the Board, as a whole, should possess; (b) assesses what competencies and skills each existing director possesses (including the personality and other qualities of each director); (c) reviews the qualifications of candidates suggested by members of the Board, shareholders, management and others and assesses what competencies and skills each new nominee will bring to the boardroom; (d) considers the appropriate size of the Board, with a view to facilitating effective decision-making; and (e) considers whether or not a new nominee can devote sufficient time and resources to his or her duties as a Board member.

In order to promote the Corporation's objective of gender diversity, the Conflict Resolution, Corporate Governance and Nominating Committee compiles a short-list identifying potential candidates for appointment/nomination that includes at least one female candidate for each available Board seat. If, at the end of the selection process, no female candidates are selected, the committee must satisfy itself that there are objective reasons to support this determination. Also see "*Statement of Corporate Governance Practices - Diversity on the Board and in Executive Officer Positions*" below.

At present, the full Board, in consultation with the Conflict Resolution, Corporate Governance and Nominating Committee, is responsible for nominating directors, other than the WISCO Nominee(s). In carrying out this process, the Board applies the same guidelines as the Conflict Resolution, Corporate Governance and Nominating Committee referred to in (a) to (e) above.

Majority Voting for Election of Directors

The Board has adopted a policy regarding majority voting for the election of directors. This policy is described under the heading "*Business of the Meeting - Election of Directors*".

Compensation

For more information regarding compensation of the Corporation's Named Executive Officers, please see "*Statement of Executive Compensation - Compensation Discussion and Analysis*". For more information regarding compensation of the Corporation's Directors, please see "*Statement of Executive Compensation - Director Compensation*".

Board Assessment

The Conflict Resolution, Corporate Governance and Nominating Committee, in consultation with the Chair of the Board, is responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Board, as a whole as well as its Committees, with a view to ensuring that they are fulfilling their respective responsibilities and duties. In connection with these evaluations, on an annual basis, each director is requested to provide his or her assessment of the effectiveness of the Board and each Committee as well as the performance of the individual directors. If appropriate, the Conflict Resolution, Corporate Governance and Nominating Committee then considers procedural or substantive changes to increase the effectiveness of the Board and its Committees and recommends that the Board approve any recommended changes.

In addition to the above formal process, the Board is sufficiently small to permit all directors to have input on matters on a regular basis and to informally assess the performance, effectiveness and contribution of directors of the Corporation throughout the year. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its Committees. If appropriate, the Board then considers procedural or substantive changes to increase the effectiveness of the Board and its Committees and oversees implementation of any desired changes. On an informal basis, the Chair of the Board is also responsible for reporting to the Board on areas where improvements can be made.

Director Term Limits and Other Mechanisms of Board Renewal

The Corporation has not adopted term limits for members of the Board, but facilitates Board renewal by assessing, annually or as required, potential candidates for nomination to the Board in light of, amongst other things, the competencies and skills possessed by each existing director and the appropriate size of the Board. See "*Statement of Corporate Governance Practices - Nomination of Directors*". In addition, the Board also facilitates Board renewal by reviewing and evaluating the performance and independence of directors and committees at least annually and seeking to foster a balance between new perspectives and the experience of seasoned Board members.

At present, the full Board, in consultation with the Conflict Resolution, Corporate Governance and Nominating Committee, is responsible for nominating directors.

Diversity on the Board and in Executive Officer Positions

The Board has adopted a written diversity policy, which recognizes that diversity is important to ensure that members of the Board and the Corporation's senior management provide the necessary range of perspectives, experience and expertise required to achieve the Corporation's objectives. Pursuant to the Subscription Agreement, WISCO is entitled to nominate one or two individuals for appointment or election to the Board and, pursuant to the MSA, SCLP is entitled to nominate three directors for election to the Board at each meeting of shareholders of the Corporation and also supply the services of persons to serve as the executive officers of the Corporation. As such, the Corporation has not been in a position to impact the diversity of candidates for such offices. However, the Corporation strives to meet its diversity objectives with respect to the other Board nominees and employees of the Corporation.

It is an objective of the Corporation's diversity policy that diversity be considered in determining the optimal composition of the Board and, when possible, the Board should be balanced appropriately. In reviewing Board composition and identifying suitable candidates for Board appointment or nomination for election to the Board, candidates will be selected based on merit and against objective criteria. Accordingly the Corporation does not have a formal target regarding women on the Board, but due regard will be given within the appointment or nomination process to the benefits of diversity in order to enable the Board to discharge its duties and responsibilities effectively.

The Corporation recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that women with the appropriate competencies and skills can play in contributing to diversity of perspective in the boardroom. Although the Corporation does not have a formal target regarding women on the Board, the selection process for new Board nominees, other than the WISCO Nominee(s), involves ensuring at least one female candidate is included on the short-list identifying potential Board nominees. If, at the end of the selection process, no female candidates are selected, the Conflict Resolution, Corporate Governance and Nominating Committee must be satisfied that there are objective reasons to support this determination. The Board current has one female member, representing approximately 13% of the Board.

The Corporation has not currently adopted a written policy relating to identification and nomination of: (i) members of visible minorities; (ii) Aboriginal persons; or (iii) person with disabilities (collectively, the "**Designated Groups**") on the Board or in senior management positions; as it does not believe that doing so will necessarily result in the identification and selection of the most qualified candidates for these roles.

It is also an objective of the Corporation's diversity policy that diversity be considered in connection with succession planning and the appointment of members of the Corporation's senior management. The Corporation recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that women with the appropriate competencies and skills can play in contributing to diversity of perspective in senior management positions. The Corporation does not have a formal target regarding women in executive positions because the Corporation's executive officers have historically been supplied by SCLP and other candidates for employment are selected based on merit and against objective criteria. However, the Corporation (i) regularly reviews the proportion of women at all levels of the Corporation; (ii) monitors effectiveness of, and continues to expand on, existing initiatives designed to identify, support and develop talented women with leadership potential; and (iii) continues to identify new ways to entrench diversity as a cultural priority across the Corporation.

Upon adoption of the Corporation's diversity policy, no women served as executive officers of the Corporation. Currently, one woman serves as an executive officer of the Corporation, representing 25% of the executive officers of the Corporation; and one of the two employees of the Corporation is a woman.

The Conflict Resolution, Corporate Governance and Nominating Committee is responsible for annually (i) assessing the effectiveness of the Board appointment/nomination process and senior management appointment process at achieving the Corporation's diversity objectives and (ii) considering and, if determined advisable, recommending to the Board for adoption, measurable objectives for achieving diversity on the Board and in senior management.

SHAREHOLDER PROPOSALS FOR NEXT MEETING

In accordance with the current provisions of the *CBCA*, which governs the Corporation, shareholder proposals must be received by February 11, 2021, to be considered for inclusion in the proxy statement and the form of proxy for the 2021 annual meeting of shareholders.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.SEDAR.com or the Corporation's website at www.sprott.com/investment-strategies/sprott-resource-holdings. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the year ended December 31, 2019.

In addition, copies of the Corporation's financial statements and management's discussion and analysis, may be obtained upon request to the President and CEO of the Corporation at 416-977-7333 or info@sprottresource.com. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

DIRECTORS' APPROVAL

The directors of the Corporation have approved the contents and the sending of this Circular.

BY ORDER OF THE BOARD

Toronto, Ontario
May 12, 2020

"Terrence Lyons"
Terrence Lyons
Chairman of the Board

APPENDIX "A"
BOARD OF DIRECTORS MANDATE

(Adopted by the Board effective February 9, 2017, as amended on March 2, 2018)

I. Mandate

The board of directors (the "**Board**") of Sprott Resource Holdings Inc. (the "**Company**") is responsible for the stewardship of the Company and discharges such responsibility by supervising the management of the business and affairs of the Company, with a view to preserving and enhancing shareholder value.

II. Expectations and Responsibilities of Directors

The Board expects that each director will, among other things:

- (a) act honestly, in good faith with a view to the best interests of the Company;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) commit the time and energy necessary to properly carry out his or her duties;
- (d) attend all Board and committee meetings, as applicable; and
- (e) review in advance all meeting materials and otherwise adequately prepare for all Board and committee meetings, as applicable.

Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, that may impact their ability to perform their duties and responsibilities as a director are expected to notify the chair of the Conflict Resolution, Corporate Governance and Nominating Committee.

The Board expects that the chief executive officer ("**CEO**") and the other executive officers of the Company will conduct themselves with integrity and that the CEO and other executive officers will create a culture of integrity throughout the Company.

III. Authority

The Board is responsible for implementing a system which enables an individual director, the Board or a committee to engage an external advisor at the expense of the Company in appropriate circumstances. Unless otherwise specified in a committee charter, the engagement of the external advisor shall be subject to the approval of the Board.

The Board has the authority to delegate to individual members or committees of the Board where appropriate.

The Board shall have complete access to appropriate Company personnel in order to secure all information necessary to fulfill its duties.

IV. Composition

To the extent feasible, the Board shall be composed of a majority of "independent" directors as such term is defined under applicable securities legislation.

The Board shall appoint one director to act as a Chair of the Board. Where the Chair is not independent, an independent director may be appointed as "lead director", to act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties. If in any year the Board does not appoint a Chair or lead director, if applicable, the incumbent Chair and lead director, if applicable, will continue in office until a successor is appointed. If the Chair or lead director, if applicable, is absent from any meeting, the Board shall select one of the other directors present to preside at that meeting.

V. Meetings

The Board shall meet at least four times per year, including at least once in each quarter to carry out its responsibilities under this Mandate, including a review of the business operations and financial results of the Company, and as many additional times as the Board deems necessary to carry out its duties. The Chair or lead director, if applicable, shall develop and set the Board's agenda, in consultation with other members of the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each director, at least 24 hours (excluding holidays) prior to the time fixed for such meeting.

A majority of the Board shall constitute a quorum. No business may be transacted by the Board except at a meeting of its members at which a quorum of the Board is present in person or by means of such telephonic, electronic or other communications facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

The Board may invite such officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Board.

The Board shall meet without management present whenever the Board deems it appropriate.

Minutes of the meetings of the Board shall be recorded and maintained by the Secretary of the Company or, if the Secretary of the Company is not present at the meeting, by another person appointed by the Board to act as Secretary, and shall be subsequently presented to the Board for review and approval.

VI. Board and Mandate Review

The Board shall conduct an annual review and assessment of its composition, performance and effectiveness in such manner as it deems appropriate. Such an assessment will consider: (i) compliance with its mandate; and (ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to bring to the Board. In making such assessment, the Board shall consider any recommendations or reports, if applicable, of the Conflict Resolution, Corporate Governance and Nominating Committee concerning the Company's approach to corporate governance.

With the assistance of the Conflict Resolution, Corporate Governance and Nominating Committee, the Board shall also review and assess the adequacy of this mandate on an annual basis, taking into account all legislative and regulatory requirements applicable to the Board, as well as any guidelines recommended by securities regulatory authorities or the Toronto Stock Exchange.

VII. Duties and Responsibilities

The Board is responsible for:

- (a) designating the offices of the Company, appointing such officers, specifying their duties and delegating to them the power to manage the day-to-day business and affairs of the Company;
- (b) in consultation with the Compensation Committee and Conflict Resolution, Corporate Governance and Nominating Committee, reviewing the officers' performance and effectiveness;
- (c) reviewing the performance and effectiveness of Sprott Consulting Limited Partnership ("SCLP") pursuant to the management services agreement entered into between SCLP and the Company;
- (d) acting in a supervisory role, such that any duties and powers not delegated to the officers of the Company remain with the Board and its committees;
- (e) to the extent feasible, satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the Company;

- (f) discussing a strategic plan which takes into account, among other things, the opportunities and risks of the Company's business;
- (g) identifying the principal risks of the Company's business, and ensuring the implementation of appropriate systems to manage these risks;
- (h) with the assistance of the Conflict Resolution, Corporate Governance and Nominating Committee, supervising and assessing the performance and effectiveness of management of the Company on an ongoing basis;
- (i) with the assistance of the Conflict Resolution, Corporate Governance and Nominating Committee, succession planning (including appointing, training and monitoring senior management);
- (j) adopting a corporate disclosure policy that ensures that the Company communicates effectively with its shareholders, other stakeholders and the public in general;
- (k) with the assistance of the Audit Committee, ensuring the integrity of the Company's internal control and management information systems;
- (l) with the assistance of the Conflict Resolution, Corporate Governance and Nominating Committee, developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company;
- (m) establishing procedures to ensure that the Company, through management, provides timely information to current and potential security holders and responds to their inquiries;
- (n) in conjunction with the CEO and with the assistance of the Conflict Resolution, Corporate Governance and Nominating Committee, developing a clear position description for the CEO, which includes delineating management's responsibilities and developing or approving the corporate goals and objectives the CEO is responsible for meeting;
- (o) with the assistance of management, developing environmental policies, as applicable from time to time, and ensuring their compliance with them; and
- (p) with the assistance of management, developing health and safety practices and ensuring compliance with them.

VIII. **Committees of the Board**

To assist it in discharging its responsibilities, the Board has established four standing committees of the Board: the Audit Committee, the Compensation Committee, the Conflict Resolution, Corporate Governance and Nominating Committee and the Environmental, Health and Safety Committee. The Audit Committee is comprised entirely of "independent" directors (as such term is defined in National Instrument 52-110 - *Audit Committees*). The Compensation Committee, the Conflict Resolution, Corporate Governance and Nominating Committee and the Environmental, Health and Safety Committee are each comprised entirely of independent directors. The Board may establish other standing committees from time to time.

Each committee shall have a written charter that clearly establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees), and manner of reporting to the Board. Each charter shall be reviewed by the Board (or a committee thereof) on at least an annual basis.

The Board is responsible for appointing directors to each of its committees in accordance with the charter for each committee.

As required by applicable law, by applicable committee charter or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.

IX. Nomination of Directors

In consultation with the Conflict Resolution, Corporate Governance and Nominating Committee, the Board is responsible for nominating or appointing individuals as directors. Prior to nominating or appointing individuals as directors, the Board shall:

- (a) consider what competencies and skills the Board, as a whole, should possess;
- (b) assess what competencies and skills each existing director possesses (including the personality and other qualities of each director);
- (c) review the qualifications of candidates recommended by the Conflict Resolution, Corporate Governance and Nominating Committee or suggested by members of the Board, shareholders, management and others and assess what competencies and skills each new nominee will bring to the boardroom; and
- (d) consider the appropriate size of the Board, with a view to facilitating effective decision-making.

X. Orientation and Continuing Education

With the assistance of the Conflict Resolution, Corporate Governance and Nominating Committee, the Board is responsible for ensuring that all new directors receive a comprehensive orientation enabling them to fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make, and the nature and operation of the Company's business.

With the assistance of the Conflict Resolution, Corporate Governance and Nominating Committee, the Board shall provide continuing education opportunities for all directors, so individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Company's business remains current.

XI. Code of Business Conduct and Ethics

The Board is responsible for adopting and maintaining a written code of business conduct and ethics (the "**Code**") applicable to all directors, officers and employees of the Company and its subsidiaries. The Code shall constitute written standards that are reasonably designed to promote integrity and deter wrongdoing and shall address the following issues:

- (a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest;
- (b) protection and proper use of corporate assets and opportunities;
- (c) confidentiality of corporate information;
- (d) fair dealing with the Company's security holders, suppliers, competitors and employees;
- (e) compliance with laws, rules and regulations; and
- (f) reporting of any illegal or unethical behaviour.

With the assistance of the Conflict Resolution, Corporate Governance and Nominating Committee, the Board is responsible for monitoring compliance with the Code. Any waivers from the Code shall be granted by the Board only.

XII. Compensation Matters

The Board is responsible for overseeing compensation matters, including (i) director compensation, incentive-compensation plans and equity-based plans, after consideration of the recommendations of the Compensation Committee; and (ii) compensation for officers and other senior management personnel (except such management personnel whose compensation is determined by SCLP).

APPENDIX "B"
STOCK OPTION PLAN

ARTICLE 1

PURPOSE OF THE PLAN

- 1.1 The purpose of the Plan is to attract, retain and motivate persons as key service providers to the Corporation and its Affiliates and to advance the interests of the Corporation by providing such persons with the opportunity, through Options, to acquire a proprietary interest in the Corporation.

ARTICLE 2

DEFINED TERMS AND RELATED PROVISIONS

- 2.1 Where used herein, the following terms shall have the following meanings, respectively:
- (a) "Affiliate" means an "affiliate" of the Corporation as defined in Section 1.3 of National Instrument 45-106 - Prospectus and Registration Exemptions, and for purposes of Section 1.2(b) thereof, "control" shall be interpreted with reference to Section 2.23 thereof;
 - (b) "Blackout Expiry Term" has the meaning ascribed thereto in Section 5.9;
 - (c) "Blackout Period" means a period of time during which the Optionee cannot exercise an Option, or sell Optioned Shares, due to applicable policies of the Corporation in respect of insider trading;
 - (d) "Board" means the board of directors of the Corporation;
 - (e) "Cause" means the termination of the employment of the Eligible Person with the Corporation or an Affiliate for cause, including, without limiting the foregoing, any events defined as constituting cause under the Eligible Person's employment agreement with the Corporation or an Affiliate, if any;
 - (f) "Change of Control" means:
 - (i) any change in the holding, directly or indirectly, of securities of the Corporation or of any voting rights attached to any securities of the Corporation, as a result of which any corporation or other person, or a group of corporations or persons acting in concert, or corporations or persons associated with or affiliated with any such corporation, person or group within the meaning of the *Securities Act* (Ontario), would be entitled to cast 50% or more of the votes attached to all shares of the Corporation that may be cast to elect directors of the Corporation;
 - (ii) Incumbent Directors cease to constitute a majority of the Board of the Corporation (for the purposes of this paragraph, an "Incumbent Director" shall mean any member of the Board who is a member of the Board immediately prior to the occurrence of a contested election of directors of the Corporation); or
 - (iii) the Board adopts a resolution to the effect that, for the purposes of this Plan, a Change of Control has occurred, or that such a Change of Control is imminent, in which case, the date of the Change of Control shall be deemed to be the date specified in such resolution, provided that the Change of Control actually occurs;

- (g) "Corporation" means SRHI Inc. and includes any successor corporation thereof;
- (h) "Director" means a member of the Board or a member of the board of directors of an Affiliate;
- (i) "Eligible Person" means:
 - (i) any officer or employee of the Corporation or any Affiliate or a Director (an "Eligible Individual"); or
 - (ii) a corporation controlled by an Eligible Individual, all of the issued and outstanding shares of which are, and continue at all times to be, legally and beneficially owned, directly or indirectly, by such Eligible Individual and/or the spouse, children and/or grandchildren of such Eligible Individual (an "Eligible Corporation"); or
 - (iii) any Service Provider;
- (j) "Employee" means any individual regularly employed on a full-time or part-time basis by the Corporation or an Affiliate and includes a corporate officer;
- (k) "Expiry Date" means the date designated by the Board at the time of grant on which the Option expires and is of no further force and effect;
- (l) "Insider" has the meaning ascribed to this term for the purposes of the TSX rules relating to Securities-Based Compensation Arrangements;
- (m) "Market Price" at any date in respect of the Shares means the volume weighted average trading price of such Shares on the TSX (or, if such Shares are not then listed and posted for trading on the TSX, on such stock exchange in Canada on which such Shares are listed and posted for trading as may be selected for such purpose by the Board) for the five (5) consecutive trading days immediately preceding such date, provided that in the event that such Shares did not trade on any of such trading days, the Market Price shall be the average of the bid and ask prices in respect of such Shares at the close of trading on all of such trading days and provided that in the event that such Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;
- (n) "Non-Employee Director" means a Director who is not also an Employee;
- (o) "Option" means an option to purchase Shares granted to an Eligible Person under the Plan and "Option Agreement" means an agreement between the Corporation and an Optionee respecting such Option;
- (p) "Option Price" means the price per Share at which Shares may be purchased under an Option, as the same may be adjusted from time to time in accordance with Article 8 hereof;
- (q) "Optioned Shares" means the Shares issuable pursuant to an exercise of Options;
- (r) "Optionee" means an Eligible Person to whom an Option has been granted and who continues to hold such Option;
- (s) "Plan" means this SRHI Inc. Stock Option Plan, as the same may be amended, restated or varied from time to time;
- (t) "Service Provider" means an individual, other than an Employee, or a consultant company that:

- (i) is engaged to provide services on a bona fide basis to the Corporation or an Affiliate, other than services provided in relation to a distribution of securities of the Corporation or an Affiliate;
 - (ii) provides the services under a written contract with the Corporation or an Affiliate; and
 - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation.
- (u) "Securities-Based Compensation Arrangement" means a stock option, stock option plan, employee stock purchase or ownership plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance, from treasury, of Shares or other securities of the Corporation to one or more Eligible Persons, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- (v) "Shares" means the common shares of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment; and
- (w) "TSX" means the Toronto Stock Exchange.

ARTICLE 3

ADMINISTRATION OF THE PLAN

- 3.1 The Plan shall be administered by the Board, or a committee of the Board, as the Board shall determine from time to time.
- 3.2 The Board shall have the power, where consistent with the general purpose and intent of the Plan:
- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
 - (b) to interpret and construe the Plan and to determine all questions arising out of the Plan or any Option, and any such interpretation, construction or determination made shall be final, binding and conclusive for all purposes;
 - (c) to determine the number of Shares underlying each Option;
 - (d) to determine the Option Price of each Option;
 - (e) to determine the time or times when Options will be granted and exercisable;
 - (f) to determine if the Shares which are issuable on the exercise of an Option will be subject to any restrictions upon the exercise of such Option;
 - (g) to determine vesting periods for the Options; and
 - (h) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options.

ARTICLE 4

SHARES SUBJECT TO THE PLAN

- 4.1 Options may be granted in respect of authorized and unissued Shares, provided that the aggregate number of Shares reserved for issuance upon the exercise of all Options granted under the Plan (subject to any adjustment of such number pursuant to the provisions of Article 8 hereof) together with the Shares issuable under grants under all other Securities-Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding Shares on the date such Option is granted. If any Option is terminated, cancelled or has expired without being fully exercised, any unissued Shares which have been reserved to be issued upon the exercise of the Option shall become available to be issued upon the exercise of Options subsequently granted under the Plan. In addition, if any Option is exercised, an equivalent number of Shares may be reserved for issuance pursuant to the grant of additional Options in replacement for such exercised Options. No fractional Shares may be purchased or issued under the Plan.

ARTICLE 5

TERMS AND CONDITIONS OF OPTIONS

- 5.1 The Board may grant Options to any Eligible Person as the Board determines from time to time.
- 5.2 Subject as herein and otherwise specifically provided in this Article 5, the number of Shares subject to each Option, the Option Price of each Option, the expiration date of each Option, the extent to which each Option vests and is exercisable from time to time during the term of the Option and other terms and conditions relating to each Option, which shall not be inconsistent with the terms of the Plan, shall be determined by the Board from time to time and set out in an Option Agreement.
- 5.3 Subject to the rules of any stock exchange upon which the Shares may be listed or other securities regulatory authority, the Board may, subject to Section 5.5, accelerate the date on which any unvested Option may be exercised or extend the expiration date of any Option, provided that the Board shall not, in the event of any such acceleration or extension, be under any obligation to accelerate or extend the date on or by which any other Options may be exercised by any other Optionee(s).
- 5.4 Subject to any adjustments pursuant to the provisions of Article 8 hereof, the Option Price of any Option shall in no circumstances be lower than the Market Price on the date on which the Board approves the grant of the Option. If, as and when any Shares have been duly purchased and paid for under the terms of an Option, such Shares shall be conclusively deemed allotted and issued as fully paid and non-assessable Shares at the price paid therefor.
- 5.5 Subject to Section 5.9, the term of an Option shall not exceed ten (10) years from the date of the grant of the Option.
- 5.6 An Option is personal to the Optionee and non-assignable (whether by operation of law or otherwise), except as provided for herein. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of an Option contrary to the provisions of the Plan, or upon the levy of any attachment or similar process upon an Option, the Option shall, at the election of the Corporation, by notice in writing to the Optionee, cease and terminate and be of no further force or effect whatsoever.
- 5.7 No Options shall be granted to any Optionee if, at the time of such grant, such grant could result, at any time, in:

- (a) the number of Shares reserved for issuance to Insiders pursuant to Options granted under the Plan, together with Shares reserved for issuance to Insiders under all other Securities-Based Compensation Arrangements exceeding 10% of the issued and outstanding Shares; or
 - (b) the issuance to Insiders, within a one (1) year period, of a number of Shares under the Plan, together with Shares that may be issued to Insiders under all other Securities-Based Compensation Arrangements exceeding 10% of the issued and outstanding Shares.
- 5.8 The equity award value (based on grant date fair value) of any grants of Options to Non-Employee Directors under the Plan shall not exceed \$100,000 to each Non-Employee Director per year.
- 5.9 Notwithstanding anything else contained herein, if the expiration date for an Option occurs during a Blackout Period applicable to the relevant Optionee, or within ten (10) business days after the expiry of a Blackout Period applicable to the relevant Optionee, then the expiration date for that Option shall be the date that is the tenth (10th) business day after the expiry date of the Blackout Period (the "Blackout Expiry Term"). This Section 5.9 applies to all Options outstanding under this Plan. The Blackout Expiry Term for an Option may not be amended by the Board without the approval of the holders of Shares in accordance with Section 9.1(a) of the Plan.

ARTICLE 6

TERMINATION OF OPTIONS

- 6.1 Subject to Sections 6.2 to 6.7 hereof, any resolution passed at any time by the Board and the terms of any Option Agreement or employment agreement with respect to any Option or any Optionee, an Option and all rights to purchase Shares pursuant thereto shall expire and terminate immediately upon the Optionee who holds such Option ceasing to be an Eligible Person.
- 6.2 If an Optionee's employment with the Corporation or any Affiliate is terminated for Cause, subject to the terms of any Option Agreement or employment agreement with respect to any Option or the Optionee, all Options held by the Optionee, whether or not then exercisable, shall terminate and be cancelled immediately upon such termination of employment.
- 6.3 If an Optionee, other than a Service Provider, voluntarily resigns from the Corporation or an Affiliate, subject to the terms of any Option Agreement or employment agreement with respect to any Option or the Optionee, all unvested Options held by such Optionee on the date of termination are immediately forfeited. All vested Options held by such Optionee may be exercised within thirty (30) days after the date of resignation or termination, or until the Expiry Date of the Options, whichever period is shorter. Any vested Options which have not been so exercised with the period permitted under this Section 6.3 shall expire and terminate on the earlier of the date which is thirty (30) days after the date of resignation or termination and the Expiry Date of the Options.
- 6.4 If an Optionee's employment with the Corporation or any Affiliate is terminated by the Corporation or the Affiliate without Cause, subject to the terms of any Option Agreement or employment agreement with respect to any Option or the Optionee, any Options held by the Optionee that are exercisable at the time the Optionee receives notice of termination of employment from the Corporation or an Affiliate shall be exercisable at any time during the ninety (90) day period following the date on which such notice of termination was received, or until the Expiry Date of the Options, whichever period is shorter. Any vested Options which have not been so exercised with the period permitted under this Section 6.4 shall expire and terminate on the earlier of the date which is ninety (90) days after the date on which the Optionee received notice of termination of employment and the Expiry Date of the Options. For greater certainty, except as

expressly required by applicable employment standards legislation, neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment or vesting of any Option for purposes of the Plan.

- 6.5 In the event that an Optionee, other than a Service Provider, has suffered a permanent disability as determined by the Board, subject to the terms of any Option Agreement or employment agreement with respect to any Option or the Optionee, Options previously granted to such Optionee shall continue to vest and be exercisable in accordance with the terms of the grant and the provisions of this Plan, but no additional grants of Options may be made to the Optionee.
- 6.6 If an Optionee, other than a Service Provider, shall die, subject to the terms of any Option Agreement or employment agreement with respect to any Option or the Optionee, all unexercised Options held by such Optionee at the time of death shall immediately vest, and such Optionee's personal representatives, heirs or legatees may, at any time within one hundred and eighty (180) days after the date of such death or until the Expiry Date of the Options, whichever period is shorter exercise all such Options. Any vested Options which have not been so exercised with the period permitted under this Section 6.6 shall expire and terminate on the earlier of the date which is one hundred and eighty (180) days after the date of such death and the Expiry Date of the Options.
- 6.7 For greater certainty:
- (a) if the Optionee is an Eligible Corporation, the references to the Optionee in this Article 6 shall be deemed to refer to the Eligible Individual associated with the Eligible Corporation;
 - (b) Options shall not be affected by any change in the terms of employment of any Eligible Individual or by any Eligible Individual ceasing to be a director of the Corporation, provided that the related Optionee continues to be an Eligible Person; and
 - (c) the Board may, by resolution or under the terms of an option agreement or employment agreement, but subject to applicable regulatory requirements, decide that any of the provisions hereof concerning the effect of termination of the Optionee's employment shall not apply to any Optionee for any reason acceptable to the Board.
- 6.8 Notwithstanding any other provision herein, all Options granted to Service Providers shall terminate in accordance with the terms, conditions and provisions of the associated Option Agreement between the Corporation and such Service Providers, provided that such termination shall occur no later than the earlier of the original Expiry Date of the term of the Option or the day which is one (1) year following the date of termination of the engagement of the Service Provider.
- 6.9 Participants shall have no right to receive any payment or other benefit as compensation, damages or otherwise, with respect to any Options that fail to vest or become exercisable or are otherwise terminated in accordance with the Plan prior to exercise.

ARTICLE 7

EXERCISE OF OPTION

- 7.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Secretary of the Corporation specifying (i) the number of Shares with respect to which the Option is being exercised; and (ii) otherwise in accordance with the exercise procedures respecting Options determined by the Board from time to time accompanied by payment in full of the Option Price of the Shares to be purchased, if any, on the exercise of the Option as specified in Section 7.1(i) above. Subject to

any provisions of the Plan to the contrary, certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and compliance with such procedures.

7.2 Notwithstanding any of the provisions contained in the Plan or in any Option Agreement, the Corporation's obligation to issue Shares to an Optionee pursuant to the exercise of any Option shall be subject to:

- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental or regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the listing of such Shares on any stock exchange on which the Shares may then be listed; and
- (c) the satisfaction of any conditions on exercise prescribed pursuant to Article 3 hereof;

provided that nothing herein shall be deemed to require the Corporation to apply for or to obtain any listing, registration, qualification, consent or approval in respect of the Shares.

7.3 Options shall be evidenced by an agreement in such form not inconsistent with this Plan as the Board may from time to time determine.

7.4 Notwithstanding any of the provisions contained in the Plan, in any Option Agreement or otherwise, the Corporation may withhold from any amount payable, either under the Plan, any Option Agreement or otherwise, such amount as may be necessary to enable the Corporation to comply with the applicable requirements of any federal or provincial tax law or authority relating to the withholding of tax or any other required deductions with respect to the Options, any Shares issuable upon the exercise thereof. The Corporation may also satisfy any liability for any such withholding obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) selling on behalf of any Optionee, or causing any Optionee to sell, any Shares issued hereunder, or (b) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Corporation may require so that the Corporation can satisfy such withholding obligations, including, without limitation, requiring the Optionee to remit to the Corporation in advance, or reimburse the Corporation for, any such withholding obligations.

ARTICLE 8

CERTAIN ADJUSTMENTS AND CHANGE IN CONTROL

8.1 Appropriate adjustments in the number of Shares reserved for Options under the Plan and, as regards to Options granted or to be granted, in the number of Shares optioned and the Option Price, shall be made by the Board to give effect to adjustments in the number of Shares resulting from subdivisions, consolidations or reclassifications of the Shares, the payment of stock dividends by the Corporation (other than dividends in the ordinary course) or other relevant changes in the authorized or issued capital of the Corporation.

8.2 If at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 8.1 or, subject to the provisions of Section 8.3 hereof, the Corporation shall consolidate, merge or amalgamate with or into, another corporation or enters into an arrangement (the corporation resulting or continuing from such consolidation, merger, amalgamation or arrangement being herein called the "Successor Corporation"), the Optionee shall be entitled to receive upon the subsequent exercise of his or her Option in accordance with the terms hereof and shall accept in lieu of the number of Shares which he or she was theretofore entitled upon such exercise but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class and/or other securities of the Corporation or

the Successor Corporation (as the case may be) and/or other consideration from the Corporation or the Successor Corporation (as the case may be) that the Optionee would have been entitled to receive as a result of such reclassification, reorganization or other change or, subject to the provisions of Section 10.3 hereof, as a result of such consolidation, merger, amalgamation or arrangement, if he or she had been the registered holder of the number of Shares to which he or she was theretofore entitled upon such exercise. Notwithstanding anything else in this Plan or any Option Agreement, the Board has the right to provide for the conversion or exchange of any outstanding Options into or for options, rights or other securities in any entity participating in or resulting from a Change of Control.

- 8.3 Upon the Corporation entering into an agreement relating to a transaction which, if completed, would result in a Change of Control, or otherwise becoming aware of a pending Change of Control, the Board may, in its sole discretion, (i) accelerate the vesting and/or the Expiry Date of any or all outstanding Options to provide that, notwithstanding the vesting provisions of such Options or any Option Agreement, such designated outstanding Options shall be fully vested and (y) conditionally exercisable for Shares or (x) may be surrendered for a cash payment, upon (or prior to) the completion of the Change of Control provided that the Board shall not, in any case, authorize the exercise or surrender of Options pursuant to this Section 8.3 beyond the Expiry Date of the Options. If the Board elects to accelerate the vesting and/or the Expiry Date of the Options, then the Board shall provide notice of such decision to the Optionees and if any of such Options are not exercised, or if applicable, surrendered, within the period specified by the Board after giving Optionees notice of the proposed Change of Control (or such later Expiry Date as the Board may prescribe), such unexercised Options shall, unless the Board otherwise determines, terminate and expire following the completion of the proposed Change of Control. If, for any reason, the Change of Control does not occur within the contemplated time period, the acceleration of the vesting and the Expiry Date of the Options shall be retracted and vesting shall instead revert to the manner provided in the Option Agreement; or (ii) provide for the conversion or exchange of any outstanding Options into or for options, rights or other securities in any entity participating in or resulting from a Change of Control.

ARTICLE 9

AMENDMENT OR DISCONTINUANCE OF THE PLAN

- 9.1 The Board may amend, suspend or discontinue the Plan or amend Options granted under the Plan at any time without shareholder approval; provided, however, that:
- (a) approval by a majority of the votes cast by shareholders present and voting in person or by proxy at a meeting of shareholders of the Corporation shall be obtained for any:
 - (i) amendment for which, under the requirements of the TSX or any applicable law, shareholder approval is required;
 - (ii) increase to the maximum percentage of securities issuable under the Plan;
 - (iii) reduction of the Option Price, or cancellation and reissuance of Options or other entitlements, of Options granted under the Plan;
 - (iv) extension of the term of Options beyond the original Expiry Date;
 - (v) allowance of Options granted under the Plan to be transferable or assignable other than for estate settlement purposes; or
 - (vi) amendment to the Plan's amendment provisions; and

- (b) the consent of the Optionee is obtained for any amendment which materially adversely affects the Optionee's rights with respect to, or impairs any Option previously granted to an Optionee under the Plan.
- 9.2 No amendment, suspension or discontinuance of the Plan may contravene the requirements of the TSX or any securities commission or regulatory body to which the Plan or the Corporation is now or may hereafter be subject.
- 9.3 Notwithstanding the provisions of this Article 9, should changes be required to the Plan by any securities commission, stock exchange or other governmental or regulatory body of any jurisdiction to which the Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to the Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Plan, as amended, shall be filed with the records of the Corporation and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board. Notwithstanding Section 9.1(b), no consent from an Optionee shall be required in respect of changes made pursuant to this Section 9.3, regardless of whether such changes adversely affect any Optionee's rights with respect to, or impairs, outstanding Options.
- 9.4 Notwithstanding any other provision of this Plan, the Board may at any time by resolution terminate this Plan. In such event, all Options then outstanding and granted to an Optionee, whether or not vested, may be exercised by such Optionee for a period of thirty (30) days after the date on which the Corporation shall have notified all Optionees of the termination of this Plan.

ARTICLE 10

MISCELLANEOUS PROVISIONS

- 10.1 An Optionee shall not have any rights as a shareholder of the Corporation with respect to any of the Shares underlying any Option until the date of issuance of a certificate for Shares upon the exercise of such Option, in full or in part, and then only with respect to the Shares represented by such certificate or certificates. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued.
- 10.2 Nothing in this Plan or any Option shall confer upon an Optionee any right to continue in the employ of the Corporation or any Affiliate, or affect in any way the right of the Corporation or any Affiliate to terminate his or her employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate, to extend the employment of any Optionee beyond the time which he or she would normally be retired pursuant to the provisions of any present or future retirement plan or policy of the Corporation or any Affiliate, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Affiliate.
- 10.3 Notwithstanding Section 5.6 hereof and subject to Section 10.4 hereof, any vested Options may be transferred or assigned between an Eligible Individual and the related Eligible Corporation, provided the assignor delivers notice in writing of the same to the Corporation prior to the assignment and the Board, in its sole and absolute discretion, approves such assignment.
- 10.4 In the event an Eligible Corporation shall cease at any time to be an Eligible Corporation (as defined in Section 2.1(h)(iii) hereof), then it shall immediately by notice in writing to the Corporation retransfer or reassign all of the Options held by it to the related Eligible Individual.

10.5 The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

ARTICLE 11

DATE OF PLAN

11.1 This Plan shall be dated and effective the 23rd day of June, 2020.