

TORONTO, May 03, 2017 (GLOBE NEWSWIRE) -- [Sprott Resource Holdings Inc.](#) (TSX:SRHI) ("SRHI" or the "Company") today announced its financial results for the three-months ended March 31, 2017. SRHI was formed in February 2017 via a business combination between Sprott Resource Corp. ("SRC") and [Adriana Resources Inc.](#) ("ADI").

Summary

- Successfully completed the business combination between SRC and ADI and concurrently completed a financing for gross proceeds of \$15 million
- Successfully closed a marketed financing in late April for gross proceeds of \$30 million
- As of the date hereof, the Company holds net cash¹ of approximately \$77.0 million and no debt
- Expanded team, adding Rick Rule as chief investment officer and Mike Harrison as managing director

Financial Summary²

- Net Asset Value ("NAV") at March 31, 2017 of \$137.6 million (\$0.27 per share) compared to December 31, 2016 of \$110.8 million (\$0.38 per share)
- For the three-months ended March 31, 2017, the Company recorded a net loss of \$19.2 million (\$0.05 per basic and diluted share) compared to net income of \$5.0 million (\$0.02 per basic and diluted share) for the three-months ended March 31, 2016
- As at March 31, 2017, the Company had cash of \$50.6 million, public company investments of \$47.6 million and \$40.6 million in private company investments

"In February, we completed a transformative transaction that combined Sprott Resource Corp. and [Adriana Resources Inc.](#) to create [Sprott Resource Holdings Inc.](#)," said Steve Yuzpe, CEO of SRHI. "The result of this transaction, and subsequent related financings, is that SRHI is now a unique, resource-focused investment vehicle with a strong portfolio of holdings, no debt and \$78 million in cash. We welcome the shareholders from both companies and our new shareholders from our financing in April."

"We are pleased with the progress we have made in narrowing the discount to NAV at which our shares have recently traded. During the first quarter of 2017, SRHI's discount to NAV narrowed from more than 55% to less than 26%," added Mr. Yuzpe.

"With \$78 million in cash and no debt, we will apply our capital and talent to a few exceptional opportunities and management teams," said Rick Rule, CIO of SRHI. "We appreciate the trust our shareholders have placed in us to execute this strategy and we are committed to making every effort to keep you informed about our progress towards our objectives."

SRHI Net Asset Value as at March 31, 2017

The following table outlines SRHI's estimated equity attributable to shareholders and investment ownership as at March 31, 2017. Please see the Company's unaudited condensed interim consolidated financial statements and notes thereon, and management's discussion and analysis for the three-months ended March 31, 2017 for additional information.

¹ net cash is a non-IFRS measure and is comprised of cash and cash equivalents less total liabilities

² comparative figures are of SRC only and per share amounts have been adjusted on a 3:1 basis to reflect the equivalent share exchange ratio entered into for the business combination of ADI and SRC

As at March 31, 2017, the fair value of the Company's public and private company investments was \$47.6 million and \$40.6 million respectively.

<i>(in millions except per share amounts and issued and outstanding common shares)</i>	As at March 31, 2017	SRHI Ownership (undiluted)
Cash and cash equivalents and other assets net of liabilities	\$ 49.4	
Investments owned, at fair value		
<i>Energy production and services</i>		
InPlay Oil Corp.	Public 14.0	11.4 %
R.I.I. North America Inc.	Private 5.2 19.2	15.4 %
<i>Mining</i>		
Corsa Coal Corp.	Public 32.5	17.2 %
Lac Otelnuk Mining Ltd.	Private 5.8	40.0 %
Virginia Energy Resources Inc.	Public 1.1 39.4	16.5 %

Agriculture

One Earth Farms Corp.	Private 13.4	49.98 %
Union Agriculture Group	Private 16.3 29.7	6.3 %
Estimated total equity attributable to shareholders (NAV)	\$ 137.7	
Number of common shares issued and outstanding as at March 31, 2017	510,488,999	
NAV per share	\$ 0.27	

Conference Call Details

SRHI will hold a conference call to discuss its results for the three-months ended March 31, 2017 today, Wednesday, May 3, 2017 at 8:00am Toronto time. To participate in the call, please dial (866) 322-9569 ten minutes prior to the scheduled start of the call and provide conference ID: 16728588. A taped replay of the conference call will be available until Wednesday, May 10, 2017 by calling (855) 859-2056. The conference call will be webcast live at www.sprottresource.com and <http://edge.media-server.com/m/p/se5qgzte>

About Sprott Resource Holdings Inc.

SRHI is a publicly-listed corporation transitioning into a diversified holding company focused on holding businesses in the natural resource industry. Based in Toronto, SRHI is a member of the Sprott Group of Companies and is managed by a team of leading resource investment professionals. SRHI's current holdings are concentrated in the mining, energy and agriculture sectors. SRHI takes an active role in the companies in which it invests and is committed to being a high-value partner to the management teams it backs and the co-investors who invest alongside SRHI. For more information about SRHI, please visit www.sprottresource.com.

Forward-Looking Information

Certain statements in this press release contain forward-looking information (collectively referred to herein as the "Forward-Looking Statements") within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify Forward-Looking Statements. In particular, but without limiting the foregoing, this press release contains Forward-Looking Statements pertaining to expectations regarding application of capital and talent.

Although SRHI believes that the Forward-Looking Statements are reasonable, they are not guarantees of future results, performance or achievements. A number of factors or assumptions have been used to develop the Forward-Looking Statements, including the continued availability of quality management. Actual results, performance or achievements could vary materially from those expressed or implied by the Forward-Looking Statements should assumptions underlying the Forward-Looking Statements prove incorrect or should one or more risks or other factors materialize, including: (i) general economic, market and business conditions; (ii) commodity price fluctuations and uncertainties and, in particular the price of oil and gas; (iii) risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses, and health, safety and environmental risks); (iv) risks associated with the farming industry in general (e.g., weather risks, operational risks in production; the uncertainty of estimates and projections related to livestock); (v) risks associated with the food manufacturing and retail business in general (e.g., a rise in the cost of inputs, a drop in pricing and/or sales volumes, food safety); (vi) risks associated with the mining industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses, and health, safety and environmental risks); (vii) other risks associated with SRHI's portfolio companies' industries; and (viii) those risks disclosed under the heading "Risk Management" in SRHI's MD&A for the three-months ended March 31, 2017. The Forward-Looking Statements speak only as of the date hereof, unless otherwise specifically noted, and SRHI does not assume any obligation to publicly update any Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable Canadian securities laws.

For further information:

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