

Sprott Resource Holdings Inc. Announces MTV Files For Creditor Protection in Chile

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TORONTO, May 12, 2020 - [Sprott Resource Holdings Inc.](#) (SRHI; or the Company) (TSX: SRHI) today announced that Minera Tres Valles SpA (MTV), the Company's 70% Chilean copper mining subsidiary, has commenced reorganization proceedings by filing a Judicial Restructuring Procedure (JRP) in Chile to seek protection from creditors to give MTV sufficient time to complete its refinancing efforts to allow for the completion of the construction of its underground mine. This is the equivalent of filing for creditor protection under the Companies' Creditors Arrangement Act in Canada.

After careful consideration of all available alternatives following thorough consultation with its advisors, the Company and MTV determined that it was in the best interests of MTV and all of its stakeholders to file for an application for creditor protection under the JRP.

The initial court order sought is expected to provide a stay of creditor claims and the exercise of contractual rights with a view to provide the necessary protection to allow MTV to negotiate repayment terms with its creditors that should provide a financial foundation to grow MTV's business.

MTV expects that upon a successful negotiation with its creditors, that additional capital will be committed by the Company and MTV's senior lenders to begin construction of the Papomono Masivo incline block caving underground mining project. While under construction for the next 12 months, MTV will reduce operations during the current low copper price environment drawing down inventory, processing ore from third party miners, and continuing its tolling services. Upon successful completion of the construction project, MTV expects to begin mining the higher grade, lower cost ore that should be delivered by Papomono Masivo.

The MTV project is important to the surrounding communities and the surrounding communities important to MTV. MTV's operations will continue during this process operating with the support of local businesses and with the artisanal miners that will continue supplying the plant with fresh oxide ore.

The Company will provide a further update on this process once more information is available.

Filing for a JRP is an event of default under the senior secured facility agreement entered into between MTV and its senior lenders of which the Company is a party to. The Company's maximum exposure under the senior secured facility agreement is its corporate guarantee of USD\$10 million.

About Sprott Resource Holdings Inc.

SRHI is a publicly-listed diversified resource holding company focused on the natural resource industry. SRHI is currently focused on expanding its copper mining operation in Chile and divesting of its legacy investments. Based in Toronto, SRHI is managed under a services contract by a team of resource professionals and its business and investments are concentrated in the mining sector. For more information about SRHI, please visit www.sprottresource.com.

Cautionary Statement Regarding Forward-Looking Information

Certain statements in this news release, contain forward-looking information (collectively referred to herein as the "Forward-Looking Statements") within the meaning of applicable Canadian 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 news release contains Forward-Looking Statements pertaining to: seeking protection from creditors; giving MTV sufficient time to complete its refinancing efforts, providing the necessary protection to allow MTV to negotiate repayment terms, and timing thereof; the providing of a financial foundation to grow MTV's business, beginning the construction of the Papomono Masivo underground mine, reducing operations during the current environment, drawing down inventory, processing ore from third party miners and continuing its tolling services; expecting higher grade, lower cost ore and artisanal miners continuing to supply the plant.

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: a successful negotiation with creditors, including the senior lenders during the stay period; additional financing available from the majority shareholder and senior lenders, there being no additional significant disruptions affecting the development and operation of MTV; and assumptions concerning general marketing, political, business and economic conditions.

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) 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 mineral reserves, production, costs and expenses; and labour, health, safety and environmental risks) and risks associated with the other portfolio companies' industries; (ii) risks associated with investments in emerging markets; (iii) general economic, market and business conditions; (iii) failure to secure additional financing in the future on acceptable terms, if at all; (iv) commodity price fluctuations and uncertainties; (v) risks associated with catastrophic events, manmade disasters, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic or other public health crises, including COVID-19; (vi) risk that MTV and/or the Company cease to be going concerns and the Company's guarantee of the MTV debt is called and the related pledge is realized (vii) those risks disclosed under the heading "Risk Management" in SRHI's Management's Discussion and Analysis for the year ended December 31, 2019; and (viii) those risks disclosed under the heading "Risk Factors" or incorporated by reference into SRHI's Annual Information Form dated March 24, 2020.

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.

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