

SPROTT ENERGY HOLDCO LTD.

Sale of Non-Operated

Gas Producing Assets in Alberta

Spring 2023

DESCRIPTION OF THE PROCESS

Sprott Energy Holdco Ltd. (“**Sprott**” or the “**Company**”) has initiated a process to divest of the Company’s natural gas producing assets and has retained ARCO Capital Partners Inc. (“**ARCO**”) as its exclusive financial advisor to assist in this process (the “**Process**”).

The marketed properties include non-operated interests in 7 gross wells situated in Ansell, Pine Creek and Willesden Green, currently producing ~95 BOE/d to Sprott’s working interest (the “**Properties**”). The Company’s preference is for the sale of its entire working interest in the Properties as part of a single or multiple transactions. While non-cash offers may be considered, the Company’s preference is for cash consideration.

Unless otherwise noted, referenced production data from the Properties reflects sales volumes for the months of January and February 2023. McDaniel & Associates Consultants Ltd. (“**McDaniel**”) has completed a NI 51-101 compliant reserves report with an effective date of December 31, 2022, utilizing McDaniel’s January 1, 2023, forecast pricing which is posted on its website.

A Confidentiality Agreement (“**CA**”) is available to prospective parties by contacting ARCO directly. Parties who execute a CA will have access to confidential information via an online data room (the “**Data Room**”). The anticipated deadline for non-binding proposals for the Process is expected to be **June 5, 2023**, but such date may be subject to change by the Company. Parties that have executed the CA will be provided detailed bidding instructions, including the submission guideline for proposals.

It is the intention of Sprott to conduct the Process with minimal disruption to Sprott’s operations, as such interested parties should make inquiries and requests for information directly to ARCO.

Sprott reserves the right to alter the Process, close the Data Room, change the date for proposals and/or decline any or all offers. The purchaser is responsible for its own due diligence. Sprott and ARCO make no representation or warranty as to the accuracy or completeness of this document or the information contained herein.

PROCESS TIMELINE



April 2023						
S	M	T	W	R	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May 2023						
S	M	T	W	R	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June 2023						
S	M	T	W	R	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July 2023						
S	M	T	W	R	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

 Weekends
 Holidays

 Virtual Data Room Opens
 Anticipated Bid Deadline

CONTACT INFORMATION



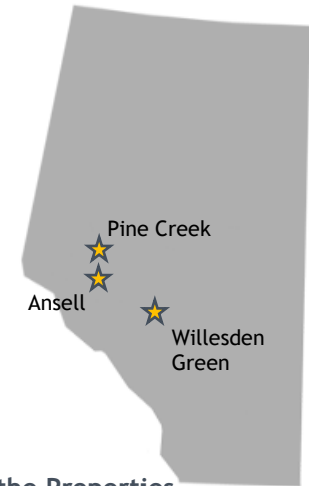
Interested parties should contact the below with respect to signing a CA and/or accessing the Data Room and for any other enquiries related to the Process:

Dejan Kukic, CFA	Tel:	403.560.2398
President	Email:	dkukic@arcocapital.ca
ARCO Capital Partners Inc.	Domain:	arcocapital.ca

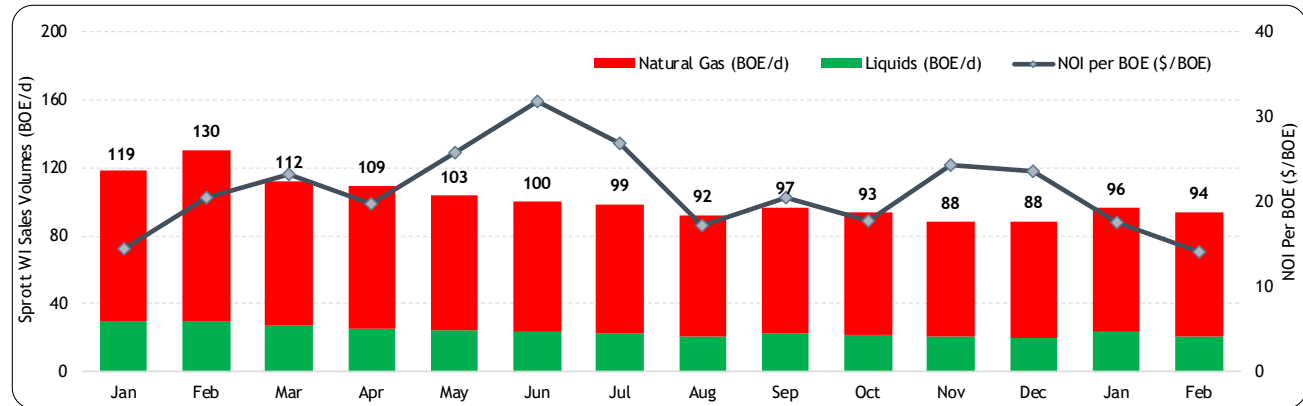
ASSET OVERVIEW & HIGHLIGHTS

- Sprott's E&P portfolio consists of 7 gross (2.3 net) producing gas wells located in Ansell, Pine Creek and Willesden Green.
- Wells are operated by Bonavista, Peyto and Spartan Delta with Sprott holding a non-operated working interest ranging from 26% to 40%.
- Wells are producing from the Bluesky and Notikewin Formations.
- Properties averaged 22 bbl/d of NGLs and 435 Mcf/d to Sprott's working interest during the first two months of 2023, with corresponding annualized net operating income of ~\$0.6 MM (\$15.90/BOE).
- Production in Q4/2022 averaged 90 BOE/d and resulted in annualized net operating income of \$0.72 MM (\$21.70/BOE) based on \$40/BOE of sales revenue, royalty rate of 18% and operating costs of \$11/BOE, including \$7.50/BOE of fees related to gas processing and transportation.
- Wells were placed on production in 2015, resulting in minimal current decline rate.
- PDP RLI of 6.5 years based 2023 forecast.

Properties	Ansell	Pine Creek	Willesden Green
Producing Formation	Bluesky	Bluesky	Notikewin
Gross Producing Wells	1	4	2
Operator	Peyto	Bonavista	Spartan Delta
Working Interest	40%	26% - 33%	40%
Gross Area (Acres)	640	1,920	640



2022/2023 Sales Volumes and Net Operating Income (\$/BOE) for the Properties



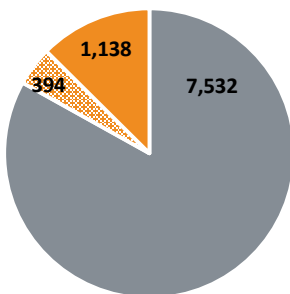
Properties	Sales Volumes				Net Operating Income			Reserves Summary - McDaniel (Dec. 31, 2022)							
	Jan/Feb Actuals from LOS			2023E	2023	2022	2023 ⁽¹⁾	Total PDP				P+PDP ⁽²⁾			
	NGL	Gas	Total					NGL	Gas	Total	NPV 10 BT	NGL	Gas	Total	NPV 10 BT
	bbl/d	Mcf/d	BOE/d	PDP Est. BOE/d	Jan/Feb Ann. \$M	Q4 Ann. \$M	PDP Est. \$M	Mbbl	MMcf	Mboe	\$M	Mbbl	MMcf	Mboe	\$M
Ansell	2	127	24	22	170	204	100	6	310	58	400	8	395	73	489
Pine Creek	9	180	39	38	170	269	167	21	394	86	593	24	461	101	700
Willesden Green	11	128	32	26	246	245	136	18	240	58	510	23	301	73	623
Corporate (Carbon Tax)							(1)				(19)				(24)
Total	22	435	95	86	586	718	402	45	944	202	1,484	55	1,157	247	1,788

(1) PDP NOI estimate is based on McDaniel's commodity price assumptions for 2023 as follows: US\$80.00/bbl WTI and \$4.00/mmbtu Aeco.

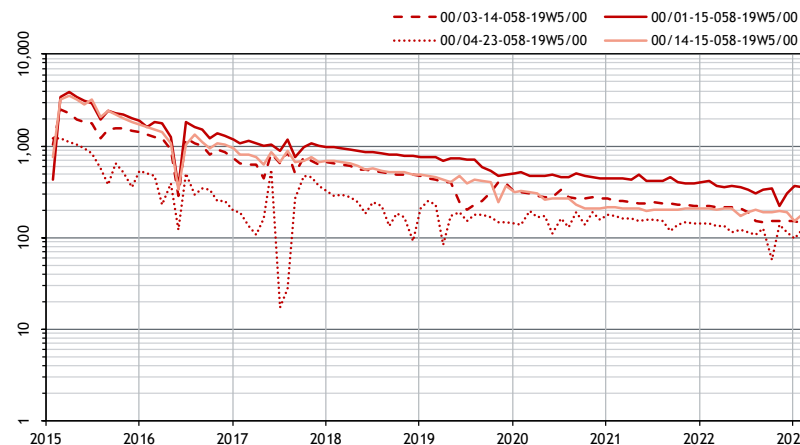
(2) Proved + Probable Developed Producing Reserves category booked by McDaniel.

Property:	Pine Creek	
Wells:	4 gross (1.1 net)	
Operator:	Bonavista	
Producing Zone:	Bluesky	
Acres (gross):	1,920	
UWI / WI (%)	100/03-14-058-19-W5	26.4
	100/01-15-058-19-W5	26.2
	100/04-23-058-19-W5	32.8
	100/14-15-058-19-W5	26.9

Field Recovery (MMcf) *

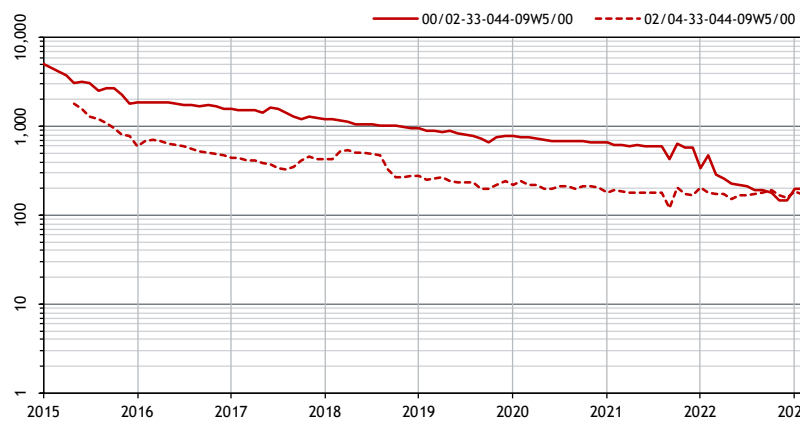
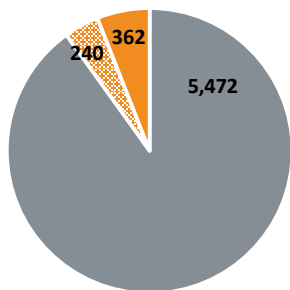


Gross Production by Well (Mcf/d)



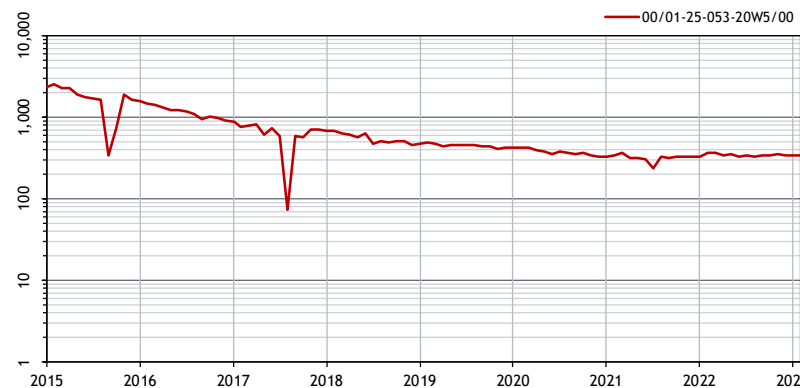
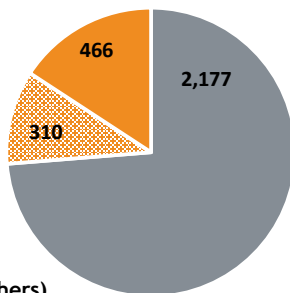
Property:	Willesden Green	
Wells:	2 gross (0.8 net)	
Operator:	Spartan Delta	
Producing Zone:	Notikewin	
Acres (gross):	640	
UWI / WI (%)	100/02-33-044-09-W5	40.0
	102/04-33-044-09-W5	40.0

Field Recovery (MMcf) *



Property:	Ansell	
Wells:	1 gross (0.4 net)	
Operator:	Peyto	
Producing Zone:	Bluesky	
Acres (gross):	640	
UWI / WI (%)	100/01-25-053-20-W5	40.0

Field Recovery (MMcf) *



* Chart Legend: ■ Produced ■ Recoverable (Sprott) ■ Recoverable (Others)