SPROTT

2016 Q2 Results Conference Call

August 12, 2016

Forward-looking Statements

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Certain statements in this presentation 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 forgoing, this presentation contains Forward-Looking Statements pertaining to: (i) decrease in run-rate spend on the diversified alternative asset management business; (ii) several new product launches through 2016; (iii) strong performance from resource team should translate into new sales and increased AUM; and (iv) top line growth expected to translate into improved profitability.

Although the Company 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: (i) the impact of increasing competition in each business in which Sprott Inc. (the “Company”) operates will not be material; (ii) quality management will be available; and (iii) the effects of regulation and tax laws of governmental agencies will be consistent with the current environment. 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) difficult market conditions; (ii) changes in the investment management industry; (iii) risks related to regulatory compliance; (iv) failure to deal appropriately with conflicts of interest; (v) failure to continue to retain and attract quality staff; (vi) competitive pressures; (vii) corporate growth may be difficult to sustain and may place significant demands on existing administrative, operational and financial resources; (viii) failure to execute the Company’s succession plan; (ix) foreign exchange risk relating to the relative value of the U.S. dollar; (x) litigation risk; (xi) employee errors or misconduct could result in regulatory sanctions or reputational harm; (xii) failure to implement effective information security policies, procedures and capabilities; (xiii) failure to develop effective business resiliency plans; (xiv) failure to obtain or maintain sufficient insurance coverage on favourable economic terms; (xv) historical financial information is not necessarily indicative of future performance; (xvi) the market price of common shares of the Company may fluctuate widely and rapidly; and (xvii) those risks described under the heading "Risk Factors" in the Company’s annual information form dated March 10, 2016. In addition, the payment of dividends is not guaranteed and the amount and timing of any dividends payable by the Company will be at the discretion of the Board of Directors of the Company and will be established on the basis of the Company’s earnings, the satisfaction of solvency tests imposed by applicable corporate law for the declaration and payment of dividends, and other relevant factors. The Forward-Looking Statements speak only as of the date hereof, unless otherwise specifically noted, and the Company 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

Speakers

Peter Grosskopf

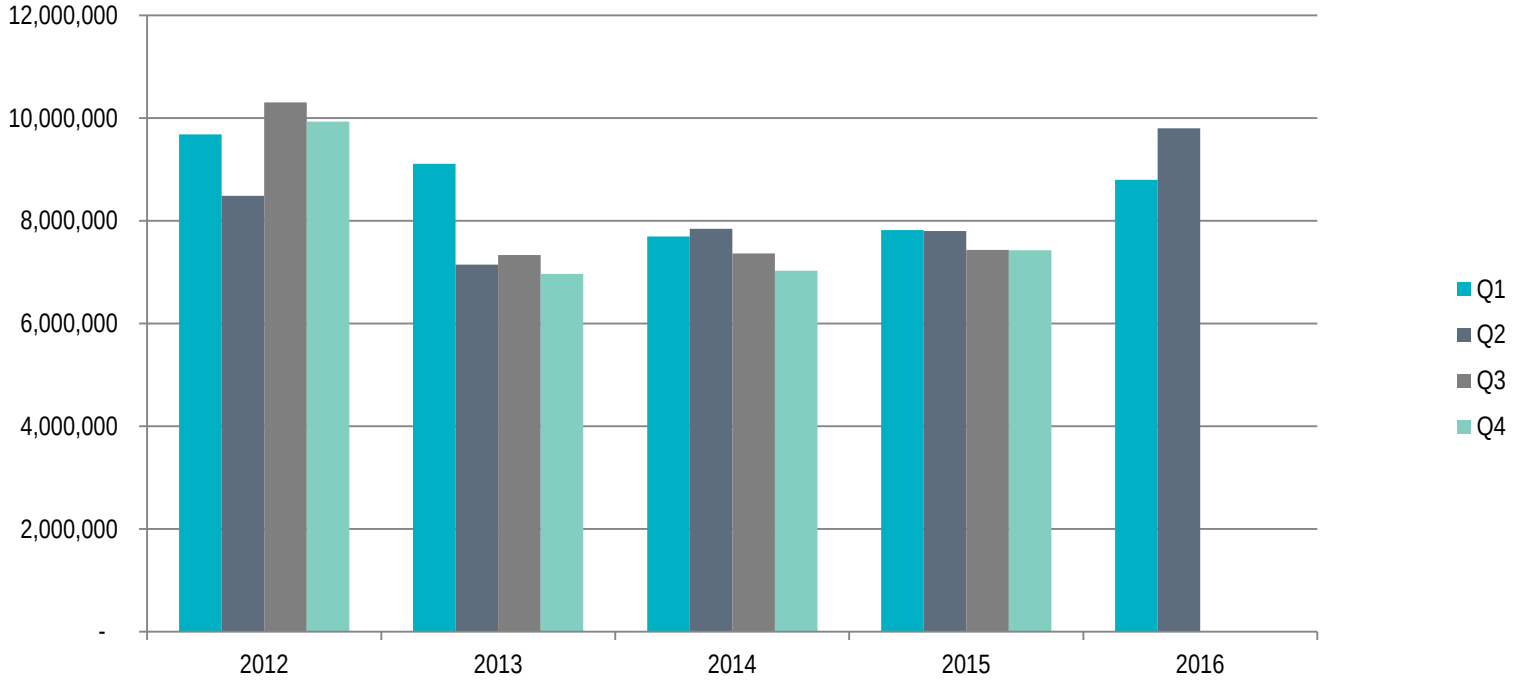
Chief Executive Officer, Sprott Inc.

Kevin Hibbert

Chief Financial Officer, Sprott Inc.

Strong YTD AUM Growth

- Surpassed $10B in AUM in July
- Assets Under Management increased by 30% or ~$2.4B in H1 2016



Q2 2016 Financial Review

- Adjusted Base EBITDA of $0.02 per share
- Net income of $0.07 per share
- $17.6MM in gains on proprietary investments during Q2
  - Prop book has generated $29MM in gains YTD
- Balance sheet remains strong with $304MM in investable capital at June 30, 2016

Q2 and YTD Highlights

- Precious metals are the best performing asset class YTD
  - Active strategies are up ~100%
  - Exchange-listed strategies have returned to growth
- Completed ~$110MM secondary offering of PSLV units
- Launched ATM program for Physical Trusts
- Positive net sales despite a challenging operating environment for independents
- Completed $200MM first close of Sprott Private Resource Lending LP

AUM Roll Forward

$ (in millions)	March 31, 2016			June 30, 2016
Product Type	AUM, Beginning of Period	Net Sales/ (Redemptions)	Market Value Change	AUM, End of Period
Exchange Listed Products[1]	4,170	151	509	4,830
Diversified Alternative Asset Management				
Mutual Funds[1]	2,449	(27)	216	2,638
Alternative Investment Funds	958	40	109	1,107
Managed Accounts	69	(12)	14	71
Private Resources				
Fixed Term LPs	333	–	31	364
Managed Companies	707	–	(45)	662
Managed Accounts	113	–	16	129
Total	**8,799**	**152**	**850**	**9,801**

[1] Prior to 2016, the “Bullion Funds” category combined Physical Trusts as well as Bullion Mutual Funds. Bullion Mutual Funds are now part of the “Mutual Funds” category while the Physical Trusts have been combined with ETFs as part of the “Exchange Listed Products” category.

Revenues

$ millions	Q2 2016	Q2 2015
Total Net Revenues	**44.7**	24.4
Key revenue highlights:		
Management fees (net of trailers & sub-advisory)	**16.3**	15.4
Gains (losses) on proprietary investments	**17.6**	3.4
Interest income (excluding non-cash interest on impaired loans)	**3.6**	3.9
Commissions	**4.5**	1.5
Other income	**1.3**	0.3

Expenses

- Expense management program underway

$ millions	Q2 2016	Q2 2015
Total expenses	**28.9**	20.1
Key expense highlights (excluding Trailers and Sub-advisory):		
Compensation	**11.6**	7.6
Selling, general & administrative	**7.9**	5.9
Stock-based compensation	**1.4**	0.2
Other expenses	**1.5**	0.9

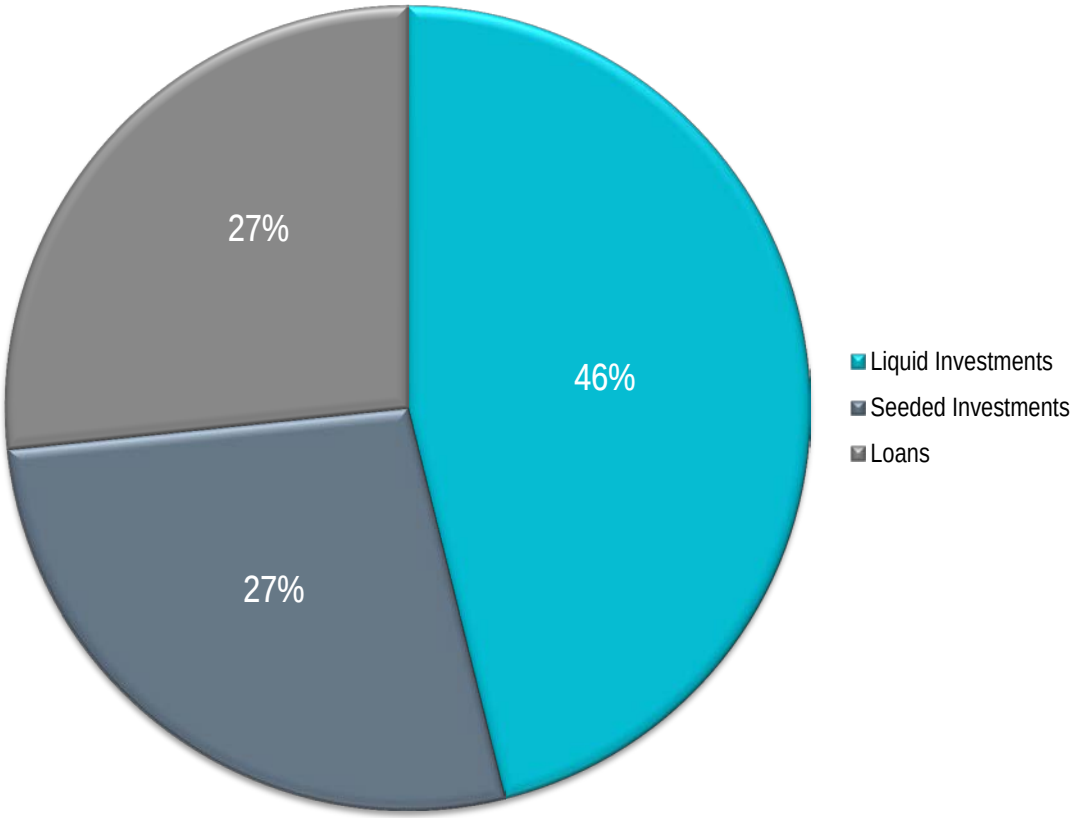
EBITDA Reconciliation

$ millions (except for per share amounts)	Q2 2016	Q2 2015
Net Income	**16.9**	6.7
Per share	*0.07*	*0.03*
Adjustments:		
Interest expense	**–**	–
Provision for income taxes	**3.1**	1.6
Depreciation and amortization	**1.8**	1.6
EBITDA	**21.8**	9.9
Other Adjustments:		
Impairment of intangible assets	–	–
Impairment of goodwill	–	–
(Gains) & losses on proprietary investments	**(17.6)**	(3.4)
General loan loss provisions	–	–
(Gains) & losses on foreign exchange	**0.6**	0.8
Non-cash and non-recurring stock based compensation	**0.8**	(0.5)
Other	**0.9**	0.3
Adjusted EBITDA	**6.5**	7.1
Less:		
Performance Fees	**(1.1)**	–
Performance fee related expenses	**0.4**	–
Adjusted base EBITDA	**5.8**	7.1
Per share	*0.02*	*0.02*

Balance Sheet Strength

- $304 million in investable capital
- Mostly liquid or liquidity within two years
- Priorities remain:
  - Preservation of capital
  - Yield
  - Seed investments

Invested Capital Composition – June 30, 2016



Loan Book

Total Loan Book:

- Mining (7 loans): $52.6 MM
- Energy (5 loans): $29.0 MM

Maturity of Loans

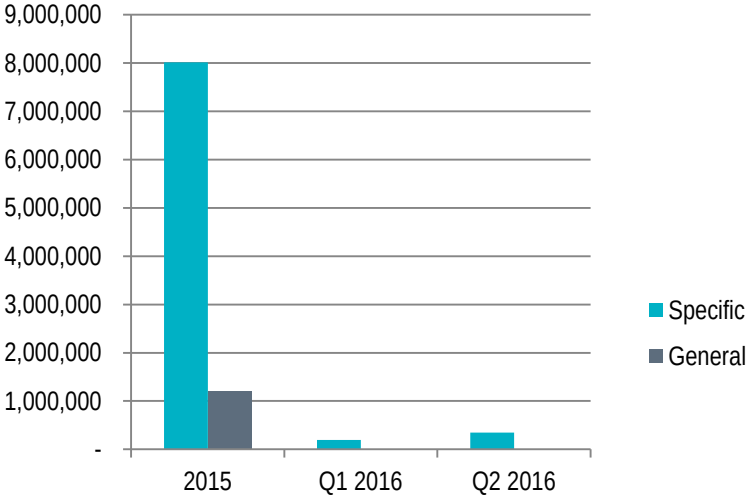
- Under 12 months: $34.5 MM
- Over 12 months: $47.1 MM

Loans by Geography*

- Canada (6 loans): $52.3 MM
- US (1 loan): $1.2 MM
- International (5 loans): $28.1 MM

*Based on geographic location of underlying security

Loan Loss Provision Additions



H2 2016 Outlook

- Several new product launches scheduled
  - Alternative income
  - Private resources
- Introducing Sprott Global Gold Fund to institutional investors
- Strong performance from resource team expected to translate into new sales and increased AUM
- Top line growth expected to translate into improved profitability
  - In addition, cost reduction efforts will assist profitability