

This document contains key information you should know about Sprott Gold & Precious Minerals Fund Series I Units ("Fund"). You can find more detailed information in the Fund's simplified prospectus. Ask your adviser for a copy, contact Sprott Asset Management at 1-866-299-9906 or invest@sprott.com, or visit www.sprott.com.

QUICK FACTS

| | | | |
|--|---|----------------------------|-----------------------------------|
| Date fund created: | October 5, 2004 | Portfolio Manager: | Sprott Asset Management LP |
| Total value on May 31, 2011: | \$779.21 million | Distributions: | Annually in December |
| Management expense ratio (MER): | Information has not been provided since no units of this series exist | Minimum Investment: | \$1,000 initial, \$100 additional |

WHAT DOES THE FUND INVEST IN?

The Fund seeks to provide long-term capital growth. In order to achieve its investment objective, the Fund invests primarily in gold, gold certificates, precious metals and minerals, the certificates relating to such metals and minerals and/or in equity securities of companies that are directly or indirectly involved in the exploration, mining, production or distribution of gold and precious metals and minerals.

The chart below gives a snapshot of the Fund's investments.

Top 10 Investments (May 31, 2011)

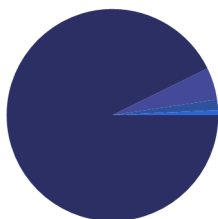
| | |
|---------------------------|-----------------------------|
| 1 Barrick Gold Corp. | 6 Colossus Minerals Inc. |
| 2 Silver Wheaton Corp. | 7 IamGold Corporation |
| 3 Osisko Mining Corp. | 8 San Gold Corporation |
| 4 Silver Bullion | 9 Eldorado Gold Corporation |
| 5 Kirkland Lake Gold Inc. | 10 Minera Andes Inc. |

Total Investments: 203

The top 10 investments make up 38% of the fund.

Investment mix (May 31, 2011)

- Materials 92.7%
- Bullion 4.9%
- Cash 1.6%
- Other 0.8%



HOW RISKY IS IT?

When you invest in a Fund, the value of your investment can go down as well as up. The Fund's risk is high.

For a description of the specific risks of the Fund, see the Fund's simplified prospectus.



ARE THERE ANY GUARANTEES?

Like most mutual funds, this Fund does not have any guarantees. You may not get back the money you invest.

HOW HAS THE FUND PERFORMED?

This section tells you how the series has performed since inception. Returns are after fund expenses have been deducted. These expenses reduce the series returns. Returns are before any taxes you may incur. Your actual after-tax return will depend on your personal tax situation.

It's important to note that this doesn't tell you how the Fund will perform in the future.

Average return

Information has not been provided since no units of this series exist.

Year-by-year returns

Information has not been provided since no units of this series exist.

WHO IS THIS FUND FOR?

The Fund is suitable for those investors who want exposure to the capital appreciation potential of gold and precious metals and minerals and equity securities of companies that are involved in the exploration, mining, production or distribution of gold and precious metals and minerals. Investors should be comfortable with high investment risks and have a long-term investment horizon.

! Don't buy this Fund if you need a steady source of income from your investments.

Before you invest in any fund, you should consider how it would work with your other investments and your tolerance for risk.

A WORD ABOUT TAX

In general, you'll have to pay income tax on any money you make on the Fund. How much you pay depends on the tax laws where you live and whether or not you hold the Fund in a registered plan such as a Registered Retirement Savings Plan, or a Tax-Free Savings Account.

Keep in mind that if you hold your Fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

HOW MUCH DOES IT COST?

The following tables show the fees and expenses you could pay to buy, own and sell Series I units of the Fund. The Fund has other series. The fees and expenses are different for each series. Ask your adviser about other series that may be suitable for you.

1. Sales Charges

You will be charged an initial sales charge when you buy units of the Fund.

| Sales charge option | What you pay | | How it works |
|-----------------------------|-------------------------------------|---|--|
| | in percent (%) | in dollars (\$) | |
| Initial sales charge | 0% to 5% of the amount you purchase | \$0 to \$50 for each \$1,000 investment | <ul style="list-style-type: none"> Investors pay a fee of between 0% to 5% to the dealer at the time of purchase. The actual amount of the initial sales charge is to be negotiated between you and your dealer. The initial sales charge is deducted from the gross amount at the time of purchase. It goes to your dealer as sales commission. |

2. Fund Expenses

You don't pay these expenses directly. They affect you because they reduce the Fund's returns.

Information has not been provided since no units of this series exist.

Annual rate (as a % of the Fund's assets except as noted)

Management expense ratio (MER)

Information has not been provided since no units of this series exist.

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Trading expense ratio (TER)

Information has not been provided since no units of this series exist.

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Fund expenses

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Incentive Fee

The Fund will pay us annually an incentive fee, subject to applicable taxes such as HST, equal to a percentage of the average daily net asset value of the series of the Fund. Such percentage will be equal to 10% of the difference by which the return in the net asset value per unit of the series of the Funds from January 1 to December 31 exceeds the percentage return of the S&P/TSX Global Gold Index (or any successor index to such index), for the same period. If the performance of series I of the Fund in any year is less than the performance of the index described above (the "Deficiency"), then no incentive fee will be payable in any subsequent year until the performance of the series I of the Fund, on a cumulative basis calculated from the first of such subsequent years has exceeded the amount of the Deficiency. We may reduce the incentive fee payable by the Fund with respect to a particular investor. Investors who are entitled to the benefit of a lower incentive fee may receive a fee distribution from the Fund so that those investors receive the benefit of the lower incentive fee. Additionally, investors in series I units may negotiate a different incentive fee than the one described above or no incentive fee at all.

3. Other Fees

You may have to pay other fees when you sell, reclassify or switch units of the Fund.

| FEE | WHAT YOU PAY |
|--|---|
| Switch Fee / Reclassification Fee | A fee of 0-2% of the value of the units you wish to switch or reclassify may be charged by your dealer, as negotiated with your dealer. |
| Short Term Trading Fee | We may impose a short-term trading fee payable by the unitholder to us of up to 3% of the aggregate net asset value of the units redeemed if such units are redeemed within 180 days of their date of purchase or switch. A short-term trading fee will not be charged for a redemption of units (i) acquired through automatic reinvestment of all distributions of net income or capital gains by the Fund; (ii) in connection with a failed settlement of a purchase of units; (iii) for switches between the Fund and another Sprott mutual fund; (iv) for reclassifications of units from one series to another; (v) for a redemption of units by another investment fund or investment product approved by us; or (vi) in the absolute discretion of the Manager. For purposes of this short-term trading fee, units will be considered to be redeemed on a first-in first-out basis. Short-term trading fees are payable in addition to any applicable deferred sales charges. |

WHAT IF I CHANGE MY MIND?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also gives you the right to cancel an agreement to buy mutual fund units and receive your money back, or to make a claim for damages, if the simplified prospectus, annual information form or financial statements misrepresent any facts about the Fund. These rights must be exercised within the time limits set by the Securities legislation in your province or territory.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

FOR MORE INFORMATION

Contact Sprott Asset Management LP or your adviser for the Fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the Fund's legal documents.

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