

Sprott Private Credit Fund L.P.

MANAGER

SPROTT ASSET MANAGEMENT LP

Sub-Advisor

THIRD EYE CAPITAL MANAGEMENT INC.:

Arif N. Bhalwani, MBA, CFA

CEO and Managing Director

- Over 15 years venture capital, private equity, and distressed investing experience
- Founder of Pinnacle Capital
- Director of Commercial Finance Association
- Member of CFA Institute, Turnaround Management Assoc., Canadian Venture Capital and Private Equity Assoc., and Alternative Investment Management Association
- MBA from Queen's University and is a CFA Charterholder.

David G. Alexander, MBA, CMA, ICD.D

Vice Chairman and Managing Director

- Over 30 years commercial finance experience
- Former CEO of The CIT Group in Canada
- Founder of Securcor Ltd. (1995), a commercial asset-based lender sold to The CIT Group
- MBA from Western University and DBA candidate from Nova Southeastern University

INVESTMENT OBJECTIVE

The investment objective of the Fund is to achieve superior risk-adjusted returns with minimal volatility and low correlation to most traditional asset classes, primarily by investing in asset-based loans of Canadian companies. The Fund will focus on identifying short-term opportunities primarily in Canadian companies that are otherwise unable to access financing. These companies are often overlooked or underappreciated by the general financial community due to size, perceived riskiness, complexity or timing.

INVESTMENT STRATEGY

- Capital preservation through senior liens on collateral assets with visible potential cash flows and/or liquidation or break-up values.
- The foundation of the strategy is rigorous, bottom-up fundamental analysis that emphasizes asset-level overcollateralization based on liquidation value, identifying good companies that are overlooked or out-of-favour, and diversification based on asset-type, investment size, as well as company and industry exposures.
- Each potential investment must also have an identifiable catalyst that will enable the borrower to retire the loan within a reasonable period of time, usually within one year

PORTFOLIO CONSTRUCTION

Origination and term sheet construction
Due diligence on collateral, business strength
Risk rating assigned, investment summary prepared
Investment committee
Monitoring – collateral tracking and covenant testing
Risk rating updates, audits and appraisals

RISK PROFILE	
	HIGH
	MED
	LOW

Fund Details

Fund Codes:	(A) Advisor (D) Distribution (F) Fee-Based
Fund Type:	Private, Secured Loans
Launch Date:	May 10, 2010
Launch NAV:	\$10.00 per unit CAD
Minimum Initial Investment:	Accredited Investors: \$25,000 CAD Non-Accredited Investors: \$150,000 CAD
Minimum Subsequent Investment:	\$25,000 CAD
Minimum Investment Term	12 month minimum hold on Series A, F 24 month minimum hold on Series D
Distributions	For Series D, 50% of net profits from preceding quarter
Valuations	Monthly
Redemptions	Monthly (180 days notice)
Management Fee:	2.3% annual - (A, D) 1.8% annual - (F)
Performance Fee	20% of net profits exceeding an 8% annual preferred rate
Eligible for registered plans	No

Fund Codes

December 30, 2011	
Class A	SPR 746
Class F	SPR 747
Class D	SPR 749

For more information:

Sprott Asset Management LP
Toll Free: 1.888.362.7172
Toll Free: 1.866.299.9906 (sales)
Fax: 416.943.6497
Web: www.sprott.com

The Sprott Private Credit Fund L.P. (the "Fund") is offered on a private placement basis pursuant to an offering memorandum and is only available to investors who meet certain eligibility or minimum purchase amount requirements under applicable securities legislation. The offering memorandum contains important information about the Fund including its investment objective and strategies, purchase options, applicable management fees, performance fees, other charges and expenses, and should be read carefully before investing. Please contact your own personal advisor on your particular circumstance. This communication does not constitute an offer to sell or solicitation to purchase securities of the Fund.

The information contained herein does not constitute an offer or solicitation by anyone in the United States or in any other jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Prospective investors who are not resident in Canada should contact their financial advisor to determine whether securities of the Fund may be lawfully sold in their jurisdiction.