



Sprott Asset Management

SIMPLIFIED PROSPECTUS

September 23, 2011

SPROTT CORPORATE CLASS INC.

Offering Series A, Series F and Series I Shares (unless otherwise indicated)

SPROTT RESOURCE CLASS

SPROTT CANADIAN EQUITY CLASS

SPROTT DIVERSIFIED YIELD CLASS *(Series T and Series FT Shares also available)*

SPROTT GOLD AND PRECIOUS MINERALS CLASS

SPROTT ENERGY CLASS

SPROTT SHORT-TERM BOND CLASS

SPROTT SMALL CAP EQUITY CLASS

SPROTT TACTICAL BALANCED CLASS *(Series T and Series FT Shares also available)*

(the “Funds”)

Each Fund is a class of shares of Sprott Corporate Class Inc.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The Funds and the securities of the Funds under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance upon exemptions from registrations.

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INTRODUCTION

In this document, “we”, “us”, “our” or “the Manager” refers to Sprott Asset Management LP, the manager and portfolio adviser to Sprott Resource Class, Sprott Canadian Equity Class, Sprott Diversified Yield Class, Sprott Gold and Precious Minerals Class, Sprott Energy Class, Sprott Short-Term Bond Class, Sprott Small Cap Equity Class and Sprott Tactical Balanced Class (collectively, the “Funds” and each, a “Fund”). Each Fund offered herein is a class of shares of Sprott Corporate Class Inc. (the “Corporation”) which is a mutual fund corporation. “Sprott mutual funds” refers to all of our mutual funds including those which operate as separate mutual fund trusts offered under other simplified prospectuses (the “Sprott Trust Funds”) and the Funds which are offered under this Simplified Prospectus. A reference in this document to “you” refers to everyone who invests in the Funds.

Each of the Funds offer three series of shares: Series A, Series F and Series I unless otherwise indicated. Series A shares are available to all investors. Series F shares are designed for investors who participate in fee-based programs. Series I shares are special purpose shares generally available only to institutional investors or as determined by the Manager on a case-by-case basis. Generally, an investor in Series I shares negotiates a separate fee that will be paid directly to the Manager by the investor or by the Fund. Each of Sprott Diversified Yield Class and Sprott Tactical Balanced Class also offer Series T shares and Series FT shares. Series T shares are intended for investors who seek monthly distributions at a target annual distribution rate consisting of returns of capital. Series FT shares are designed for investors who participate in fee-based programs and who seek monthly distributions at a target annual distribution rate consisting of returns of capital.

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. This document contains information about the Funds and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Funds. This document is divided into two parts:

- pages 1 to 20 contains general information applicable to the Funds; and
- pages 21 to 49 contain specific information about the Funds described in this document.

Additional information about the Funds is available in the Annual Information Form, the Funds’ most recently filed annual financial statements, any interim financial statements of the Funds filed after those annual financial statements, the most recently filed fund facts, the most recently filed annual management report of fund performance (MRFP) and any interim MRFP filed after that annual MRFP, once available. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You may obtain copies of these documents upon request, and at no charge, by calling toll free at 1-(866)-299-9906, or from your investment adviser directly, or via email at invest@sprott.com, or from our website at www.sprott.com.

These documents and other information about the Funds are also available on the Internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is an investment vehicle that pools money of many individuals who have similar investment goals, and invests it in a variety of securities in an effort to achieve a specific investment objective over time. Individuals who contribute money become securityholders of the mutual fund. Where a mutual fund issues more than one series, securityholders share in the mutual fund’s income, expenses and the gains and losses allocated to the securityholders’ series generally in proportion to the securities of that series they own. The value of an investment in a mutual fund is realized upon redeeming securities held. Mutual funds are managed by professional money managers who invest on behalf of the whole group.

Mutual funds are available in many varieties that are designed to meet the differing needs of investors. A fund may own different types of investments such as stocks, bonds, cash, derivatives or any combination of these investments, depending upon its investment objectives.

Mutual funds can also invest in the securities of other mutual funds, which are then referred to as *underlying funds*. How much a Fund invests in underlying funds, and the types of underlying funds they invest in, may vary. Investing in underlying funds allows the Manager to pool assets in a manner that is often more efficient for investors.

For example, the Funds other than Sprott Resource Class and Sprott Tactical Balanced Class invest only in other Sprott Trust Funds that have the same investment objective. This avoids much of the expense of managing two separate investment portfolios and can help enhance returns. Those underlying funds in turn invest in debt securities, equity securities, or both of them and may sometimes also invest up to 10% of their assets in other mutual funds.

What are the Risks of Investing in a Mutual Fund?

Every individual has a different tolerance for risk. Some investors are more conservative than others. It is important to evaluate your personal tolerance for risk, as well as the amount of risk suitable for your financial goals and time horizon when making investment decisions. The risks associated with investing in a mutual fund depend on the assets and securities in which the mutual fund invests, based upon the mutual fund's particular objectives.

Investors should take into account that the value of these investments will change from day to day, reflecting changes in interest rates, exchange rates, economic conditions, market, and company news. As a result, the value of a mutual fund's securities may go up or down, and the value of your investment in a mutual fund may be worth more or less upon redemption than when the securities were first purchased.

The Manager does not guarantee that the full amount of your original investment in a Fund will be returned to you. Unlike bank accounts or GICs, mutual funds are not insured under the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions. Please see "Redemptions for all Series of Shares" on page 11 for more information.

General Investment Risks

Listed below are some risks that can affect the value of an investment in a mutual fund. Since each of the Funds (other than Sprott Resource Class) invests in underlying funds, the risks of investing in a Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds, which the Fund takes on in proportion to its investment in the underlying funds.

To find out which of these risks apply to an investment in each of the Funds, please refer to "What are the Risks of Investing in the Fund?" under each individual fund profile starting on page 21.

Capital depletion risk

Series T and Series FT shares are designed to provide a cash flow to investors based on a target annual distribution rate. This distribution will be paid as a return of capital. A return of capital means a portion of the cash flow given back to you is generally money that was invested in a Fund, as opposed to the returns generated by the investment. This distribution to you should not be confused with "yield" or "income". Returns of capital that are not reinvested will reduce the total net asset value of the particular series of a Fund. As well, returns of capital reduce the total assets of a Fund available for investment, which may reduce the ability of the Fund to generate future income. You should not draw any conclusions about a Fund's performance from the amount of this distribution.

Capital gains risk

The Corporation will acquire from time to time in the future the assets of certain limited partnerships on a tax-deferred basis. These assets may have significant accrued gains at the time they are acquired by the Corporation and certain shareholders in the Funds may receive capital gains dividends as a result of the realization of the accrued capital gains by the Corporation. These capital gains may be realized as a result of shareholders switching from Sprott Resource Class to another Fund, as well as in other circumstances. The Corporation may declare and pay

capital gains dividends to shareholders of any of the Funds, regardless of whether or not the related capital gains resulted from a disposition of shares in that Fund's portfolio.

Taxable investors should consult with their tax advisors about this risk before purchasing securities of the Funds.

Class risk

Each of the Funds offered herein are distinct classes of a single Corporation. Accordingly, the Corporation as a whole is liable for each such Fund's expenses. If the Corporation can't pay the expenses of one Fund using its proportionate share of the Corporation's assets for any reason, the Corporation will be required to pay those expenses out of the other Funds' proportionate share of the Corporation's assets. That could lower the investment returns of the other Funds offered by the Corporation.

The Corporation may create additional Funds by issuing new classes of shares without notice to or approval of shareholders. The creation of additional Funds may indirectly mitigate this risk by creating a larger pool of Funds to draw from in satisfaction of the expenses of another Fund.

Commodity risk

Mutual funds that invest in commodities such as gold, silver and other precious minerals will be affected by changes in commodity prices. Commodity prices tend to be cyclical and can move significantly in short periods of time, including as a result of supply and demand, speculation, international monetary and political factors, government and central bank activity and changes in interest rates and currency values. In addition, new discoveries or changes in government regulations can affect the price of commodities.

Certain of the Funds may invest in underlying funds the investments of which include gold and/or silver bullion. Direct purchases of bullion may generate higher transaction and custody costs than other types of investments, which may impact the performance of a mutual fund. Bullion does not generate an income stream if held in an allocated, segregated account and not leased.

Concentration risk

Some mutual funds concentrate their investment holdings in specialized industries, market sectors, asset classes or in a limited number of issuers. Investments in these mutual funds involve greater risk and volatility than broadly based investment portfolios since the performance of one particular industry, market, asset class or issuer could significantly and adversely affect the overall performance of the entire mutual fund.

Credit risk

Mutual funds that invest in fixed-income securities are subject to credit risk. Issuers of debt securities promise to pay interest and repay a specified amount on the maturity date. Credit risk is the risk that such issuers will not pay that obligation. Credit risk is lowest among issuers that have good credit ratings from recognized credit rating agencies. The riskiest fixed-income securities are those with a low credit rating or no credit rating at all. These securities usually offer higher interest rates to compensate for the increased risk.

Currency risk

The net asset value of the Funds is calculated in Canadian dollars. Most foreign investments and investments in commodities are purchased in currencies other than the Canadian dollar. As a result, the value of those investments will be affected by the value of the Canadian dollar relative to the value of the foreign currency. The value of foreign denominated investments within a Fund may be worth more or less depending on changes in foreign exchange rates.

Derivatives risk

A derivative is a contract between two parties whose value is "derived" from the value of an underlying asset, such as a stock, or a market index. Mutual funds may use derivatives to limit potential losses associated with currencies, stock markets and interest rates. This process is called hedging. Mutual funds may also use derivatives for non-hedging purposes – to reduce transaction costs, achieve greater liquidity, create effective exposure to international financial markets or increase speed and flexibility in making portfolio changes.

Although derivatives may be used by mutual funds to seek to minimize risk, derivatives still have risks associated with their use and do not guarantee a gain or loss. Some examples of risks associated with the use of derivatives are:

- hedging strategies may not be effective;
- a market may not exist when the fund wants to close out its position in a derivative;
- the fund may experience a loss if the other party to a derivative is unable to fulfill its obligations;
- the derivative may not perform the way the manager expects it to perform, causing the fund to lose value; and
- costs of the derivative contracts with counterparties could rise.

Exchange traded funds risk

Mutual funds may invest in exchange traded funds (“ETFs”) that seek to provide returns similar to an underlying benchmark such as particular market indices or industry sector indices. ETFs may not achieve the same return as their benchmark indices due to differences in the actual weightings of securities held in the ETF versus the weightings in the relevant index, and due to the operating and administrative expenses of the ETF. As well, the Funds have obtained relief from the Canadian securities regulators so that they may invest in certain exchange traded funds managed by BetaPro Management Inc. (“BetaPro ETFs”). The BetaPro ETFs utilize leverage in an attempt to magnify returns by either a multiple or an inverse multiple of that benchmark. Shares of the BetaPro ETFs are highly speculative, involve a high degree of risk and are subject to increased volatility as they seek to achieve a multiple or inverse multiple of a benchmark.

Foreign investment risk

Mutual funds that invest in securities of foreign issuers will be affected by world economic factors. Obtaining complete information about potential investments from foreign markets may also be of greater difficulty. Foreign issuers may not follow certain standards that are applicable in North America, such as accounting, auditing, financial reporting and other disclosure requirements. Political climates may differ, affecting stability and volatility in foreign markets. As a result, mutual fund prices may fluctuate to a greater degree by investing in foreign equities than if the funds limited their investments to Canadian securities.

Pursuant to new U.S. tax rules, starting in 2014, shareholders in the Funds may be required to provide identity and residency information to the Corporation, which may be provided by the funds to U.S. tax authorities in order to avoid a U.S. withholding tax being imposed on U.S. and certain non-U.S. source income and proceeds of disposition received by the Corporation or on certain amounts paid by the Corporation to certain shareholders.

Inflation risk

Mutual funds are investment vehicles which generally have a long-term horizon. Many investors use them for retirement purposes. As a result of the long-term outlook for a mutual fund investment, the effects of inflation could significantly erode the value of an investor’s money over time. Managing inflation risks involves a diversified mix of investments with emphasis on equity securities, which have historically out-performed all other types of investments over the long-term.

Interest rate risk

Interest rates affect the value of fixed-income securities, including bonds, mortgages, treasury bills and commercial paper. These securities will generally rise if interest rates fall and fall if interest rates rise. Therefore, values of mutual funds which invest in fixed-income securities will change with fluctuating interest rates. Changes in interest rates may also affect the value of equity securities as investors shift between investment vehicles.

Liquidity risk

Liquidity is how quickly a security can be sold at a fair price and converted to cash. Mutual fund values will be affected by those securities that are difficult to sell because they may be small companies with limited outstanding securities or they may be unknown to investors and are not traded regularly. Difficulty in selling securities may result in a loss or a costly delay.

Market risk

The value of equity securities will change based on specific company developments and stock market conditions. Market value also varies with changes in the general economic and financial conditions in countries where investments are made.

Regulatory risk

Regulatory risk is the potential revenue impact on a company due to laws, regulation and policies of regulatory agencies. Governmental or regulatory permits and approvals may be required to proceed with planned projects. Any delay or failure in achieving the required permits or approvals would reduce the company's growth prospects.

Securities lending, repurchase and reverse repurchase transactions risk

Mutual funds may enter into securities lending, repurchase or reverse repurchase transactions as permitted by securities legislation. Securities lending is an agreement whereby a mutual fund lends securities through an authorized agent for a fee in exchange for collateral, and can demand the return of the securities at any time. Under a repurchase transaction, a mutual fund agrees to sell securities for cash while, at the same time, assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. A reverse repurchase transaction is a transaction pursuant to which a mutual fund buys securities for cash while, at the same time, agreeing to resell the same securities for cash (usually at a higher price) at a later date.

The risks associated with securities lending, repurchase or reverse repurchase transactions arise when a counterparty defaults under the agreement evidencing the transaction and the mutual fund is forced to make a claim in order to recover its investment. In a securities lending or a repurchase transaction, a mutual fund could incur a loss if the value of the securities loaned or sold has increased in value relative to the value of the collateral held by the mutual fund. In the case of a reverse repurchase transaction, a mutual fund could incur a loss if the value of the securities purchased by the mutual fund decreases in value relative to the value of the collateral held by the mutual fund.

To limit these risks:

- a mutual fund must hold collateral equal to no less than 102% of the value of the securities sold, loaned or cash paid (where the amount of collateral is adjusted each trading day to make sure that the value of the collateral does not go below the 102% minimum level);
- the collateral to be held may consist of cash, qualified securities or securities that can be immediately converted into securities sold or loaned; and
- repurchase transactions and securities lending agreements are limited to 50% of a fund's assets. Collateral held for loaned securities and cash paid for received securities are not included when making this calculation.

Series risk

The Funds are available in more than one series of shares. Each series has its own fees and expenses which the Funds track separately. If a Fund cannot pay the expenses of one series using that series' proportionate share of the assets of a Fund, the Fund will have to pay those expenses out of the other series' proportionate share of the assets, which would lower the investment return of those other series.

A Fund may issue additional series without notice to or approval of shareholders. The creation of additional series could indirectly result in a mitigation of this risk by creating a larger pool of assets for the Fund to draw from.

Short selling risk

A short sale by a Fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, the proceeds from the sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender). Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and make a profit for a Fund. Securities sold short may instead appreciate in value creating a loss for a

Fund. A Fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom a Fund has borrowed securities may go bankrupt and a Fund may lose the collateral it has deposited with the lender. The Funds will adhere to controls and limits that are intended to offset these risks by short selling only liquid securities and by limiting the amount of exposure for short sales. The Funds will also deposit collateral only with Canadian lenders that are regulated financial institutions or regulated dealers and only up to certain limits.

Small capitalization natural resource company risk

A portion of a Fund's portfolio may be invested in securities of small capitalization natural resource companies. The business models for these companies involve significant risks including the entire loss of the investment in the company. These companies can also provide significant returns if their exploration properties hold reserves which can be brought into production. Small capitalization natural resource companies typically have limited production, markets and financial resources. They are less able to sustain adverse competitive and market changes. Other risk factors include changes in resource prices, environmental regulations and possible claims on their resource properties.

Small company risk

Small companies can be riskier investments than larger companies. For one thing, they are often newer and may not have a track record, extensive financial resources or a well-established market for their securities. They generally do not have as many securities trading in the market, so it could be difficult for a Fund to buy or sell small company stock when it needs to. All of this means their prices can change significantly in a short period of time.

Substantial shareholder risk

A single investor (including a Sprott mutual fund) may buy or sell large amounts of shares of a Fund. As a result, a Fund may have to alter its portfolio significantly to accommodate large fluctuations in assets.

Tax risk

There can be no assurance that the tax laws applicable to the Corporation, including the treatment of certain gains and losses as capital gains and losses, will not be changed in a manner which could adversely affect the Funds or the Funds' shareholders. Furthermore, there can be no assurance that the Canada Revenue Agency will agree with the Manager's characterization of the gains and losses of the Corporation as capital gains and losses or ordinary income and losses in specific circumstances. If any transactions of the Funds are reported on capital account but are subsequently determined by the Canada Revenue Agency to be on income account, there may be an increase in the net income of the Corporation for tax purposes, which may result in tax payable by the Corporation and may result in an increase in ordinary dividends payable from the Funds.

Tracking risk

A Fund may seek to have its returns linked to the performance of an underlying fund by purchasing securities of the underlying fund. The Fund may not be able to track the performance of the underlying fund to the extent desired for the following reasons:

- the Fund bears its own fees and expenses;
- under normal circumstances, there will be a one business day delay between the time an investor buys shares of the Fund and the time the Fund gets additional exposure to the underlying fund. The possible impact of such a delay will be increased if new purchases of shares of the Fund are large compared to existing investments in the Fund.

ORGANIZATION AND MANAGEMENT OF THE FUNDS

<p><i>Manager</i></p> <p>Sprott Asset Management LP Royal Bank Plaza, South Tower Suite 2700, P.O. Box 27 Toronto, Ontario M5J 2J1</p> <p>Tel: 416-943-6707 Fax: 416-943-6497 Email: invest@sprott.com Website: www.sprott.com</p> <p>Toll Free: 1-866-299-9906</p>	<p>Sprott Asset Management LP acts as the manager to the Funds and is responsible for the day-to-day operations of the Funds including accounting and administration for shares of the Funds.</p>
<p><i>Portfolio Adviser</i></p> <p>Sprott Asset Management LP Toronto, Ontario</p>	<p>The Portfolio Adviser conducts research, selects, purchases, sells, and makes all investment decisions with regard to the portfolio securities of the Funds.</p>
<p><i>Custodian</i></p> <p>RBC Dexia Investor Services Trust Toronto, Ontario</p>	<p>The Custodian holds the Funds' cash and securities on behalf of the Funds and is responsible for ensuring that they are safe and secure. In some cases, for example securities lending, some of the assets of the Funds are not held by the Custodian. The Custodian is only responsible for the Funds' assets that are directly held by it, its affiliates or appointed subcustodians.</p>
<p><i>Recordkeeper</i></p> <p>RBC Dexia Investor Services Trust Toronto, Ontario</p>	<p>The Recordkeeper keeps a register of the owners of shares for the Funds, processes purchase and redemption orders, issues investor account statements and issues annual tax reporting information.</p>
<p><i>Auditors</i></p> <p>Ernst & Young LLP Toronto, Ontario</p>	<p>The Auditors annually audit the financial statements of the Funds to determine whether they fairly present, in all material respects, the Funds' financial position, results of operations and changes in net assets in accordance with Canadian generally accepted accounting principles.</p> <p>If a decision is ever made to change auditors of a Fund, investors in the Fund will not be asked to approve this change; however, we will provide such investors at least 60 days written notice before the effective date of the change in auditors.</p>
<p><i>Independent Review Committee ("IRC")</i></p>	<p>The mandate of the IRC is to review, and provide input on, our written policies and procedures that deal with conflict of interest matters in respect of the Sprott mutual funds and to review and, in some cases, approve conflict of interest matters. Each member of the IRC is independent of us and any party related to us. The IRC will prepare, at least annually, a report of its activities for investors. This report will be available on our website at www.sprott.com or you may request a copy, at no cost to you, by contacting us at</p>

	<p>invest@sprott.com.</p> <p>Additional information about the IRC, including the names of the members, is available in the Funds' Annual Information Form.</p>
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PURCHASES, SWITCHES AND REDEMPTIONS

Each Fund is permitted to issue an unlimited number of series of shares and may issue an unlimited number of shares of each series. Each of the Funds have created Series A, Series F and Series I shares. Sprott Diversified Yield Class and Sprott Tactical Balanced Class have also created Series T and Series FT shares.

Series A shares: Available to all investors.

Series F shares: Available to investors who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with us, investors for whom we do not incur distribution costs, or individual investors approved by us. You may only buy Series F shares if we and your broker, dealer or adviser approve the order first.

Series I shares: Available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager.

Series T shares: Available to all investors. Series T shares are designed to provide tax-efficient cash flow to investors by making monthly distributions of cash. Series T shares will make monthly distributions of an amount comprising a return of capital on the last business day of each month. The fixed monthly distribution amount will be reset at the beginning of each calendar year to provide an approximately 6% yield per annum based on the net asset value per Series T share as at December 31 of the prior year. Currently, the monthly distribution is expected to be approximately \$0.05 per Series T share. We reserve the right to adjust the distribution amount if deemed appropriate. There can be no assurance that the series will make any distributions in any particular month or months. For more details, see "Sprott Diversified Yield Class – Distribution Policy" on page 32 and "Sprott Tactical Balanced Class - Distribution Policy" on page 48.

Series FT shares: Other than the distribution policy, Series FT shares have the same features as Series F shares of the Fund. The distribution policy of the Series FT shares is the same as that of the Series T shares of the Fund. For more details, see "Sprott Diversified Yield Class – Distribution Policy" on page 32 and "Sprott Tactical Balanced Class - Distribution Policy" on page 48.

Although the money which you and other investors pay to purchase shares of any series is tracked on a series-by-series basis in the applicable Fund's administrative records, the assets are combined in a single pool to create one portfolio for investment purposes.

The Funds are available in each of the provinces and territories of Canada. You may purchase, switch or redeem shares of a Fund by contacting your investment adviser.

The minimum initial investment in Series A, Series F, Series T or Series FT shares of any of the Funds is \$1,000. The minimum subsequent investment in Series A, Series F, Series T or Series FT shares of any Fund is \$100. These minimum investment amounts may be adjusted or waived in the absolute discretion of the Manager.

You must include payment with your purchase order. Purchase orders which are deposited with a dealer will be forwarded by the dealer to RBC Dexia Investor Services Trust on the same day on which the purchase order is received, or if received after 4:00 p.m. (Eastern time), on the next business day. The dealer must send an investor's purchase order by courier, priority post or telecommunications facility *without charge to the investor*.

We have the right to accept or reject any purchase order, but must make a decision to reject an order within one business day after receiving the order. The payment received with that order would be refunded immediately.

No certificates are issued for shares purchased, but an investor receives, following each purchase of shares, a written statement indicating all relevant details of the purchase transaction, including the dollar amount of the purchase order, the net asset value per share applied to the purchase order and the number of shares purchased.

The purchase, switch or redemption price of a share of a Fund is the net asset value per share of a series prevailing at the time of purchase, switch or redemption. The net asset value per share for each series of shares of a Fund is based on the net asset value of the series' proportionate share of the assets of the Fund less the proportionate share of the expenses allocated to that series, divided by the total number of shares of that series outstanding. The price for a Fund share is calculated at the end of each business day.

All requests for any purchases, switches or redemptions of the applicable series of shares in a Fund must be received by RBC Dexia Investor Services Trust prior to 4:00 p.m. (Eastern time) on a regular business day in Toronto in order to receive that business day's share price for that series, which is calculated as of 4:00 p.m. (Eastern time) on that day. If your request is received after 4:00 p.m. (Eastern time) or on a day that is not a regular business day in Toronto, the share price applied to your request will be determined as of 4:00 p.m. (Eastern time) on the following regular business day in Toronto. You and your adviser are responsible for the completeness and accuracy of your order. Orders will only be processed if complete.

Your dealer may seek reimbursement from you for any of its losses caused by you in connection with a failed settlement of either a purchase or redemption of shares of a Fund where such dealer has the contractual right to do so.

The Funds are valued in Canadian dollars. Further information on the calculation of the net asset value of the Funds is described in the Funds' Annual Information Form. Please see page 1 to find out how to obtain a copy.

Please note that for shares that are purchased or redeemed through registered dealers approved by us, investors may be required to pay different fees and expenses. Please refer to "Fees and Expenses" on page 12 and "Dealer Compensation" on page 15.

Purchases of Series A Shares and Series T Shares

Series A shares of the Funds and Series T shares of Sprott Diversified Yield Class and Sprott Tactical Balanced Class are available to all investors under the following purchase options as indicated:

Initial Sales Charge Option

Under the Initial Sales Charge Option, investors may pay a fee of:

- between 0% to 5% to the dealer at the time of purchase for shares of each of the Funds (except for Sprott Short-Term Bond Class); and
- between 0% to 2% for shares of Sprott Short-Term Bond Class.

Series A shares of Sprott Short-Term Bond Class are only available under the Initial Sales Charge Option.

Low Load Option

Under the Low Load Option, investors pay no fees at the time of purchase, but the Manager pays a fee of:

- 3% to the dealer at the time of purchase for each of the Funds (except for Sprott Diversified Yield Class); and
- 2.5% to the dealer at the time of purchase of Sprott Diversified Yield Class.

Investors pay a deferred sales charge to the Manager at the time of redemption if they redeem their shares within three years of purchase.

Please see "Fees and Expenses" on page 12 and "Dealer Compensation" on page 15.

Purchases of Series F Shares and Series FT Shares

Series F shares and Series FT shares are available to investors who participate in fee-based programs with dealers who have signed a Series F Agreement or Series FT Agreement, as applicable, with us, investors for whom we do not incur any distribution costs, or individual investors approved by us. In fee-based programs, instead of paying sales charges or other charges on the purchase or redemption of Series F shares or Series FT shares, investors pay their dealer ongoing fees for investment management or financial planning advice. We don't pay any commissions or trailer fees to dealers who sell Series F shares and Series FT shares.

If you cease to be eligible to hold Series F shares of a Fund, we may switch your Series F shares into Series A shares of the same Fund under the Initial Sales Charge Option, after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold Series F shares.

If you cease to be eligible to hold Series FT shares of a Fund, we may switch your Series FT shares into Series T shares of the same Fund under the Initial Sales Charge Option, after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold Series FT shares.

Purchases of Series I Shares

Series I shares are available to institutional investors or to other investors on a case-by-case basis, all at our discretion. If you cease to be eligible to hold Series I shares, we may switch your Series I shares into Series A shares of the same Fund under the Initial Sales Charge Option after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold Series I shares.

Switches between Sprott Mutual Funds

You may, at any time, switch all or part of your investment in a series of shares of a Fund to securities of another Sprott mutual fund of the same series and the same purchase option, provided that the series of securities you wish to switch to is offered by that other Sprott mutual fund. If you wish to switch all or part of your investment in Series A shares of a Fund or Series T shares of Sprott Diversified Yield Class or Sprott Tactical Balanced Class that were purchased under the Low Load Option to a series of another Sprott mutual fund that is not available under the Low Load Option, you will be charged the amount of the applicable deferred sales charge at the time of such switch. You may request a switch of your series of shares by contacting your registered broker or dealer.

You may, at any time, switch all or part of your investment in one series of a Fund to another series of the same Fund, provided that you are eligible to invest in the series of shares that you are switching into. If you wish to switch all or part of your investment in Series A shares of a Fund or Series T shares of Sprott Diversified Yield Class or Sprott Tactical Balanced Class that were purchased under the Low Load Option to a series of the same Fund that is not available under the Low Load Option, you will be charged the amount of the applicable deferred sales charge at the time of such switch. If you wish to switch all or part of your investment in Series F, Series I or Series FT shares of a Fund into Series A or Series T shares of the same Fund, you can choose the Initial Sales Charge Option or the Low Load Option. If you choose the Low Load Option, the new series of shares issued to you will be subject to a deferred sales charge.

A switch between Funds, or a switch between series of a Fund, is not a disposition for tax purposes and will not result in a capital gain or loss. A switch between a Fund and other Sprott mutual funds will be a disposition for tax purposes and a capital gain or loss will result. Please see "Income Tax Considerations for Investors" on page 17.

If you switch Series A shares of a Fund or Series T shares of Sprott Diversified Yield Class or Sprott Tactical Balanced Class purchased under the Low Load Option into the same series of securities of another Sprott mutual fund available under the Low Load Option, for purposes of the Low Load Option, the original purchase date and price of the original series of shares will continue to apply.

When you switch shares of any series of a Fund, your registered dealer may charge you a switch fee of up to 2% of the net asset value of the shares switched. This fee is negotiated with and paid to your dealer. There is no switch fee charged when you switch shares of any series of Sprott Short-Term Bond Class.

Upon a switch of your series of shares, the number of securities you hold will change since each series of securities of a Sprott mutual fund has a different series net asset value.

Redemptions for all Series of Shares

You may redeem your shares of a Fund by completing a redemption request and depositing it with your registered dealer approved by us. We may require that an investor's signature on any redemption request be guaranteed by a bank, trust company, credit union or otherwise to our satisfaction. A redemption request received by RBC Dexia Investor Services Trust before 4:00 p.m. (Eastern time) on a regular business day will receive the redemption price for the applicable series of shares calculated for that day. A redemption request received after 4:00 p.m. (Eastern time) or on a day which is not a regular business day in Toronto, Ontario will receive the redemption price for the applicable series of shares calculated for the next regular business day. A dealer which receives a redemption request is required to transmit the redemption request to RBC Dexia Investor Services Trust *without charge to the investor* and where practicable, by courier, priority post or telecommunications facility.

Please note that in certain circumstances under the Low Load Option, you may be required to pay a deferred sales charge if you redeem shares. Please refer to "Fees and expenses payable directly by you" on page 14 for details.

RBC Dexia Investor Services Trust will pay redemption proceeds within three business days after the receipt of your order, provided the written request for redemption submitted to your registered dealer is complete and your registered dealer has provided correct settlement instructions to RBC Dexia Investor Services Trust.

We have the right, upon 30 days' written notice to the investor, to redeem shares owned by an investor if the value of those shares is less than \$1,000. An investor may prevent the automatic redemption by purchasing additional shares to increase the value of the shares to an amount equal to or greater than \$1,000 before the end of the 30-day notice period. Applicable deferred sales charges are payable on such automatic redemptions.

Under extraordinary circumstances, the rights of investors to redeem shares of a Fund may be suspended. This would most likely occur if normal trading is suspended in the market, within or outside Canada, which represents more than 50% by value, or underlying market exposure, of the total assets of the Fund (without any allowance for liabilities) and if the assets of the Fund cannot be traded in any other market that represents a reasonably practical alternative for the Fund. The Manager may also suspend the redemption of shares of a Fund with the consent of any securities commission or regulatory body having jurisdiction.

For a Fund the investment objective of which is to link its performance to the performance of another mutual fund, proposed amendments to securities legislation, if in force, would permit us to suspend redemptions of the Fund if the underlying fund has suspended redemptions. If such proposed amendments become law, we may suspend redemptions of a Fund in these circumstances.

We reserve the right to require any shareholder of a Fund to redeem such shareholder's entire holding or a portion of shares of the Fund at our sole discretion including where a shareholder is or becomes a U.S. citizen or resident of the United States or a resident of another foreign country if we conclude that their participation has the potential to cause adverse regulatory or tax consequences for the Corporation or other shareholders of a Fund.

Short-Term Trading

Short-term trading in shares of a Fund can have an adverse effect on the Fund. Such trading can increase brokerage and other administrative costs of the Fund and interfere with our long-term investment decisions.

We have adopted certain restrictions to deter short-term trading. For example, we may restrict your purchases if you engage in such short-term trading. Our restrictions also include charging a fee of up to 3% of the net asset value of the shares of the Fund (except for Sprott Diversified Yield Class and Sprott Short-Term Bond Class) that are redeemed within 180 days of purchasing or switching them. For Sprott Diversified Yield Class, our restrictions also include charging a fee of up to 1.5% of the net asset value of the shares of the Fund that are redeemed within 60 days of purchasing them. We will not impose any short-term trading fees for the redemption of shares of Sprott Short-Term Bond Class. These fees are payable to the Manager. They are in addition to any deferred sales charges that may apply and will reduce the amount otherwise payable to you on the redemption.

The short-term trading fees will not be charged:

- (i) for a redemption of shares acquired through automatic reinvestment of all dividends of net income or capital gains by a Fund;
- (ii) for a redemption of shares in connection with a failed settlement of a purchase of shares;
- (iii) as a result of switching between a Fund and another Sprott mutual fund;
- (iv) as a result of switching shares of a Fund from one series into another series of the same Fund;
- (v) for a redemption of shares by another investment fund or investment product approved by us;
- (vi) for a redemption of shares which were issued in connection with the roll-over of assets from certain limited partnerships managed by us; or
- (vii) in the absolute discretion of the Manager.

For purposes of the short-term trading fee, shares will be considered to be redeemed on a first-in first-out basis.

While these restrictions and our monitoring attempt to deter short-term trading, we cannot ensure that such trading will be completely eliminated.

Please see “Short-Term Trading Fee” under “Fees and expenses payable directly by you” on page 14.

OPTIONAL SERVICES

Pre-authorized Chequing Plan

Each Fund offers an automatic investment plan to allow investors to make regular bi-weekly, monthly, quarterly, semi-annual or annual purchases of shares. The minimum initial investment in each Fund is \$1,000 and the minimum amount of each subsequent bi-weekly, monthly, quarterly, semi-annual or annual purchase in each Fund is \$100. An investor may change the dollar amount of his or her investment, the frequency of payment or discontinue the plan by giving prior written notice to their registered dealer.

Averaging the Cost of Your Investments

Making regular investments through our pre-authorized purchase plan can reduce the cost of investing, through a technique called dollar cost averaging. Investing equal amounts of money at regular intervals on an ongoing basis ensures that an investor buys fewer shares when prices are high and more shares when prices are low. Over time, this can mean a lower average cost per share than by making one lump sum purchase.

Registered Tax Plans

Shares of the Funds are expected to be qualified investments under the *Income Tax Act* (Canada) (the “Act”) for registered plans effective at all times. We offer registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), life income funds (LIFs), locked-in retirement income funds (LRIFs), locked-in retirement accounts (LIRAs) and tax-free savings accounts (TFSA). Annuitants of RRSPs and RRIFs, and holders of TFSAs, should consult with their tax advisors as to whether shares of the Funds would be prohibited investments under the Act in their particular circumstances. Investors should consult their tax advisers for full particulars of the tax implications of establishing, amending and terminating registered plans.

FEES AND EXPENSES

This table lists the fees and expenses that you may have to pay if you invest in a Fund. You may have to pay some of these fees and expenses directly. Each Fund may have to pay some of these fees and expenses, and as a result will reduce the value of your investment in a particular Fund. Your approval will be obtained if: (i) any change is

made in the basis of calculation of a fee or expense charged to your Fund or a series of the Fund, or directly to you by us or the Fund in connection with the holding of shares of the Fund, in a way that could result in an increase in charges to the Fund or the series or you; or (ii) a fee or expense is introduced which is charged to the Fund or a series of the Fund, or directly to you by us or the Fund in connection with the holding of shares of the Fund, that would result in an increase in charges to the Fund, a series or you. However, in each case, if the change is a result of a change made by a third party at arm's length to the Fund or if applicable securities laws do not require the approval of investors to be obtained, we will not obtain your approval before making the change. If required under applicable securities laws, we will send you a written notice at least 60 days before the effective date of the change.

Fees and Expenses Payable by the Funds	
Management Fees	<p>Each Fund pays the Manager an annual management fee to cover management expenses. Management fees are unique to each Fund and are subject to applicable taxes including HST. The management fee is calculated and accrued daily and is paid on the last business day of each month based on the daily net asset value of each Fund. This fee differs among the series of shares. The management fee for Series I shares of each Fund is negotiated by the investor and paid directly by the investor or by the Fund, and would not exceed the management fee for Series A shares of the Fund.</p> <p>To encourage large purchases in a Fund and to achieve effective management fees that are competitive for these investments, the Manager may rebate a portion of the management fee payable by a Fund with respect to a particular investor, based on a number of factors including the type of investor and the number and value of shares held by an investor. At a minimum, an investor must hold \$15,000,000 of investments in a Fund in order to be eligible for this management fee rebate, although this minimum amount may be waived in the absolute discretion of the Manager.</p>
Operating Expenses	<p>Each Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by the Manager.</p> <p>Operating expenses include, but are not limited to taxes, audit and legal fees, independent review committee member fees, costs and fees in connection with the operation of the IRC (including the costs of holding meetings, insurance premiums for the IRC, and fees and expenses of any advisors engaged by the IRC), safekeeping and custodial fees, interest expenses, operating and administrative costs, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses and fund facts. Operating expenses and other costs of a Fund are subject to applicable taxes including HST.</p> <p>Each series of the Fund is responsible for its proportionate share of operating expenses of the Corporation in addition to expenses that it alone incurs.</p> <p>Each Sprott mutual fund pays a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC. Each member of the IRC, other than the Chairman, is paid, as compensation for his services, \$25,000 per annum. The Chairman is paid \$30,000 per annum.</p>
Incentive Fee¹	<p>Sprott Resource Class pays us annually an incentive fee. For more details, see "Sprott Resource Class – Fund Details" on page 23.</p> <p>Although the Funds other than the Sprott Resource Class do not pay us an incentive fee directly, certain of the underlying funds in which they invest will pay us annually an incentive fee, subject to applicable taxes including HST as disclosed in the simplified prospectus of such underlying fund.</p>
Fund-of-funds Fees and Expenses	<p>When each Fund (other than Sprott Resource Class) invests in an underlying fund, the underlying fund may pay a management and incentive fee and other expenses in addition to the fees and expenses payable by the Fund (please see the current Sprott Trust Funds prospectus for a description of the incentive fees payable by an underlying fund). However,</p>

	each Fund will not pay a management or incentive fee that would duplicate a fee payable by the underlying fund for the same service. In addition, each Fund will not pay any sales charges or redemption fees for its purchase or redemption of securities of any underlying fund that is a Sprott mutual fund.								
Fees and expenses payable directly by you									
Sales Charges	Under the Initial Sales Charge Option, a sales charge of 0-5% of the amount you invest may be charged if you purchase Series A and Series T shares of the Funds (except Sprott Short-Term Bond Class). A sales charge of 0-2% of the amount you invest may be charged if you purchase Series A shares of Sprott Short-Term Bond Class under the Initial Sales Charge Option. You can negotiate these amounts with your dealer.								
Switch Fees	<p>A switch fee of 0-2% of the value of the shares of the Funds you switch may be charged as negotiated with your dealer. There are no fees to switch your shares of Sprott Short-Term Bond Class.</p> <p>If you switch Series A or Series T shares of a Fund that are subject to a deferred sales charge into a series of shares of the Fund that are not subject to a deferred sales charge, you will be charged the amount of the applicable deferred sales charge at the time of such switch. See “Redemption Fees” below.</p>								
Redemption Fees	<p>Under the Low Load Option, you pay a deferred sales charge to the Manager at the following rates if you redeem your Series A or Series T shares, or switch your shares into another series of shares of the Fund that are not subject to a deferred sales charge, during the time periods specified:</p> <table style="margin-left: 40px;"> <tr> <td>First year:</td> <td>3%</td> </tr> <tr> <td>Second Year:</td> <td>2.75%</td> </tr> <tr> <td>Third Year:</td> <td>2.50%</td> </tr> <tr> <td>Thereafter:</td> <td>Nil</td> </tr> </table> <p>The deferred sales charge fee is based on the original purchase price of the Series A or Series T shares you are redeeming or switching. For purposes of this deferred sales charge, shares will be considered to be redeemed on a first-in first-out basis.</p> <p>Otherwise there are no redemption fees payable upon the redemption of shares of a Fund (subject to a short-term trading fee, when applicable).</p>	First year:	3%	Second Year:	2.75%	Third Year:	2.50%	Thereafter:	Nil
First year:	3%								
Second Year:	2.75%								
Third Year:	2.50%								
Thereafter:	Nil								
Short-Term Trading Fee	<p>We may impose a short-term trading fee payable by the shareholder to the Manager of:</p> <ul style="list-style-type: none"> • up to 3% of the aggregate net asset value of the shares redeemed if such shares are redeemed within 180 days of their date of purchase or switch for each of the Funds (except Sprott Diversified Yield Class and Sprott Short-Term Bond Class); and • up to 1.5% of the aggregate net asset value of the shares redeemed if such shares are redeemed within 60 days of their date of purchase or switch for Sprott Diversified Yield Class. <p>We will not impose any short-term trading fees for the redemption of shares of Sprott Short-Term Bond Class.</p> <p>A short-term trading fee will not be charged for a redemption of shares (i) acquired through automatic reinvestment of all dividends of net income or capital gains by a Fund; (ii) in connection with a failed settlement of a purchase of shares; (iii) as a result of switching between a Fund and another Sprott mutual fund; (iv) as a result of switching shares of a Fund from one series into another series of the same Fund; (v) by another investment fund or investment product approved by us; (vi) which were issued in connection with the roll-over of assets from certain limited partnerships managed by us; or (vii) in the absolute discretion of the Manager. For purposes of this short-term trading fee, shares will be considered to be</p>								

	redeemed on a first-in first-out basis. Short-term trading fees are payable in addition to any applicable deferred sales charges.
Pre-Authorized Chequing Plan	No fee is charged to open, close or administer an account.
Registered Tax Plan Fees	No fee is charged to open, close or administer a Sprott registered tax plan. However, for other registered tax plans holding other investments in addition to shares of a Fund, an annual trustee fee may apply. Please consult your adviser regarding this fee.
Other Expenses	No other charges apply. If applicable, you may be subject to fees and expenses by your dealer.

¹ The net asset value per share includes all expenses and is calculated before income and capital gains are distributed. The incentive fee is calculated and accrued daily and paid annually on a calendar year basis.

IMPACT OF SALES CHARGES

The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of \$1,000 in a Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period.

If applicable, sales charges may apply when you purchase or redeem shares. These fees can be negotiated between you and the dealer.

		At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Initial Sales Charge Option ¹	All Funds (except Sprott Short-Term Bond Class)	\$50 ³	Nil	Nil	Nil	Nil
	Sprott Short-Term Bond Class	\$20 ⁴	Nil	Nil	Nil	Nil
Low Load Option ^{1,2}		Nil	\$30	\$25	Nil	Nil

¹ A short-term trading fee may be applicable if shares of the Funds (except for Sprott Diversified Yield Class and Sprott Short-Term Bond Class) are redeemed within 180 days of their date of purchase or switch. A short-term trading fee may also be applicable if shares of Sprott Diversified Yield Class are redeemed within 60 days of their date of purchase or switch. We will not impose any short-term trading fees for the redemption of shares of Sprott Short-Term Bond Class. See “Short-Term Trading Fee” in the chart on page 14.

² Deferred sales charges under the Low Load Option may apply only if you redeem or switch your Series A or Series T shares of the Funds within three years of purchase. Deferred sales charges are shown under “Fees and Expenses”.

³ Assumes the maximum initial sales charge of 5% for Series A or Series T shares of Funds except as noted below. The actual amount of the initial sales charge will be negotiated by you and your dealer.

⁴ Assumes the maximum initial sales charge of 2% for Series A shares of Sprott Short-Term Bond Class. The actual amount of the initial sales charge will be negotiated between you and your dealer.

DEALER COMPENSATION

Your dealer may receive two types of compensation – sales commissions and service fees.

Sales Commissions

Initial Sales Charge Option

For Series A and Series T shares of a Fund purchased under the Initial Sales Charge Option, the dealer which distributes such shares may charge you a sales commission of:

- up to 5.0% (\$50 for each \$1,000 investment) of the value of the Series A or Series T shares of the Funds you purchased (except Sprott Short-Term Bond Class); and
- up to 2.0% (\$20 for each \$1,000 investment) of the value of the Series A shares of Sprott Short-Term Bond Class you purchased.

Low Load Option

For Series A and Series T shares of a Fund purchased under the Low Load Option, we will pay your dealer a sales commission of:

- 3% (\$30 for each \$1,000 investment) of the value of the Series A or Series T shares of the Funds you purchased (except Sprott Diversified Yield Class); and
- 2.5% (\$25 for each \$1,000 investment) of the value of the Series A or Series T shares of Sprott Diversified Yield Class you purchased.

Service Fees

Service fees are paid by the Manager from management fees and are not paid by a Fund directly. We may, at our sole discretion, negotiate, change the terms and conditions of, or discontinue the service fees with dealers.

Initial Sales Charge Option

For Series A or Series T shares of the Funds distributed under the Initial Sales Charge Option, a dealer that distributes such shares may receive an annual service fee of:

- up to 1% (\$10 for each \$1,000 investment) of the value of Series A or Series T shares of the Funds (except for Sprott Diversified Yield Class and Sprott Short-Term Bond Class) held by the dealer's clients. Payments are calculated and paid monthly at the rate of up to 1/12 of 1% of the value of Series A or Series T shares of the Funds held by the dealer's clients;
- up to 0.65% (\$6.50 for each \$1,000 investment) of the value of Series A or Series T shares of Sprott Diversified Yield Class held by the dealer's clients. Payments are calculated and paid monthly at the rate of up to 1/12 of 0.65% of the value of Series A or Series T shares of Sprott Diversified Yield Class held by the dealer's clients; and
- up to 0.25% (\$2.50 for each \$1,000 investment) of the value of Series A shares of Sprott Short-Term Bond Class held by the dealer's clients. Payments are calculated and paid monthly at the rate of up to 1/12 of 0.25% of the value of Series A shares of Sprott Short-Term Bond Class held by the dealer's clients.

Low Load Option

For Series A or Series T shares of the Funds distributed under the Low Load Option, a dealer that distributes such shares may receive an annual service fee of:

- up to 1% (\$10 for each \$1,000 investment) of the value of Series A or Series T shares of the Funds (except for Sprott Diversified Yield Class) held by the dealer's clients for more than one year. Payments are calculated and paid monthly at the rate of up to 1/12 of 1% of the value of Series A or Series T shares of the Fund held for more than one year by the dealer's clients; and
- up to 0.35% (\$3.50 for each \$1,000 investment) of the value of Series A or Series T shares of Sprott Diversified Yield Class held by the dealer's clients for the first three years. Payments are calculated and paid monthly at the rate of up to 1/12 of 0.35% of the value of Series A or Series T shares of Sprott Diversified Yield Class held for the first three years by the dealer's clients. After the end of the third year and thereafter, the dealer will receive an annual service fee of 0.65% (\$6.50 for each \$1,000 investment) of the value of the Series A or Series T shares held in Sprott Diversified Yield Class by the dealer's clients.

Payments are calculated and paid monthly at the rate of up to 1/12 of 0.65% of the value of Series A or Series T shares of Sprott Diversified Yield Class after the shares are held for three years by the dealer's clients.

Equity Interests

The general partner of Sprott Asset Management LP, the manager and portfolio advisor of the Fund, is Sprott Asset Management GP Inc. Sprott Asset Management GP Inc. is a wholly-owned subsidiary of Sprott Inc. Sprott Inc. is the sole limited partner, and owns 99.99% of the issued and outstanding voting securities, of Sprott Asset Management LP. Sprott Inc. also owns, directly or indirectly, 100% of the issued and outstanding securities of the general partner of Sprott Private Wealth LP, a dealer which may hold, sell and recommend securities of the Fund. At the date of this Simplified Prospectus, each of Eric S. Sprott, the Chief Executive Officer and a director of the general partner of Sprott Asset Management LP and The Rule Family Trust, directly owned more than 10% of all the issued and outstanding voting securities of Sprott Inc.

DEALER COMPENSATION FROM MANAGEMENT FEES

The Manager paid dealers compensation of approximately 35% of the total management fees that the Manager received from all the Sprott mutual funds (other than the Funds) during the financial year that ended December 31, 2010. This includes amounts the Manager paid to dealers for service fees.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This information is a general summary of tax rules and is not intended to be legal advice. For this discussion, we assume that you are a Canadian resident individual (other than a trust), and that you hold your shares as capital property. More information is contained in the Funds' annual information form.

We have tried to make this discussion easy to understand. As a result, we cannot be technically precise, or cover all the tax consequences that may apply. We suggest that you consult your tax adviser for details about your individual situation.

How the Funds aim to make money

The Funds offered by the Corporation can make money in three ways: they may earn income such as interest, dividends and capital gains from, or from the disposition of, portfolio investments; they may have gains on derivatives transactions; and they may receive distributions from an underlying fund or realized capital gains on disposition of securities of an underlying fund. The distributions paid by the underlying fund may be characterized as dividends received from taxable Canadian corporations, taxable capital gains, ordinary income, or foreign source income.

You earn income from your investment when:

- you receive an ordinary dividend or a capital gains dividend;
- you redeem your shares and realize a capital gain.

How the Corporation is taxed

The Funds are established as classes of shares of the Corporation. The Corporation will pay sufficient capital gains dividends and ordinary dividends so that, generally, the tax paid by the Corporation with respect to realized capital gains and dividends from taxable Canadian corporations will be refunded to the Corporation. The Corporation will be liable to pay tax at corporate rates applicable to mutual fund corporations on income from other sources such as interest, derivative income and foreign source income. The Corporation will try to eliminate this tax liability by using deductible expenses and tax credits. If the Corporation is not successful in eliminating its tax liability, the Corporation will be subject to tax.

Gains and losses realized by the Corporation from the use of derivatives for hedging purposes may be treated for tax purposes as ordinary income and losses or as capital gains and capital losses, depending on the circumstances. Gains and losses realized by the Corporation from the use of derivatives for non-hedging purposes will be treated for tax purposes as ordinary income and losses or as capital gains and capital losses, depending on the circumstances.

The Corporation keeps track of the assets and liabilities of each Fund (i.e. each class of shares) separately, but it must calculate its net income and net capital gains for tax purposes as a single corporation. This method of calculation means that you will likely receive different taxable dividends from the Corporation than the taxable distributions you would have received if you invested directly in any underlying fund or in a trust fund similar to the Fund.

Because taxes are calculated at the corporate level, the amount of capital gains dividends paid to a single Fund (i.e. a class of shares) will be affected by the level of redemptions from all Funds and by accrued gains and losses of the Corporation on all of its investments. The Corporation may be forced to buy and sell investments more quickly than the other Sprott mutual funds because of switching between Funds. If this occurs, the sale of investments will result in the earlier recognition of accrued gains and losses. This may be particularly significant where an investor in Sprott Resource Class switches to another Fund because the Corporation may be required to realize capital gains on property which accrued prior to the property being owned by the Corporation. This results from tax-deferred transfers of property to the Corporation from limited partnerships. Sometimes, earlier recognition will cause earlier payments of capital gain dividends. The Corporation will, in its sole discretion, allocate its income or loss and any taxes payable among the Funds and series of the Funds, and may pay capital gains dividends to shareholders of any series of any Fund so that it can receive a refund of taxes payable on capital gains it has realized. Taxable investors considering purchasing shares of a Fund should consult with their own tax advisors in this regard.

How you are taxed

The tax you pay on your mutual fund investment depends on whether you hold your shares in a registered plan, or a non-registered account.

Shares you hold in a registered plan

If you hold your shares of a Fund in a RRSP, RRIF, deferred profit sharing plan, registered education savings plan, registered disability savings plan or TFSA (collectively, “registered plans”), you generally don’t have to pay any taxes on distributions or dividends your plan received from the Corporation or on any capital gains your plan realizes from redeeming shares. Any withdrawals you receive from your registered plan, however, will generally be subject to tax (special rules apply to RESPs and RDSPs, and withdrawals from the TFSA are subject to tax). Annuitants of RRSPs and RRIFs, and holders of TFSA, should consult their own tax advisors as to whether shares of the Funds would be prohibited investments in their particular circumstances.

Shares you hold in a non-registered account

If you hold your shares of a Fund outside of a registered plan, we'll send you a tax slip by the end of February each year if the Corporation pays a dividend. It shows your share of ordinary and capital gains dividends, and returns of capital, if any, paid by the Corporation to you for the previous calendar year. Ordinary dividends paid by the Corporation will be taxed subject to the dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations. An enhanced dividend tax credit is available for certain eligible dividends paid by the Corporation. Capital gains dividends will be treated as if you realized the capital gains directly. The Corporation may pay capital gains dividends to shareholders of any series of any Fund so that it can receive a refund of capital gains taxes paid or payable whether or not the capital gains relate to the investment portfolio of the particular Fund. Returns of capital are not immediately taxable. Instead, a return of capital reduces the adjusted cost base of your shares of the Fund. If the adjusted cost of your shares is reduced to less than zero you will realize a capital gain equal to the negative amount and the adjusted cost base of your shares will be increased to zero (i.e. by the amount of such gain). Monthly distributions of Series T shares and Series FT shares will be comprised of returns of capital.

You must include the dividends shown on the tax slip as part of your annual income. This applies even if your dividends are reinvested in shares of the Corporation.

Management and incentive fee rebates received by a shareholder are generally required to be included in the shareholder's income for a particular year. However, in certain circumstances a shareholder may instead elect to have the amount of the rebate reduce the cost of the related shares.

Management and incentive fees paid to the Manager by holders of Series I shares will not be deductible for tax purposes.

Capital gains and losses when you redeem your shares

You can switch from shares of one Fund to shares of another Fund without triggering a capital gain or loss. Any permitted switches of series within the same Fund can be made without triggering a capital gain or capital loss.

You'll have a capital gain if the money you receive from redeeming shares is more than the adjusted cost base of the shares, after deducting any costs of redeeming the shares. You will have a capital loss if the money you receive from the redemption is less than the adjusted cost base, after deducting any costs of redeeming the shares. Gains or losses will also apply to shares redeemed to pay fees in connection with a switch or short-term trading fee. Generally, one-half of a capital gain is included in calculating your income.

The amount of your capital gain will generally be increased as a result of returns of capital received on your shares, except where these returns of capital were reinvested in additional shares.

If you have bought shares of a particular series at various times, you will likely have paid various prices. The adjusted cost base is the average of the cost of all the shares you hold in that series. That includes shares you received through reinvestments of dividends.

In certain cases, individuals may also have to pay alternative minimum tax on the capital gains or dividends they earn.

Buying shares before a dividend payment

The share price of a Fund may include income and/or capital gains that have been earned or realized, but not yet distributed. You will be taxable on dividends even if the related income and capital gains accrued to the Fund or were realized by the Fund but remain undistributed before you acquired the shares. This could be particularly significant if you purchase shares of a Fund before the date on which a dividend will be paid by the Corporation (which is typically December for ordinary dividends and February for capital gains dividends.).

As a consequence of tax-deferred transfers of property to the Corporation by certain limited partnerships, a shareholder may receive capital gains dividends that relate to gains on the property that accrued prior to the property being owned by the Corporation. Such capital gain may be realized as a result of shareholders switching from Sprott Resource Class to another Fund, and also in other circumstances.

How to calculate adjusted cost base

Here's how the aggregate adjusted cost base of your shares of a particular series of a particular Fund is generally calculated:

- start with your initial investment, including any sales charges you paid
- add any additional investments, including sales charges you paid
- add the amount of any reinvested dividends or distributions
- add the adjusted cost base of shares switched from another Fund or from a different series of the Fund
- subtract the adjusted cost base of any previous redemptions
- subtract the amount of any distributions that were a return of capital

- subtract the adjusted cost base of shares which are switched to another Fund or to a different series of the Fund.

To calculate your adjusted cost base, you'll need to keep detailed records of the price you paid for your investments and the distributions you received on those shares. The monthly distributions on Series T and Series FT shares of the Corporation will be returns of capital, which will affect the adjusted cost base of your shares. We will also provide you with information regarding any distribution that are a return of capital. For more information, contact your tax advisor.

Portfolio turnover

The higher a Fund's or underlying fund's portfolio turnover rate in a year, the greater the chance that you will receive a capital gains dividend. Any gains realized would be offset by any losses realized on portfolio transactions. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces 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 allows you to cancel an agreement to buy mutual fund shares 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 a Fund. These rights must usually be exercised within certain time limits.

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

ADDITIONAL INFORMATION

The Manager has obtained a decision from securities regulators to permit dealers that comply with certain conditions to send or deliver the most recently filed Fund Facts of the Funds to a purchaser of shares of the Funds instead of this Simplified Prospectus. If a dealer delivers the Fund Facts document to you in reliance on this decision, the Manager and the dealer are required to grant you rights which are similar to those described under the heading "What Are Your Legal Rights?" and these rights will run from the date you receive the Fund Facts.

SPECIFIC INFORMATION ABOUT EACH OF THE FUNDS DESCRIBED IN THIS DOCUMENT

You will find detailed descriptions of each of the Funds in this part of the Simplified Prospectus. Here are explanations of what you will find under each heading.

FUND DETAILS

This tells you:

- **Type of Fund:** the type of mutual fund
- **Inception:** the date each series of shares first bought by the public
- **Nature of Securities Offered:** the series of shares that the Fund offers
- **Registered Tax Plan Status:** whether the Fund is expected to be a qualified investment for a registered plan
- **Management Fees:** the annual rate of management fees payable by each series of the Fund

WHAT DOES THE FUND INVEST IN?

This tells you the Fund's:

- **Investment objectives:** the goals of the Fund, including any specific focus it has, and the kinds of securities it may invest in
- **Investment strategies:** how the Portfolio Adviser tries to meet the Fund's objectives

Some of the Funds and their underlying funds have obtained relief from Canadian securities regulatory authorities to permit them to make certain investments that would not otherwise be permitted under securities legislation. Such relief is described below:

Exemptive Relief to Invest in BetaPro ETFs

The Sprott mutual funds have obtained relief from the Canadian securities regulators to invest in certain BetaPro ETFs ("BetaPro Relief"). The BetaPro ETFs are commodity pools that use financial instruments that correlate to a multiple (or inverse multiple) of the performance of an underlying index. A Sprott mutual fund will only invest in BetaPro ETFs that provide exposure to securities that are consistent with the investment objectives and strategies of the fund. Furthermore, a Sprott mutual fund will not invest in BetaPro ETFs that are exposed to physical commodities other than gold.

Exemptive Relief to Engage in Short Selling

The Sprott mutual funds (other than Sprott Short-Term Bond Fund and Sprott Short-Term Bond Class) have obtained relief from the Canadian securities regulators to engage in short selling ("Short Selling Relief"). Generally speaking, short selling can provide a fund with opportunities for gains when markets are volatile or declining. While short selling will only be used by a Sprott mutual fund as a complement to its primary investment strategy (discussed above), the portfolio adviser will utilize the same fundamental analysis that it uses for the fund in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity is considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity is considered for a short sale.

A Sprott mutual fund will engage in short selling only within certain limits and conditions including: (i) the fund will short sell only non "illiquid assets" (as such term is defined under NI 81-102) that are traded on a stock exchange or bonds, debentures or other evidences of indebtedness of, or guaranteed by, any issuer, (ii) the fund will

limit its short sale exposure to any single issuer to 5% of the fund's total net assets and its aggregate short exposure to 20% of its total net assets, (iii) the fund will hold cash cover in an amount (including the fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the fund will deposit its assets only with entities that meet certain conditions.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

This tells you the specific risks of investing in the Fund. You'll find details about what each risk means under "What are the Risks of Investing in a Mutual Fund?" beginning on page 2.

Fund Risk Classification

We identify the investment risk level of each Fund as an additional guide to help you decide whether the Fund is right for you. Our determination of the risk rating for each Fund is guided by the methodology recommended by the Fund Risk Classification Task Force of The Investment Funds Institute of Canada (the "Task Force"). The Task Force concluded that the most comprehensive, easily understood form of risk is the historical volatility of a Fund as measured by the standard deviation of its performance. However, you should be aware that other types of risk, both measurable and non-measurable, may exist. Additionally, just as historical performance may not be indicative of future returns, the Fund's historical volatility may not be indicative of its future volatility.

This section indicates the risk rating we have assigned to each Fund in accordance with the methodology recommended by the Task Force.

Although monitored on a monthly basis, we review the investment risk level of each Fund on an annual basis.

The method that we use to identify the investment risk level of each Fund is available on request, at no cost, by calling us at 1-866-299-9906 or by sending an email to invest@sprott.com.

WHO SHOULD INVEST IN THIS FUND?

This section will help you decide whether a Fund is right for you. This information is only a guide. When you are choosing investments, you should consider your whole portfolio, your investment objectives and your risk tolerance level.

DISTRIBUTION POLICY

This tells you how often you will receive dividends and how they are paid.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

In addition to paying management fees, each series of shares of a Fund pays for its own operating expenses and its proportionate share of common operating expenses. These amounts are paid for out of the assets of the Fund, which means that you indirectly pay for these amounts through lower returns.

The chart in this section lets you compare the cost of investing in each series of shares of the Fund with the cost of investing in other mutual funds. The chart shows the cumulative fees and expenses you would have paid if:

- you invested \$1,000.00 for the period shown (without any sales charges);
- the Fund's return was 5% each year; and
- the Fund paid the same MER in each period shown as it did in its last completed financial year.

Because each Fund is new, this information is not yet available as the Fund's costs are not yet known.

See "Fees and Expenses on page 12 for more information about the cost of investing in the Funds.

SPROTT RESOURCE CLASSof Sprott Corporate Class Inc.

FUND DETAILS

Type of Fund:	Resource sector
Inception:	Series A: September 23, 2011 Series F: September 23, 2011 Series I: September 23, 2011
Nature of Securities Offered:	Series A, Series F and Series I shares of a class of a mutual fund corporation
Registered Tax Plan Status:	Expected to be a qualified investment for registered tax plans
Management Fees:	Series A: Up to 2.5% Series F: Up to 1.5% Series I: Negotiated by the shareholder
Incentive Fees:	<p>The Fund pays us annually an incentive fee, subject to applicable taxes including HST, equal to a percentage of the daily net asset value of the applicable series of the Fund. Such percentage will be equal to 10% of the difference by which the return in the net asset value per share of the applicable series of the Fund from January 1 to December 31 exceeds the percentage return of a blended benchmark index comprising of 50% of the daily return of S&P/TSX Capped Materials Total Return Index (or any successor index to such index) and 50% of the daily return of the S&P/TSX Capped Energy Total Return Index (or any successor index to such index), for the same period (the “blended benchmark index”).</p> <p>The S&P/TSX Capped Material Total Return Index is based on a subset of the stocks that make up the S&P/TSX Composite Index, with the assumption that all dividends paid are reinvested in the stocks in proportion to their index weights. The index constituents are comprised of the stocks of materials sector issuers listed on the TSX and the relative weight of any single index constituent is capped at 25%.</p> <p>The S&P/TSX Capped Energy Total Return Index is based on a subset of the stocks that make up the S&P/TSX Composite Index, with the assumption that all dividends paid are reinvested in the stocks in proportion to their index weights. The index constituents are comprised of the stocks of energy sector issuers listed on the TSX and the relative weight of any single index constituent is capped at 25%.</p> <p>If the performance of a series of the Fund in any year is less than the performance of the blended benchmark index described above (the “Deficiency”), then no incentive fee will be payable in any subsequent year until the performance of the applicable series of the Fund, on a cumulative basis calculated from the first of such subsequent years has exceeded the</p>

	amount of the Deficiency. We may reduce the incentive fee payable by the Fund with respect to a particular investor by rebating a portion of the incentive fee. Additionally, investors in Series I shares may negotiate a different incentive fee than the one described above or no incentive fee at all.
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WHAT DOES THE FUND INVEST IN?

Investment Objectives

The investment objective of the Fund is to seek to achieve long-term capital growth. The Fund invests primarily in equity and equity-related securities of companies in Canada and around the world that are involved directly or indirectly in the natural resource sector.

Shareholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

To achieve the Fund's investment objective, the Portfolio Adviser uses macro-economic research to identify the most attractive resource sub-sectors to invest in. The Portfolio Adviser employs an opportunistic investment approach by being able to invest across the global resource universe (oil & gas, coal, uranium, renewable energy, base metals, precious metals, agriculture, forestry, water, commodity infrastructure and service companies).

Based on this macro-economic research, the Portfolio Adviser uses fundamental analysis to seek to identify securities with superior investment merit and the potential for capital appreciation. This involves seeking out undervalued companies backed by strong management teams and solid business models that can benefit from macro-economic trends.

The Fund may invest in early stage exploration companies to established producers and its investments may range from micro-capitalization to large capitalization in size. The Fund has the flexibility to invest in a company's equity, debt, equity-related securities (such as convertible debentures and equity-based indices), as well as private placements and private companies as permitted by securities regulations.

The Fund may also choose to:

- hold cash, overweight cash equivalents and fixed income securities based on the market outlook for the resource sector;
- engage in securities lending, repurchase and reverse repurchase transactions as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 5 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the Fund to minimize the risks associated with these transactions); and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objective of the fund and as permitted by the Canadian securities administrators, including to:
 - hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies; and
 - gain exposure to individual securities and markets instead of buying the securities directly (please see "Derivatives risk" on page 3 for more information on the risks associated with the use of derivatives).

Portfolio turnover rates of the Fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the Fund, and a greater chance that an investor in the Fund will receive a capital

gains dividend that must be included in a taxable investor's income for tax purposes. There isn't necessarily a relationship between the turnover rate and the Fund's performance.

The Fund may invest in Beta Pro ETFs pursuant to the BetaPro Relief. For more information, please see "Exemptive Relief to Invest in Beta Pro ETFs" on page 21. The Fund may also invest in other ETFs as permitted by securities regulations.

The Fund may engage in short selling pursuant to the Short Selling Relief. For more information, please see "Exemptive Relief to Engage in Short Selling" on page 21.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is generally exposed to the following risks:

- Capital gains risk
- Class risk
- Commodity risk
- Concentration risk
- Currency risk
- Derivatives risk
- Exchange traded funds risk
- Foreign investment risk
- Inflation risk
- Liquidity risk
- Market risk
- Regulatory risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk
- Small capitalization natural resource company risk
- Small company risk
- Substantial shareholder risk
- Tax risk

As at September 23, 2011, we owned 100% of the shares of the Fund because the Fund is new.

You may refer to pages 2 to 6 for descriptions of these risks.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for investors seeking long-term capital growth with a high tolerance for risk and volatility. Investors should be comfortable with high investment risk and a long-term time horizon.

In accordance with the methodology recommended by the Task Force, the risk rating assigned to this fund is high risk.

Please see "Fund Risk Classification" on page 22 for a description of how we classify this Fund's risk level.

DISTRIBUTION POLICY

The Corporation intends to pay ordinary dividends in December and capital gains dividends in February of each year of the extent necessary to ensure it will not have any net liability for tax under Part IV of the Tax Act on taxable dividends from taxable Canadian corporations or for tax under Part I of the Tax Act on net realized capital gains. All dividends will be reinvested in additional shares of the same series of the Fund unless you ask us to be paid in cash rather than receive shares in the Fund at least 5 business days in advance of the date on which dividends are payable.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

This information is not available as the Fund is new and its costs are not yet known.

See “Fees and Expenses” on page 12 for more information about the costs of investing in the Fund.

SPROTT CANADIAN EQUITY CLASS

of Sprott Corporate Class Inc.

FUND DETAILS

Type of Fund:	Canadian equity, growth and value
Inception:	Series A: September 23, 2011 Series F: September 23, 2011 Series I: September 23, 2011
Nature of Securities Offered:	Series A, Series F and Series I shares of a class of a mutual fund corporation
Registered Tax Plan Status:	Expected to be a qualified investment for registered tax plans
Management Fees:	Series A: Up to 2.5% Series F: Up to 1.5% Series I: Negotiated by the shareholder

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund aims to achieve long-term capital growth.

It seeks a similar return to its underlying fund, Sprott Canadian Equity Fund, by investing substantially all of its assets in securities of that fund. The underlying fund invests primarily in small-to-mid capitalization stocks of Canadian issuers and may focus its assets in specific industry sectors and asset classes based on analysis of business cycles, industry sectors and market outlook.

Shareholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

The investment strategy of the Fund is to invest substantially all of its assets in securities of its underlying fund, which is also managed by the Manager.

Investment objectives of the underlying fund

The investment objective of the underlying fund is to outperform the broad Canadian equity market as measured by the S&P/TSX Composite Total Return Index (or its successor index), over the long term of 5+ years, providing long-term capital appreciation and value by investing primarily in small-to-mid capitalization stocks of Canadian issuers. To assist in achieving this objective, the underlying fund may focus its assets in specific industry sectors and asset classes based on analysis of business cycles, industry sectors and market outlook.

Investment strategies of the underlying fund

The key aspect of the underlying fund's strategy is seeking out undervalued companies backed by strong management teams and solid business models that can benefit from macro-economic trends. The portfolio adviser of the underlying fund looks for exciting ideas and opportunities whose full value has yet to be realized. In determining the portfolio's sector weighting, the portfolio adviser thoroughly analyzes the current economic conditions and trends in North American and global economies and seeks to respond quickly to such changes. The

portfolio is positioned in accordance with the portfolio adviser's market view from time to time. Sector allocations may vary significantly over time.

The underlying fund's investment focus is small-to-mid capitalization Canadian equities with the potential for high appreciation in sectors that the portfolio adviser believes to be economically favourable. The underlying fund may from time to time overweight certain industry sectors such as gold, silver, oil and gas and certain asset classes, such as cash, gold and silver when deemed appropriate by the portfolio adviser. This may result in the underlying fund's portfolio weightings being substantially different from the weightings of the S&P/TSX Composite Total Return Index (or its successor index).

The underlying fund has obtained relief from the Canadian securities regulators to permit it to invest up to 20% of its net assets in gold or a permitted gold certificate and silver (or specified derivatives of which the underlying interest is gold or silver) at the time of investment.

The underlying fund may also choose to:

- invest in Canadian debt securities and foreign securities, provided such investments comply with the investment restrictions and practices adopted by the underlying fund. The underlying fund's aggregate exposure to foreign securities will not exceed approximately 35% (at the time of investment and on a cost basis) of its assets. The underlying fund may invest in debt securities primarily for defensive purposes. The underlying fund may also choose other permitted investments when considered appropriate;
- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 5 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the underlying fund to minimize the risks associated with these transactions); and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objective of the underlying fund and as permitted by the Canadian securities administrators, including to:
 - hedge against losses from changes in the prices of the underlying fund's investments and from exposure to foreign currencies; and
 - gain exposure to individual securities and markets instead of buying the securities directly (please see "Derivatives risk" on page 3 for more information on the risks associated with the use of derivatives).

Portfolio turnover rates of the underlying fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the underlying fund, and a greater chance that an investor in the Fund will receive a capital gains dividend that must be included in a taxable investor's income for tax purposes. There isn't necessarily a relationship between the turnover rate and the underlying fund's performance.

The underlying fund may invest in Beta Pro ETFs pursuant to the BetaPro Relief. For more information, please see "Exemptive Relief to Invest in Beta Pro ETFs" on page 21. The Fund may also invest in other ETFs as permitted by securities regulations.

The underlying fund may engage in short selling pursuant to the Short Selling Relief. For more information, please see "Exemptive Relief to Engage in Short Selling" on page 21.

Additional information about Sprott Canadian Equity Fund is set out in its simplified prospectus and annual information form. You can get copies by contacting us or by asking your financial advisor.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Since the Fund invests primarily in securities of the underlying fund, the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying fund. The Fund is generally exposed to the following risks:

- Capital gains risk
- Class risk
- Commodity risk
- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Exchange traded funds risk
- Foreign investment risk
- Inflation risk
- Interest rate risk
- Liquidity risk
- Market risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk
- Small capitalization natural resource company risk
- Small company risk
- Substantial shareholder risk
- Tax risk
- Tracking risk

As at September 23, 2011, we owned 100% of the shares of the Fund because the Fund is new.

You may refer to pages 2 to 6 for descriptions of these risks.

WHO SHOULD INVEST IN THIS FUND?

This Fund is suitable for those investors who are less conservative and those who want to share in the opportunities offered by the Canadian economy.

In accordance with the methodology recommended by the Task Force, the risk rating assigned to this Fund is above average risk and it is appropriate if you have the expectation of higher long-term returns, which requires the ability to assume short-term volatility over a long-term investment horizon.

Please see “Fund Risk Classification” on page 22 for a description of how we classify this Fund’s risk level.

DISTRIBUTION POLICY

The Corporation intends to pay ordinary dividends in December and capital gains dividends in February of each year of the extent necessary to ensure it will not have any net liability for tax under Part IV of the Tax Act on taxable dividends from taxable Canadian corporations or for tax under Part I of the Tax Act on net realized capital gains. All dividends will be reinvested in additional shares of the same series of the Fund unless you ask us to be paid in cash rather than receive shares in the Fund at least 5 business days in advance of the date on which dividends are payable.

FUND EXPENSES INDIRECTLY BORNE BY INVESTOR

This information is not available as the Fund is new and its costs are not yet known.

See “Fees and Expenses” on page 12 for more information about the costs of investing in the Fund.

SPROTT DIVERSIFIED YIELD CLASSof Sprott Corporate Class Inc.

FUND DETAILS

Type of Fund:	Diversified high-yield fixed income
Inception:	Series A: September 23, 2011 Series F: September 23, 2011 Series I: September 23, 2011 Series T: September 23, 2011 Series FT: September 23, 2011
Nature of Securities Offered:	Series A, Series F, Series I, Series T and Series FT shares of a class of a mutual fund corporation
Registered Tax Plan Status:	Expected to be a qualified investment for registered tax plans
Management Fees:	Series A: Up to 1.65% Series F: Up to 1.00% Series I: Negotiated by the shareholder Series T: Up to 1.65% Series FT: Up to 1.00%

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund aims to provide income.

It seeks a similar return to its underlying fund, Sprott Diversified Yield Fund, by investing substantially all of its assets in securities of that fund. The underlying fund invests primarily in debt and debt-like securities of corporate and government issuers from around the world.

Shareholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

The investment strategy of the Fund is to invest substantially all of its assets in securities of its underlying fund which is also managed by the Manager.

Investment strategies of the underlying fund

To achieve the underlying fund's investment objectives, the portfolio adviser of the underlying fund takes a flexible approach in investing in debt instruments and debt-like securities (such as convertible bonds) and the allocation will depend on the portfolio adviser's view of economic and market conditions. In addition, the portfolio adviser will select the underlying fund's investments in an effort to take advantage of the credit cycle and the differences in currencies, interest rates and credits between countries based on global macroeconomic and political analysis. There are no restrictions on the credit rating of the securities of the Fund and the portfolio adviser may invest a significant portion of the Fund's assets in non-investment grade high yield debt securities. The portfolio adviser may also invest a portion of the underlying fund's assets in exchange-traded funds to gain exposure to the securities described herein. The underlying fund's holdings denominated in foreign currencies and the currency exposures will be actively managed and will be generally hedged back to the Canadian dollar as the portfolio adviser deems appropriate.

A disciplined portfolio construction and risk management process will be utilized. Capital is allocated based on the portfolio adviser's assessment of anticipated market opportunities and expected risk reward profile. The underlying fund's portfolio is monitored and rebalanced intra-day as appropriate using both qualitative and quantitative measures. In particular, the underlying fund's portfolio is reviewed under different stress testing scenarios. Liquidity, credit risk, currency exposure and various risk measures of the underlying fund's portfolio are calculated.

The underlying fund may also choose to:

- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 5 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the underlying fund to minimize the risks associated with these transactions); and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objective of the underlying fund and as permitted by the Canadian securities administrators, including to:
 - hedge against losses from changes in the prices of the underlying fund's investments and from exposure to foreign currencies; and
 - gain exposure to individual securities and markets instead of buying the securities directly (please see "Derivatives risk" on page 3 for more information on the risks associated with the use of derivatives).

Portfolio turnover rates of the underlying fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the underlying fund, and a greater chance that an investor in the Fund will receive a capital gains dividend that must be included in a taxable investor's income for tax purposes. There isn't necessarily a relationship between the turnover rate and the underlying fund's performance.

The underlying fund has obtained relief from the Canadian securities regulators to invest up to: (i) 35% of the proportion of its net asset value then invested in evidences of indebtedness, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies (as defined in NI 81-102) or governments other than the government of Canada, the government of a jurisdiction, or the government of the United States of America and are rated "AAA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations; and (ii) 20% of the proportion of its net asset value then invested in evidences of indebtedness, taken at market value at the time of purchase, in evidences of indebtedness of any other issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies (as defined in NI 81-102) or governments other than the government of Canada, the government of a jurisdiction, or the government of the United States of America and are rated "AA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations (such evidences of indebtedness are collectively referred to as Foreign Government Securities). The underlying fund will only invest in Foreign Government Securities that are traded on a mature and liquid market and where the acquisition of which is consistent with the fundamental investment objectives of the underlying fund. The risks associated with investing in Foreign Government Securities include concentration risk and foreign investment risk (see "Concentration risk" on page 3 and "Foreign investment risk" on page 4 for a description of these risks and the strategies used by the underlying fund to minimize these risks).

The underlying fund may engage in short selling pursuant to the Short Selling Relief. For more information, please see "Exemptive Relief to Engage in Short Selling" on page 21.

Additional information about Sprott Diversified Yield Fund is set out in its simplified prospectus and annual information form. You can get copies by contacting us or by asking your financial advisor.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Since the Fund invests primarily in securities of the underlying fund, the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying fund. The Fund is generally exposed to the following risks:

- Capital depletion risk (Series T and FT shares only)
- Capital gains risk
- Class risk
- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Exchange traded funds risk
- Foreign investment risk
- Inflation risk
- Interest rate risk
- Regulatory risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk
- Substantial shareholder risk
- Tax risk
- Tracking risk

As at September 23, 2011, we owned 100% of the shares of the Fund because the Fund is new.

You may refer to pages 2 to 6 for descriptions of these risks.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for investors who seek the potential for capital growth and who want to share in the opportunities offered by high yielding debt securities issued by companies and countries from around the world.

In accordance with the methodology recommended by the Task Force, the risk rating assigned to this Fund is average risk and it is appropriate if you have a medium to long-term investment horizon.

Please see “Fund Risk Classification” on page 22 for a description of how we classify this Fund’s risk level.

DISTRIBUTION POLICY

The Corporation intends to pay ordinary dividends in December and capital gains dividends in February of each year of the extent necessary to ensure it will not have any net liability for tax under Part IV of the Tax Act on taxable dividends from taxable Canadian corporations or for tax under Part I of the Tax Act on net realized capital gains. All dividends will be reinvested in additional shares of the same series of the Fund unless you ask us to be paid in cash rather than receive shares in the Fund at least 5 business days in advance of the date on which dividends are payable.

For Series T and FT shares, shareholders will receive a target monthly distribution of 6% per annum. The fixed monthly distribution amount will be reset at the beginning of each calendar year to provide an approximately 6% yield based on the net asset value per Series T or Series FT share as at December 31 of the prior year. Throughout the year, such monthly distributions to shareholders will be a return of capital. Series T and Series FT share distributions, if any, are determined at the end of each month. Currently, the monthly distribution is expected to be approximately \$0.05 per share for Series T and Series FT. Unless instructed otherwise, all distributions paid on Series T or Series FT shares will be paid in cash. The Manager reserves the right to adjust the distribution amount if

SPROTT DIVERSIFIED YIELD CLASS

deemed appropriate. There can be no assurance that Series T or Series FT shares will make any distributions in any particular month or months.

Returns of capital do not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income". You should not draw any conclusions about the Fund's investment performance from the amount of this distribution.

Returns of capital will result in an encroachment upon your original capital and may result in the return to you of the entire amount of your original investment. A return of capital made to you is not immediately taxable, but will reduce the adjusted cost base (the "ACB") of your shares. Where net reductions to the ACB of your shares would result in the ACB becoming a negative amount, such amount would be treated as a capital gain realized by you and the ACB of your shares will then be nil.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

This information is not available as the Fund is new and its costs are not yet known.

See "Fees and Expenses" on page 12 for more information about the costs of investing in the Fund.

SPROTT GOLD AND PRECIOUS MINERALS CLASS

of Sprott Corporate Class Inc.

FUND DETAILS

Type of Fund:	Gold and precious minerals
Inception:	Series A: September 23, 2011 Series F: September 23, 2011 Series I: September 23, 2011
Nature of Securities Offered:	Series A, Series F and Series I shares of a class of a mutual fund corporation
Registered Tax Plan Status:	Expected to be a qualified investment for registered tax plans
Management Fees:	Series A: Up to 2.5% Series F: Up to 1.5% Series I: Negotiated by the shareholder

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund aims to achieve long-term capital growth.

It seeks a similar return to its underlying fund, Sprott Gold and Precious Minerals Fund, by investing substantially all of its assets in securities of that fund. The underlying 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.

Shareholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

The investment strategy of the Fund is to invest substantially all of its assets in securities of its underlying fund, which is also managed by the Manager.

Investment strategies of the underlying fund

The principal investment strategy that the underlying fund uses in achieving its investment objective involves fundamental analysis to seek to identify securities with superior investment opportunities that have the potential for capital appreciation over the long-term. This involves seeking out undervalued companies backed by strong management teams and solid business models that can benefit from macro-economic trends. The underlying fund may also invest in gold, silver, platinum and palladium in the form of bullion, coins and storage receipts and certificates relating to such minerals and metals.

At times, the underlying fund may choose to temporarily invest in cash or cash equivalent securities as a defensive strategy or for other reasons.

The underlying fund deviates from the standard investment restrictions and practices of the Canadian securities regulators. It has obtained approval to invest: (i) directly and indirectly in certain commodities such as precious metals and minerals, and (ii) in excess of 10% of its net assets in gold or permitted gold certificates.

The underlying fund may also choose to:

SPROTT GOLD AND PRECIOUS MINERALS CLASS

- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see “Securities lending, repurchase and reverse repurchase transactions risk” on page 5 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the underlying fund to minimize the risks associated with these transactions); and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objective of the underlying fund and as permitted by the Canadian securities administrators, including to:
 - hedge against losses from changes in the prices of the underlying fund’s investments and from exposure to foreign currencies; and
 - gain exposure to individual securities and markets instead of buying the securities directly (please see “Derivatives risk” on page 3 for more information on the risks associated with the use of derivatives).

Portfolio turnover rates of the underlying fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the underlying fund, and a greater chance that an investor in the Fund will receive a capital gains dividend that must be included in a taxable investor’s income for tax purposes. There isn’t necessarily a relationship between the turnover rate and the underlying fund’s performance.

The underlying fund may invest in Beta Pro ETFs pursuant to the BetaPro Relief. For more information, please see “Exemptive Relief to Invest in Beta Pro ETFs” on page 21. The Fund may also invest in other ETFs as permitted by securities regulations.

The underlying fund may engage in short selling pursuant to the Short Selling Relief. For more information, please see “Exemptive Relief to Engage in Short Selling” on page 21.

Additional information about Sprott Gold and Precious Minerals Fund is set out in its simplified prospectus and annual information form. You can get copies by contacting us or by asking your financial advisor.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Since the Fund invests primarily in securities of the underlying fund, the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying fund. The Fund is generally exposed to the following risks:

- Capital gains risk
- Class risk
- Commodity risk
- Concentration risk
- Currency risk
- Derivatives risk
- Exchange traded funds risk
- Foreign investment risk
- Inflation risk
- Liquidity risk
- Market risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk
- Small capitalization natural resource company risk
- Substantial shareholder risk
- Tax risk
- Tracking risk

SPROTT GOLD AND PRECIOUS MINERALS CLASS

As at September 23, 2011, we owned 100% of the shares of the Fund because the Fund is new.

You may refer to pages 2 to 6 for descriptions of these risks.

WHO SHOULD INVEST IN THIS FUND?

This 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.

In accordance with the methodology recommended by the Task Force, the risk rating assigned to this Fund is high risk and it is appropriate if you have a long-term investment horizon.

Please see “Fund Risk Classification” on page 22 for a description of how we classify this Fund’s risk level.

DISTRIBUTION POLICY

The Corporation intends to pay ordinary dividends in December and capital gains dividends in February of each year of the extent necessary to ensure it will not have any net liability for tax under Part IV of the Tax Act on taxable dividends from taxable Canadian corporations or for tax under Part I of the Tax Act on net realized capital gains. All dividends will be reinvested in additional shares of the same series of the Fund unless you ask us to be paid in cash rather than receive shares in the Fund at least 5 business days in advance of the date on which dividends are payable.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

This information is not available as the Fund is new and its costs are not yet known.

See “Fees and Expenses” on page 12 for more information about the costs of investing in the Fund.

SPROTT ENERGY CLASS
of Sprott Corporate Class Inc.

FUND DETAILS

Type of Fund:	Energy sector
Inception:	Series A: September 23, 2011 Series F: September 23, 2011 Series I: September 23, 2011
Nature of Securities Offered:	Series A, Series F and Series I shares of a class of a mutual fund corporation
Registered Tax Plan Status:	Expected to be a qualified investment for registered tax plans
Management Fees:	Series A: Up to 2.5% Series F: Up to 1.5% Series I: Negotiated by the shareholder

WHAT DOES THE FUND INVEST IN?

Investment Objective

The Fund seeks to achieve long-term capital growth.

It seeks a similar return to its underlying fund, Sprott Energy Fund, by investing substantially all of its assets in securities of that fund. The underlying fund invests primarily in equity and equity related securities of companies that are involved directly or indirectly in the exploration, development, production and distribution of oil, gas, coal, or uranium and other related activities in the energy and resource sector.

Shareholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

The investment strategy of the Fund is to invest substantially all of its assets in securities of its underlying fund, which is also managed by the Manager.

Investment strategies of the underlying fund

To achieve the underlying fund's investment objective, the portfolio adviser of the underlying fund employs fundamental analysis to seek to identify superior investment opportunities with the potential for capital appreciation over the long-term. This is accomplished by seeking out undervalued companies backed by strong management teams and solid business models that can benefit from both industry and macro-economic trends.

The underlying fund may follow a more concentrated investment approach and, from time to time, over weight certain sub-sectors within the energy and resource sector, when deemed appropriate by the portfolio adviser. This may result in the underlying fund's portfolio weightings being substantially different from the weightings of the S&P/TSX Capped Energy Total Return Index (or its successor index). The underlying fund may be subject to pronounced cycles and widely varying conditions in the equity markets.

The underlying fund may also choose to:

- invest in and overweight cash and fixed income securities based on the market outlook for the energy sector;

- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see “Securities lending, repurchase and reverse repurchase transactions risk” on page 5 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the underlying fund to minimize the risks associated with these transactions); and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objective of the underlying fund and as permitted by the Canadian securities administrators, including to:
 - hedge against losses from changes in the prices of the underlying fund’s investments and from exposure to foreign currencies; and
 - gain exposure to individual securities and markets instead of buying the securities directly (please see “Derivatives risk” on page 3 for more information on the risks associated with the use of derivatives).

Portfolio turnover rates of the underlying fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the underlying fund, and a greater chance that an investor in the Fund will receive a capital gains dividend that must be included in a taxable investor’s income for tax purposes. There isn’t necessarily a relationship between the turnover rate and the underlying fund’s performance.

The underlying fund may invest in Beta Pro ETFs pursuant to the BetaPro Relief. For more information, please see “Exemptive Relief to Invest in Beta Pro ETFs” on page 21. The Fund may also invest in other ETFs as permitted by securities regulations.

The underlying fund may engage in short selling pursuant to the Short Selling Relief. For more information, please see “Exemptive Relief to Engage in Short Selling” on page 21.

Additional information about Sprott Energy Fund is set out in its simplified prospectus and annual information form. You can get copies by contacting us or by asking your financial advisor.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Since the Fund invests primarily in securities of the underlying fund, the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying fund. The security value of the underlying fund (and in turn, the Fund) will be affected by changes in the price of energy and energy-related natural resource commodities. These prices can change significantly as a result of supply and demand, speculation, and government and regulatory activities. The Fund is also generally exposed to the following risks:

- Capital gains risk
- Class risk
- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Exchange traded funds risk
- Foreign investment risk
- Inflation risk
- Interest rate risk
- Liquidity risk
- Market risk
- Regulatory risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk
- Small capitalization natural resource company risk

SPROTT ENERGY CLASS

- Substantial shareholder risk
- Tax risk
- Tracking risk

As at September 23, 2011, we owned 100% of the shares of the Fund because the Fund is new.

You may refer to pages 2 to 6 for descriptions of these risks.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for investors seeking long-term capital growth.

In accordance with the methodology recommended by the Task Force, the risk rating assigned to this Fund is high risk and it is appropriate if you have a long-term investment horizon.

Please see “Fund Risk Classification” on page 22 for a description of how we classify this Fund’s risk level.

DISTRIBUTION POLICY

The Corporation intends to pay ordinary dividends in December and capital gains dividends in February of each year of the extent necessary to ensure it will not have any net liability for tax under Part IV of the Tax Act on taxable dividends from taxable Canadian corporations or for tax under Part I of the Tax Act on net realized capital gains. All dividends will be reinvested in additional shares of the same series of the Fund unless you ask us to be paid in cash rather than receive shares in the Fund at least 5 business days in advance of the date on which dividends are payable.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

This information is not available as the Fund is new and its costs are not yet known.

See “Fees and Expenses” on page 12 for more information about the costs of investing in the Fund.

SPROTT SHORT-TERM BOND CLASS

of Sprott Corporate Class Inc.

FUND DETAILS

Type of Fund:	Canadian short-term fixed income
Inception:	Series A: September 23, 2011 Series F: September 23, 2011 Series I: September 23, 2011
Nature of Securities Offered:	Series A, Series F and Series I shares of a class of a mutual fund corporation
Registered Tax Plan Status:	Expected to be a qualified investment for registered tax plans
Management Fees:	Series A: Up to 0.75% Series F: Up to 0.50% Series I: Negotiated by the shareholder

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund aims to preserve capital and maintain liquidity.

It seeks a similar return to its underlying fund, Sprott Short-Term Bond Fund, by investing substantially all of its assets in securities of that fund. The underlying fund invests primarily in short-term debt securities issued by Canadian federal, provincial and municipal governments as well as corporate issuers.

Shareholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

The investment strategy of the Fund is to invest substantially all of its assets in securities of its underlying fund, which is also managed by the Manager.

Investment objectives of the underlying fund

The underlying fund's objective is to provide a regular income while preserving capital and maintaining liquidity. The underlying fund invests primarily in short-term debt securities issued by Canadian federal, provincial and municipal governments as well as corporate issuers.

Investment strategies of the underlying fund

To achieve the underlying fund's investment objectives, the portfolio adviser of the underlying fund will employ investment strategies based upon:

- economic research,
- quantitative and technical analysis,
- the analysis of credit quality pertaining to prospective investments, and

- establishing an evolving asset allocation containing government and corporate bonds.

The underlying fund may invest a portion of its assets in short-term debt securities of foreign issuers. The underlying fund may also invest a portion of its assets in exchange-traded funds to gain exposure to the securities described herein.

The underlying fund may also choose to:

- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see “Securities lending, repurchase and reverse repurchase transactions risk” on page 5 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the underlying fund to minimize the risks associated with these transactions); and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objective of the underlying fund and as permitted by the Canadian securities administrators, including to:
 - hedge against losses from changes in the prices of the underlying fund’s investments and from exposure to foreign currencies; and
 - gain exposure to individual securities and markets instead of buying the securities directly (please see “Derivatives risk” on page 3 for more information on the risks associated with the use of derivatives).

Portfolio turnover rates of the underlying fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the underlying fund, and a greater chance that an investor in the Fund will receive a capital gains dividend that must be included in a taxable investor’s income for tax purposes. There isn’t necessarily a relationship between the turnover rate and the underlying fund’s performance.

To the extent permitted by applicable securities legislation, the underlying fund may also engage in short selling. **However, the underlying fund will engage in short selling only when it is permitted by applicable securities legislation and will comply with the limits and conditions required by applicable securities legislation in connection with short selling.**

Additional information about Sprott Short-Term Bond Fund is set out in its simplified prospectus and annual information form. You can get copies by contacting us or by asking your financial advisor.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Since the Fund invests primarily in securities of the underlying fund, the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying fund. The Fund is generally exposed to the following risks:

- Capital gains risk
- Class risk
- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Exchange traded fund risk
- Foreign investment risk
- Inflation risk
- Interest rate risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk

SPROTT SHORT-TERM BOND CLASS

- Substantial shareholder risk
- Tracking risk

As at September 23, 2011, we owned 100% of the shares of the Fund because the Fund is new.

You may refer to pages 2 to 6 for descriptions of these risks.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for those investors who seek exposure to short-term high quality fixed income securities issued primarily by Canadian governments and companies.

In accordance with the methodology recommended by the Task Force, the risk rating assigned to this Fund is low risk and it is appropriate if you have a short term investment horizon.

Please see “Fund Risk Classification” on page 22 for a description of how we classify this Fund’s risk level.

DISTRIBUTION POLICY

The Corporation intends to pay ordinary dividends in December and capital gains dividends in February of each year of the extent necessary to ensure it will not have any net liability for tax under Part IV of the Tax Act on taxable dividends from taxable Canadian corporations or for tax under Part I of the Tax Act on net realized capital gains. All dividends will be reinvested in additional shares of the same series of the Fund unless you ask us to be paid in cash rather than receive shares in the Fund at least 5 business days in advance of the date on which dividends are payable.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

This information is not available as the Fund is new and its costs are not yet known.

See “Fees and Expenses” on page 12 for more information about the costs of investing in the Fund.

SPROTT SMALL CAP EQUITY CLASS
of Sprott Corporate Class Inc.

FUND DETAILS

Type of Fund:	Canadian small cap equity
Inception:	Series A: September 23, 2011 Series F: September 23, 2011 Series I: September 23, 2011
Nature of Securities Offered:	Series A, Series F and Series I shares of a class of a mutual fund corporation
Registered Tax Plan Status:	Expected to be a qualified investment for registered tax plans
Management Fees:	Series A: Up to 2.5% Series F: Up to 1.5% Series I: Negotiated by the shareholder

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The objective of the Fund is to achieve long-term capital growth.

It seeks a similar return to its underlying fund, Sprott Small Cap Equity Fund, by investing substantially all of its assets in securities of that fund. The underlying fund invests primarily in small capitalization equity and equity-related securities listed in Canada, with some exposure to global small capitalization equities.

Shareholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

The investment strategy of the Fund is to invest substantially all of its assets in securities of its underlying fund, which is also managed by the Manager.

Investment strategies of the underlying fund

To achieve the underlying fund's investment objective, the portfolio adviser of the underlying fund employs an investment style which is a combination of value and growth. The portfolio adviser selects a broadly diversified portfolio of securities that it believes offer a good balance between reasonable valuations and attractive growth prospects relative to their peers. This underlying fund focuses on seeking out undervalued companies with strong management teams and financial strength.

The underlying fund's portfolio weighting may differ substantially from the weightings of the S&P/TSX SmallCap Total Return Index or its successor index.

The underlying fund's investments will include Canadian small capitalization equity and equity-related securities listed in Canada, with some exposure to global small capitalization equities. The underlying fund may also choose other permitted investments such as cash when considered appropriate.

The underlying fund may also choose to:

- invest in Canadian debt securities and foreign securities, provided such investments comply with the investment restrictions and practices adopted by the underlying fund. The underlying fund's aggregate exposure to foreign securities will not exceed approximately 35% (at the time of investment and on a cost basis) of its assets. The underlying fund may invest in debt securities primarily for defensive purposes. The underlying fund may invest in debt securities primarily for defensive purposes;
- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 5 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the underlying fund to minimize the risks associated with these transactions); and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objective of the underlying fund and as permitted by the Canadian securities administrators, including to:
 - hedge against losses from changes in the prices of the underlying fund's investments and from exposure to foreign currencies; and
 - gain exposure to individual securities and markets instead of buying the securities directly (please see "Derivatives risk" on page 3 for more information on the risks associated with the use of derivatives).

Portfolio turnover rates of the underlying fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the underlying fund, and a greater chance that an investor in the Fund will receive a capital gains dividend that must be included in a taxable investor's income for tax purposes. There isn't necessarily a relationship between the turnover rate and the underlying fund's performance.

The underlying fund may invest in Beta Pro ETFs pursuant to the BetaPro Relief. For more information, please see "Exemptive Relief to Invest in Beta Pro ETFs" on page 21. The Fund may also invest in other ETFs as permitted by securities regulations.

The underlying fund may engage in short selling pursuant to the Short Selling Relief. For more information, please see "Exemptive Relief to Engage in Short Selling" on page 21.

Additional information about Sprott Small Cap Equity Fund is set out in its simplified prospectus and annual information form. You can get copies by contacting us or by asking your financial advisor.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Since the Fund invests primarily in securities of the underlying fund, the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying fund. The Fund is generally exposed to the following risks:

- Capital gains risk
- Class risk
- Commodity risk
- Credit risk
- Currency risk
- Derivatives risk
- Exchange traded funds risk
- Foreign investment risk
- Inflation risk
- Interest rate risk
- Liquidity risk
- Market risk
- Regulatory risk

- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk
- Small company risk
- Substantial shareholder risk
- Tax risk
- Tracking risk

As at September 23, 2011, we owned 100% of the shares of the Fund because the Fund is new.

You may refer to pages 2 to 6 for descriptions of these risks.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for those investors seeking long-term capital growth wanting to share in the opportunities offered by the growth potential of equity securities of primarily small capitalization Canadian companies.

In accordance with the methodology recommended by the Task Force, the risk rating assigned to this Fund is above average risk and it is appropriate if you have a long-term investment horizon.

Please see “Fund Risk Classification” on page 22 for a description of how we classify this Fund’s risk level.

DISTRIBUTION POLICY

The Corporation intends to pay ordinary dividends in December and capital gains dividends in February of each year of the extent necessary to ensure it will not have any net liability for tax under Part IV of the Tax Act on taxable dividends from taxable Canadian corporations or for tax under Part I of the Tax Act on net realized capital gains. All dividends will be reinvested in additional shares of the same series of the Fund unless you ask us to be paid in cash rather than receive shares in the Fund at least 5 business days in advance of the date on which dividends are payable.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

This information is not available as the Fund is new and its costs are not yet known.

See “Fees and Expenses” on page 12 for more information about the costs of investing in the Fund.

SPROTT TACTICAL BALANCED CLASSof Sprott Corporate Class Inc.

FUND DETAILS

Type of Fund:	Tactical allocation
Inception:	Series A: September 23, 2011 Series F: September 23, 2011 Series I: September 23, 2011 Series T: September 23, 2011 Series FT: September 23, 2011
Nature of Securities Offered:	Series A, Series F, Series I, Series T and Series FT shares of a class of a mutual fund corporation
Registered Tax Plan Status:	Expected to be a qualified investment for registered tax plans
Management Fees:	Series A: 2.25% Series F: 1.25% Series I: Negotiated by the shareholder Series T: 2.25% Series FT: 1.25%

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The objective of the Fund is to seek to provide a total return over the long term by investing primarily in a portfolio of mutual funds that are managed by the Manager, its associates or its affiliates. The Fund may also invest in gold bullion, exchange traded funds and equity and/or fixed income securities.

Shareholder approval is required prior to a change in the fundamental investment objective of the Fund.

Investment Strategies

To achieve these objectives, the Fund employs a flexible and opportunistic investment approach that has the potential to perform well in a variety of market environments. The Fund seeks total return over the long-term. Total return includes capital gains, interest and dividends.

The Portfolio Adviser expects to allocate the Fund's assets among the following asset classes according to the approximate ranges set out below. Such ranges are designed to allow the Portfolio Adviser to vary the weighting of the Fund's portfolio within the asset classes to provide the Portfolio Adviser with the flexibility to meet the investment objectives as it considers appropriate in a variety of market environments.

Asset Class	Range
Equity funds	40% - 60%
Fixed-income funds	25% - 45%
Gold bullion funds	0% - 10%

SPROTT TACTICAL BALANCED CLASS

Tactical investments (exchange traded funds, direct investments in gold bullion, equity and/or fixed-income securities and use of derivatives)	0% - 20%
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The Portfolio Adviser may, in its sole discretion, change the permitted ranges and/or add or remove one or more underlying asset classes in order to meet the Fund's investment objective.

The Fund may also choose to:

- invest in short-term debt securities or cash for operational purposes, such as maintaining liquidity to accommodate redemption requests and to rebalance its holdings in underlying funds;
- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 5 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the Fund to minimize the risks associated with these transactions); and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner which is consistent with the investment objective of the Fund and as permitted by the Canadian securities administrators, including to:
 - hedge against losses from changes in the prices of the investments of Fund and from exposure to foreign currencies; and
 - gain exposure to individual securities and markets instead of buying the securities directly (please see "Derivatives risk" on page 3 for more information on the risks associated with the use of derivatives).

Portfolio turnover rates of the Fund vary from year to year. A higher portfolio turnover rate in a year will result in greater trading costs payable by the Fund and a greater chance that an investor in the Fund will receive a capital gains dividend that must be included in a taxable investor's income for tax purposes. There isn't necessarily a relationship between the turnover rate and the Fund's performance.

The Fund may invest in Beta Pro ETFs pursuant to the BetaPro Relief. For more information, please see "Exemptive Relief to Invest in Beta Pro ETFs" on page 21. The Fund may also invest in other ETFs as permitted by securities regulations.

The Fund may engage in short selling pursuant to the Short Selling Relief. For more information, please see "Exemptive Relief to Engage in Short Selling" on page 21.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Since the Fund invests primarily in securities of other mutual funds, the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds, which the Fund takes on in proportion to its investment in the underlying funds. The Fund is generally exposed to the following risks:

- Capital depletion risk (Series T and FT shares only)
- Capital gains risk
- Class risk
- Commodity risk
- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Exchange traded fund risk

SPROTT TACTICAL BALANCED CLASS

- Foreign investment risk
- Inflation risk
- Interest rate risk
- Liquidity risk
- Market risk
- Regulatory risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Series risk
- Short selling risk
- Small capitalization natural resource company risk
- Small company risk
- Substantial shareholder risk
- Tax risk
- Tracking risk

As at September 23, 2011, we owned 100% of the shares of the Fund because the Fund is new.

You may refer to pages 2 to 6 for descriptions of these risks.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for those investors seeking long-term capital growth.

In accordance with the methodology recommended by the Task Force, the risk rating assigned to this Fund is average risk and it is appropriate if you have a medium to long-term investment horizon.

Please see “Fund Risk Classification” on page 22 for a description of how we classify this Fund’s risk level.

DISTRIBUTION POLICY

The Corporation intends to pay ordinary dividends in December and capital gains dividends in February of each year of the extent necessary to ensure it will not have any net liability for tax under Part IV of the Tax Act on taxable dividends from taxable Canadian corporations or for tax under Part I of the Tax Act on net realized capital gains. All dividends will be reinvested in additional shares of the same series of the Fund unless you ask us to be paid in cash rather than receive shares in the Fund at least 5 business days in advance of the date on which dividends are payable.

For Series T and FT shares, shareholders will receive a target monthly distribution of 6% per annum. The fixed monthly distribution amount will be reset at the beginning of each calendar year to provide an approximately 6% yield based on the net asset value per Series T or Series FT share as at December 31 of the prior year. Throughout the year, such monthly distributions to shareholders will be a combination of return of capital, net income and/or capital gains. The composition of the monthly distributions as among returns of capital, net income and capital gains will vary from month to month. Series T and Series FT share distributions, if any, are determined at the end of each month. Currently, the monthly distribution is expected to be approximately \$0.05 per share for Series T and Series FT. Unless instructed otherwise, all distributions paid on Series T or Series FT shares will be paid in cash. The Manager reserves the right to adjust the distribution amount if deemed appropriate. There can be no assurance that Series T or Series FT shares will make any distributions in any particular month or months.

Returns of capital do not necessarily reflect the Fund’s investment performance and should not be confused with “yield” or “income”. You should not draw any conclusions about the Fund’s investment performance from the amount of this distribution.

Returns of capital will result in an encroachment upon your original capital and may result in the return to you of the entire amount of your original investment. A return of capital made to you is not immediately taxable, but will reduce the adjusted cost base (the “ACB”) of your shares. Where net reductions to the ACB of your shares would

SPROTT TACTICAL BALANCED CLASS

result in the ACB becoming a negative amount, such amount would be treated as a capital gain realized by you and the ACB of your shares will then be nil.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

This information is not available as the Fund is new and its costs are not yet known.

See “Fees and Expenses” on page 12 for more information about the costs of investing in the Fund.

Additional information about the Funds is available in the Funds' Annual Information Form, Fund Facts, Management Reports of Fund Performance and Financial Statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling toll free 1-866-299-9906, or from your dealer, or via email at invest@sprott.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

SPROTT CORPORATE CLASS INC.

Offering Series A, Series F and Series I Shares (unless otherwise indicated)

SPROTT RESOURCE CLASS

SPROTT CANADIAN EQUITY CLASS

SPROTT DIVERSIFIED YIELD CLASS *(Series T and Series FT Shares also available)*

SPROTT GOLD AND PRECIOUS MINERALS CLASS

SPROTT ENERGY CLASS

SPROTT SHORT-TERM BOND CLASS

SPROTT SMALL CAP EQUITY CLASS

SPROTT TACTICAL BALANCED CLASS *(Series T and Series FT Shares also available)*

(the "Funds")

Each Fund is a class of shares of Sprott Corporate Class Inc.

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