

Proxy Voting Guidelines

Sprott Asset Management Inc., in its capacity as portfolio adviser to the Funds, is wholly responsible for establishing, monitoring and amending (if necessary) the policies and procedures relating to the voting of proxies received in connection with each Fund's portfolio securities.

Generally speaking, the portfolio adviser will vote in favour of the following proxy proposals:

- electing and fixing number of directors
- appointing auditors
- ratifying director actions
- approving private placements exceeding 25% threshold
- changing registered address
- authorizing directors to fix remuneration of auditors
- approving private placements to insiders exceeding 10% threshold
- approving special resolutions to change the authorized capital of the company to an unlimited number of common shares without par value

The portfolio adviser will vote against any proposal relating to stock option plans that: (i) exceed 10% of the common shares issued and outstanding at the time of grant (on a non-diluted basis); and (ii) provide that the maximum number of common shares issuable pursuant to such plan be a "rolling" maximum equal to 10% of the outstanding common shares at the date of the grant of applicable options.

In certain cases, proxy votes may not be cast when the portfolio adviser determines that it is not in the best interests of unitholders of the Fund to vote such proxies. In the event a proxy raises a potential material conflict of interest between the interests of a Fund and the portfolio adviser, the conflict will be resolved by the portfolio adviser in favour of that Fund.

The portfolio adviser retains the discretion to depart from these policies on any particular proxy vote depending upon the facts and circumstances.

The proxy voting guidelines of the Funds are available on request, free of charge, by contacting the Manager at 1-866-299-9906. The portfolio adviser will maintain and prepare an annual proxy voting record for each Fund. The proxy voting record for the annual period beginning July 1, 2005 for each Fund will be available free of charge to any investor upon request at any time after June 30, 2006.