



Q2 2017 Results Conference Call

August 11, 2017

Forward-looking Statements

Certain statements in this presentation, and in particular the “Outlook” and “Balance Sheet Strategy” slides, contain forward-looking information (collectively referred to herein as the “Forward-Looking Statements”) within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify Forward-Looking Statements. In particular, but without limiting the forgoing, this presentation contains Forward-Looking Statements pertaining to: (i) expectations regarding liquidity; (ii) investors seeking uncorrelated assets as geopolitical tensions rise and a market correction is overdue; (iii) converting global brand equity into AUM; (iv) rebuilding the performance fee book; (v) continued building of scale in existing products and launching complimentary new strategies; and (vi) the Company’s balance sheet strategy.

Although the Company believes that the Forward-Looking Statements are reasonable, they are not guarantees of future results, performance or achievements. A number of factors or assumptions have been used to develop the Forward-Looking Statements, including: (i) the impact of increasing competition in each business in which Sprout operates will not be material; (ii) quality management will be available; and (iii) the effects of regulation and tax laws of governmental agencies will be consistent with the current environment. Actual results, performance or achievements could vary materially from those expressed or implied by the Forward-Looking Statements should assumptions underlying the Forward-Looking Statements prove incorrect or should one or more risks or other factors materialize, including: (i) difficult market conditions; (ii) changes in the investment management industry; (iii) risks related to regulatory compliance; (iv) failure to deal appropriately with conflicts of interest; (v) failure to continue to retain and attract quality staff; (vi) competitive pressures; (vii) corporate growth may be difficult to sustain and may place significant demands on existing administrative, operational and financial resources; (viii) failure to execute the Company’s succession plan; (ix) foreign exchange risk relating to the relative value of the U.S. dollar; (x) litigation risk; (xi) employee errors or misconduct could result in regulatory sanctions or reputational harm; (xii) failure to implement effective information security policies, procedures and capabilities; (xiii) failure to develop effective business resiliency plans; (xiv) failure to obtain or maintain sufficient insurance coverage on favourable economic terms; (xv) historical financial information is not necessarily indicative of future performance; (xvi) the market price of common shares of the Company may fluctuate widely and rapidly; and (xvii) those risks described under the heading “Risk Factors” in the Company’s annual information form dated March 1, 2017. In addition, the payment of dividends is not guaranteed and the amount and timing of any dividends payable by the Company will be at the discretion of the Board of Directors of the Company and will be established on the basis of the Company’s earnings, the satisfaction of solvency tests imposed by applicable corporate law for the declaration and payment of dividends, and other relevant factors. The Forward-Looking Statements speak only as of the date hereof, unless otherwise specifically noted, and the Company does not assume any obligation to publicly update any Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable Canadian securities laws

Speakers

Peter Grosskopf

Chief Executive Officer

Kevin Hibbert

Chief Financial Officer

Q2 2017 Financial Review

- AUM moderated to \$9.3B due to weaker precious metals prices
- Adjusted base EBITDA increased to \$8.8MM or \$0.04 per share
- Exchange listed products returning to growth with ~\$100MM net sales
- Commission revenues increased by more than 50% to \$5.5MM

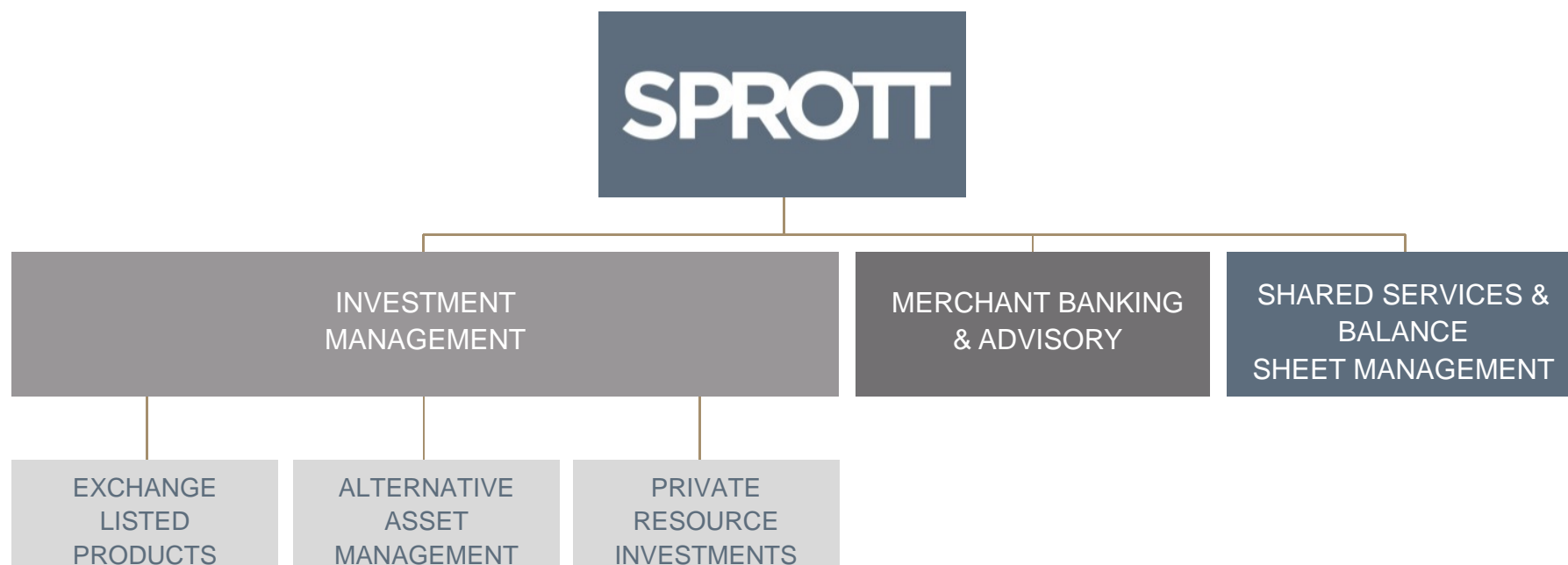
Q2 and YTD Highlights

- Increased Private Resource Lending LP commitments to \$800MM+
- Merchant bank performing well
 - Participated in more than \$700MM in equity financings YTD, generating more than \$5MM in net commissions
- Completed Eric Sprott transition plan
 - Jack Lee elected Chairman of the Board
 - Broadened shareholder base through over subscribed offering of a \$75MM of E. Sprott's share holdings
 - SII employees and employee Trust were significant purchasers
 - SII also repurchased and cancelled 5MM shares

New Sprott

- Sale of Canadian retail fund contracts closed on August 1, 2017
 - Headcount reduced by ~50%
- After giving effect to the sale, AUM is \$7.1B in AUM
 - Includes ~\$800MM in sub-advised precious metals strategies
- Focused investment management for:
 - Resource investments
 - Other real assets
 - International value
- Senior leadership team selected from within

Simplified Organizational Structure



Senior Leadership Team

NEW EXECUTIVE COMMITTEE:

Peter Grosskopf, CEO

Kevin Hibbert, Senior Managing Director, CFO, Corporate Secretary

Arthur Einav, Senior Managing Director, General Counsel

John Ciampaglia, Senior Managing Partner, CEO Sprott Asset Management

Whitney George, Senior Managing Director, CIO, Sprott Asset Management

Steve Yuzpe, Senior Managing Director, CEO, Private Resource Investments

Rick Rule, Senior Managing Director, CIO, Private Resource Investments

AUM Roll Forward

Product Type	March 31, 2017			June 30, 2017	
	AUM, Beginning of Period	Net Sales/ (Redemptions)	Market Value Change	Transfers/ Acquisitions/ (Divestitures)	AUM, End of Period
Exchange Listed Products	4,758	98	(265)	–	4,591
Alternative Asset Management ⁽¹⁾					
Mutual Funds	2,411	(89)	(116)	–	2,206
Alternative Investment Funds	1,021	40	4	–	1,065
Managed Accounts	97	(40)	(4)	–	53
Private Resource Investments					
Private Resource Lending Funds	53	20	–	–	73
Fixed Term LPs	346	–	(22)	–	324
Managed Companies	708	–	(4)	–	704
Managed Accounts	298	–	(8)	–	290
Total	9,692	29	(415)	–	9,306

Revenues

\$ millions

Q2 2017

Q2 2016

Total Net Revenues

24.8

43.8

Key revenue highlights:

Net fees

16.7

17.4

Net Commissions

5.5

3.6

Interest income

3.5

3.9

Expenses

\$ millions	Q2 2017	Q2 2016
Total Expenses	33.3	28.9
Key expense highlights: (excluding Trailers, Sub-advisory and Commission expense):		
Compensation (including stock based compensation)	12.0	12.2
Selling, general & administrative	6.2	7.9
Placement and referral fees	4.7	1.7

EBITDA Reconciliation

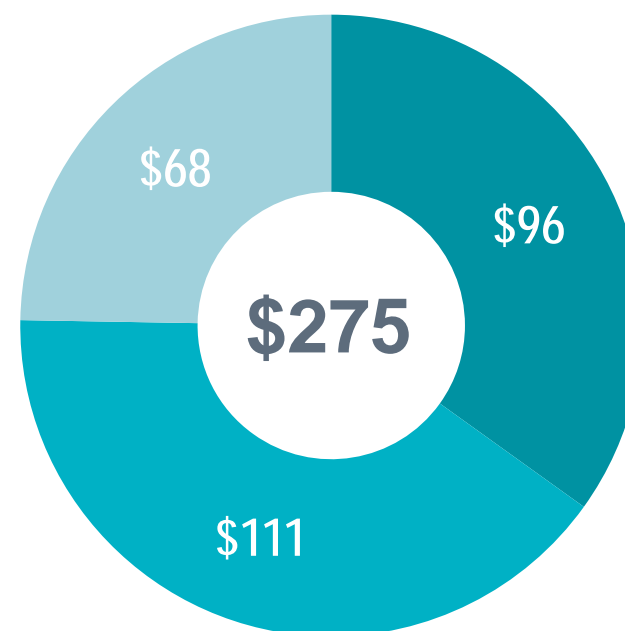
\$ millions (except for per share amounts)	Q2 2017	Q2 2016
Net Income	(3.6)	17.0
Per share	(0.01)	0.07
Adjustments:		
Interest expense	–	–
Provision for income taxes	2.3	3.1
Depreciation and amortization	1.8	1.8
EBITDA	0.5	21.9
Other Adjustments:		
Impairment of intangible assets	–	–
(Gains) & losses on proprietary investments	0.6	(17.6)
(Gains) & losses on foreign exchange	3.0	0.6
Non-cash and non-recurring stock based compensation	0.5	0.8
Other	5.4	0.9
Adjusted EBITDA	8.8	6.5
Less:		
Performance Fees	(0.1)	(1.1)
Performance fee related expenses	0.1	0.4
Adjusted base EBITDA	8.8	5.8
Per share	0.04	0.02

Balance Sheet Strength

INVESTABLE CAPITAL

- \$275 million in investable capital as of June 30, 2017
 - Uses during Q2 included ~\$17.5 million for share buyback and employee trust purchase
- Mostly liquid or liquidity within two years
- Proceeds from sale of Canadian retail business increased investable capital to \$325MM, subsequent to quarter end

In \$ Millions



■ Cash ■ Proprietary Investments ■ Loans

Outlook

- Investor interest in precious metals related strategies is increasing
- Sprott's leverage to resource sector has risen
 - Higher percentage of AUM is in precious metals
 - Rebuilding performance fee book
- Committed to using global brand to grow scope of business
- We will continue to add complementary strategies
 - ETF
 - Resource Private Equity
 - Other real assets (i.e. agriculture/farmland)
- Tradewinds investment provides exposure to emergence of digital gold

Capital Strategy

- We will increase deployment of capital:
 - Invest alongside our clients in seeding new strategies and accounts
 - Build recurring revenue managed products in boutique real asset sectors
 - Explore complementary acquisition opportunities
 - Return capital to shareholders