



SPROTT INC.
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR

March 23, 2017

Wednesday, May 10, 2017 at 12:00 p.m. (Toronto time)
Baker & McKenzie LLP
Brookfield Place, Bay/Wellington Tower, 181 Bay Street, Suite 2100
Toronto, Ontario

SPROTT INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting of shareholders (the “**Meeting**”) of Sprott Inc. (the “**Corporation**”) will be held at the offices of Baker & McKenzie LLP, Brookfield Place, Bay/Wellington Tower, 181 Bay Street, Suite 2100, Toronto, Ontario, on Wednesday, May 10, 2017 at 12:00 p.m. (Toronto time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2016 together with the auditors’ report thereon (the “**2016 Financial Statements**”);
2. to elect the directors for the ensuing year;
3. to re-appoint KPMG LLP as auditors of the Corporation and to authorize the board of directors of the Corporation (the “**Board**”) to fix their remuneration and terms of engagement;
4. to consider and, if thought advisable, to pass, with or without amendment, an ordinary resolution to approve all unallocated options, rights and entitlements with respect to treasury issuances under the 2017 amended and restated stock option plan of the Corporation;
5. to consider and, if thought advisable, to pass, with or without amendment, an ordinary resolution to approve all unallocated options, rights and entitlements with respect to treasury issuances under the employee profit sharing plan for non-U.S. employees of the Corporation and its affiliated entities;
6. to consider and, if thought advisable, to pass, with or without amendment, an ordinary resolution to approve all unallocated options, rights and entitlements with respect to treasury issuances under the equity incentive plan for U.S. service providers of the Corporation and its affiliated entities; and
7. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Particulars of the foregoing matters are set forth in the management information circular dated March 23, 2017 (the “**Circular**”). The Corporation has elected to use the notice-and-access provisions under National Instrument 51-102 - *Continuous Disclosure Obligations* and National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (collectively, the “**Notice-and-Access Provisions**”) adopted by the Canadian Securities Administrators for the Meeting to reduce its mailing costs and volume of paper with respect to the materials distributed for the purpose of the Meeting. The Notice-and-Access Provisions are a set of rules that permit the Corporation to post the Meeting materials, 2016 Financial Statements and accompanying management’s discussion and analysis (“**MD&A**”) online rather than making a traditional physical delivery of such materials. Shareholders will still receive this Notice of Meeting, together with a form of proxy (the “**Proxy Instrument**”) or voting instruction form (“**VIF**”), as the case may be, and a financial statement request form. The Corporation will not use procedures known as “stratification” in relation to the use of the Notice-and-Access Provisions.

Shareholders are directed to read the Circular carefully and in full in evaluating the matters for consideration at the Meeting. Further disclosure on the matters set out above may be found in the Circular in the section entitled “Particulars of Matters to be Acted Upon”. The Circular, 2016 Financial Statements, MD&A and other relevant materials are available on the Corporation’s website at www.sprottinc.com, for a minimum of one year, and under the Corporation’s directory on the System for Electronic Document Analysis and Retrieval at www.sedar.com. Any shareholder who wishes to receive a paper copy of such documents free of charge should contact the Corporation’s registrar and transfer agent, TSX Trust Company, at 200 University Avenue, Suite 300, Toronto, Ontario, Canada, M5H 4H1, or by calling toll-free at 1-866-393-4891, Attention: Proxy Department. In order to be certain of receiving such materials in time to vote before the Meeting, the request should be received by TSX Trust Company by May 2, 2017. A shareholder may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

The record date for the determination of shareholders of the Corporation entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof is March 23, 2017 (the “**Record Date**”). Shareholders of the Corporation whose names have been entered in the register of shareholders of the Corporation at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

If you are a registered shareholder of the Corporation, and are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof in person, please date, sign and return the accompanying Proxy Instrument to TSX Trust Company, by mail or by hand delivery at 200 University Avenue, Suite 300, Toronto, Ontario, Canada, M5H 4H1, or by facsimile at (416) 595-9593, Attention: Proxy Department, at least 24 hours (excluding Saturdays, Sundays and holidays) before the Meeting time.

If you are not a registered shareholder of the Corporation, a VIF, instead of a form of proxy, may be enclosed. You must follow the instructions, including deadlines for submission, on the VIF in order to vote your shares.

Dated at Toronto, Ontario as of March 23, 2017.

BY ORDER OF THE BOARD

(signed) *Eric S. Sprott*

Eric S. Sprott

Chair of the Board

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SPROTT INC.

MANAGEMENT INFORMATION CIRCULAR

Unless otherwise stated, the information in this management information circular (the “**Circular**”) is as of March 23, 2017.

PROXY INSTRUCTIONS

This Circular is furnished in connection with the solicitation of proxies by the management of Sprott Inc. (the “**Corporation**”) for use at the annual and special meeting of shareholders of the Corporation (the “**Meeting**”) to be held at the offices of Baker & McKenzie LLP, Brookfield Place, Bay/Wellington Tower, 181 Bay Street, Suite 2100, Toronto, Ontario, on Wednesday, May 10, 2017 at 12:00 p.m. (Toronto time) and at any adjournment(s) or postponement(s) thereof, for the purposes set out in the foregoing Notice of Meeting (the “**Notice**”).

It is expected that the solicitation of proxies will be primarily by mail, subject to the use of the Notice-and-Access Provisions (as defined below). Proxies may also be solicited personally by officers and directors of the Corporation (but not for additional compensation). The costs of solicitation will be borne by the Corporation. None of the directors of the Corporation have informed management in writing that he or she intends to oppose any action intended to be taken by management at the Meeting.

Notice-and-Access

The Corporation has decided to use the notice-and-access model (“**Notice-and-Access**”) provided for under National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”) and National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for the delivery of the Meeting materials to its shareholders. Under Notice-and-Access, instead of receiving printed copies of the Circular, shareholders will receive the Notice containing instructions on how to access such materials electronically. Together with the Notice, shareholders will receive a proxy (in the case of registered shareholders) or voting instruction form (in the case of non-registered shareholders) (collectively, the “**Printed Materials**”), enabling them to vote at the Meeting. The Corporation has not adopted a stratification procedure whereunder printed copies of the Meeting materials are delivered to certain shareholders and not to others.

“**Notice-and-Access Provisions**” means provisions concerning the delivery of proxy-related materials in Section 9.1.1 of NI 51-102, in the case of registered shareholders, and Section 2.7.1 of NI 54-101, in the case of non-registered or beneficial shareholders (“**Non-Registered Holders**”), which would allow an issuer to make available an information circular forming part of proxy-related materials to shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

The Notice-and-Access Provisions are a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and on a non-SEDAR website (usually the reporting issuer’s website and sometimes the registrar and transfer agent’s website) rather than delivering such materials by mail. The Notice-and-Access Provisions can be used to deliver materials for both special and general meetings. Registered and beneficial shareholders will be entitled to request delivery of a paper copy of the information circular at the reporting issuer’s expense. Reporting issuers may still choose to continue to deliver such materials by mail.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Corporation. In order for the Corporation to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting the Meeting materials electronically on SEDAR and on a website that is not SEDAR, the Corporation must send a notice at least 30 days before the date of the Meeting to shareholders, including Non-Registered Holders, indicating that the proxy-related materials have been posted and explaining how a shareholder can access them or obtain from the Corporation, a paper copy of those materials. The Meeting materials have been posted under the Corporation’s SEDAR directory at www.sedar.com and on the Corporation’s website at www.sprottinc.com.

In order to use Notice-and-Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the Meeting materials to be posted on the applicable website and other materials to be delivered to shareholders. The requirements of that notice, which requires the Corporation to provide basic information about the Meeting and the matters to be voted on, to explain how a shareholder can obtain a paper copy of the Circular and any related financial statements and management’s discussion and analysis, and to explain the Notice-and-Access Provisions process, have been built into the Notice forming part of the Printed Materials. The Printed Materials have been delivered to shareholders by the Corporation.

Voting of Shares

Holders of common shares of the Corporation (the “**Common Shares**”) may vote on all matters to come before the Meeting. The form of proxy forwarded to holders of Common Shares affords the shareholder the opportunity to specify the manner in which the proxy nominees are to vote with respect to any specific item by checking the appropriate space in order to indicate whether the Common Shares registered in the shareholder’s name shall be: (i) voted for or withheld from voting for the directors to be named in this Circular; (ii) voted for or withheld from voting for the re-appointment of auditors and authorizing the board of directors of the Corporation (the “**Board**”) to fix their remuneration and terms of engagement; (iii) voted for or against the approval of all unallocated options, rights and entitlements with respect to treasury issuances under the amended and restated stock option plan of the Corporation (the “**Option Plan**”); (iv) voted for or against the approval of all unallocated options, rights and entitlements with respect to treasury issuances under the employee profit sharing plan of the Corporation (the “**EPSP**”); and (v) voted for or against the approval of all unallocated options, rights and entitlements with respect to treasury issuances under the equity incentive plan of the Corporation (the “**EIP**”).

The proxy must be signed by the holder of Common Shares or the shareholder’s attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. Persons signing as executors, administrators, trustees or in any other representative capacity should so indicate and give their full title as such.

The persons named in the enclosed form of proxy are officers of the Corporation and represent management. **Each shareholder has the right to appoint a person other than the persons named in the form of proxy, who need not be a shareholder, to attend and act for him, her or it and on his, her or its behalf at the Meeting.** A shareholder wishing to appoint some other person as a representative at the Meeting may do so either by inserting such person’s name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed form of proxy to the Corporation’s registrar and transfer agent, TSX Trust Company, Attention: Proxy Department, at 200 University Avenue, Suite 300, Toronto, Ontario, Canada, M5H 4H1 or by faxing the completed form to (416) 595-9593 at least 24 hours (excluding Saturdays, Sundays and holidays) before the Meeting time.

Revocation of Proxies

A proxy given by a shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder or by the shareholder’s attorney who is authorized by a document that is signed in writing or by electronic signature or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used, or with the chair of the Meeting on the day of the Meeting, or any adjournment(s) or postponement(s) thereof. The registered office of the Corporation is located at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, Toronto, Ontario, Canada, M5J 2J1.

MANNER IN WHICH PROXIES WILL BE VOTED

The management representatives designated in the form of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions of the shareholder as indicated on the proxy and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

In the absence of such direction, such Common Shares will be voted by the management representatives in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice, and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As at the date hereof, management of the Corporation knows of no such amendments, variations or other matters. **However, if any other matters should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the proxy nominee.**

VOTING BY BENEFICIAL SHAREHOLDERS

The information in this section is of significant importance to shareholders who do not hold their Common Shares in their own name. Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. More

particularly, a person is not a registered shareholder in respect of Common Shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners (“**NOBOs**”). Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners (“**OBOs**”).

The Corporation is not sending the Printed Materials directly to NOBOs in connection with the Meeting but rather has delivered copies of the Printed Materials to the Intermediaries for distribution to NOBOs. With respect to OBOs, in accordance with applicable securities law requirements, the Corporation has delivered copies of the Printed Materials to the clearing agencies and Intermediaries for distribution to OBOs. The Corporation intends to pay for Intermediaries to deliver the Printed Materials and Form 54-101F7.

Request for Voting Instructions Made by Intermediary to OBOs.

Intermediaries are required to forward the Printed Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Printed Materials to the Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Printed Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed and must be deposited with the Corporation’s registrar and transfer agent. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deliver it to TSX Trust Company, Attention: Proxy Department, at 200 University Avenue, Suite 300, Toronto, Ontario, Canada, M5H 4H1**; or
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. **Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of Common Shares, of which 248,564,175 Common Shares were issued and outstanding as of the date hereof.

The close of business on March 23, 2017 has been fixed as the record date (the “**Record Date**”) for the determination of shareholders entitled to receive notice of the Meeting and any adjournment(s) or postponement(s) thereof.

Each Common Share carries one vote in respect of each matter to be voted upon at the Meeting. Only holders of Common Shares of record at the close of business on the Record Date are entitled to vote at the Meeting or any adjournment(s) or postponement (s) thereof. The Corporation will prepare, or cause to be prepared, a list of shareholders (“**Shareholders List**”) entitled to receive notice of the Meeting not later than 10 days after the Record Date. At the Meeting, the holders of Common Shares shown on the Shareholders List will be entitled to one vote per Common Share shown opposite their names on the Shareholders List.

Two persons present and each holding or representing by proxy at least one issued share of the Corporation shall be a quorum of any meeting of shareholders for the choice of a chair of the meeting and for the adjournment of the meeting to a fixed time and place but may not transact any other business; for all other purposes a quorum for any meeting shall be persons present not being

less than two in number and holding or representing by proxy not less than 5% of the total number of the issued shares of the Corporation for the time being enjoying voting rights at such meeting.

As of the date hereof, the only persons or companies known by the Corporation to own beneficially, or control or direct, directly or indirectly, more than 10% of the Common Shares are as follows:

Name	Number of Common Shares Beneficially Owned or Controlled or Directed	Percentage of Outstanding Common Shares
2176423 Ontario Ltd. ⁽¹⁾	61,498,078	24.74%
Eric S. Sprott ⁽²⁾	61,598,078	24.78%

Notes:

- (1) Eric S. Sprott, the Chair of the Board, beneficially indirectly owns all of the voting securities in the capital of 2176423 Ontario Ltd.
- (2) Eric S. Sprott holds, in the aggregate, 61,598,078 Common Shares as follows: (a) 100,000 Common Shares directly; and (b) 61,498,078 Common Shares indirectly through 2176423 Ontario Ltd.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The audited consolidated financial statements of the Corporation for the financial year ended December 31, 2016, together with the auditors' report thereon and the annual management's discussion and analysis, will be presented to the shareholders at the Meeting for their consideration.

2. Election of Directors

The Articles of the Corporation provide that the Board shall consist of a minimum of one and a maximum of ten directors. The Board has the authority to fix the number of directors within these limits. As Eric S. Sprott has decided not to stand for re-election, the Board has reduced the number of directors from nine to eight. Each nominee for election as a director is currently a director of the Corporation. The term of each of the Corporation's present directors expires at the Meeting and each director elected at the Meeting will hold office until the next annual general meeting of shareholders of the Corporation or until his or her successor is duly elected or appointed, unless he or she resigns, is removed or becomes disqualified in accordance with the Corporation's by-laws or governing legislation.

The persons named in the enclosed form of proxy intend to vote "for" the election of each of the below-named nominees unless otherwise instructed on a properly executed and validly deposited proxy. Management does not contemplate that any of the nominees named below will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

Shareholders can vote or withhold from voting on the election of each director on an individual basis. The Board has adopted a policy which requires voting with respect to the election of directors at any meeting of shareholders to be by individual nominee as opposed to by slate of directors, e.g. shareholders will be asked to vote in favour of, or withhold from voting, separately for each nominee.

On March 25, 2014, the Board adopted a majority voting policy (the "**Majority Voting Policy**") effective July 1, 2014 and amended on March 1, 2017. Under the Majority Voting Policy, a director nominee who is elected in an uncontested election with a greater number of votes "withheld" than votes "for" will be considered by the Board not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Such a nominee will be expected to provide forthwith his or her resignation to the Chair of the Board for the consideration by the Corporate Governance and Nominating Committee of the Board (the "**CGN Committee**"). The CGN Committee shall consider the resignation offer and shall recommend to the Board whether or not to accept it. Unless extenuating circumstances apply, the CGN Committee shall be expected to accept the resignation. The Board shall act on the CGN Committee's recommendation within 90 days of the date of the shareholders' meeting at which the election occurred. The Board shall be expected to accept the resignation except in situations where extenuating circumstances would warrant the applicable director continuing to serve on the Board. Following the Board's decision on the resignation, the Board will promptly disclose, by way of a press release, its decision (together with an explanation of the process by which the decision was made and, if applicable, the reason(s) for rejecting the tendered resignation). The resignation will be effective when accepted by the Board.

The following table sets out the name of each person proposed to be nominated for election as a director at the Meeting, all offices of the Corporation now held by such person, his or her principal occupation, the period of time for which he or she has been a director of the Corporation, the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by such person and the number of deferred share units (“DSUs”) held by such person as at the date hereof. Biographical information for each nominee is also provided below.

Name, Municipality and Country of Residence	Position(s) with the Corporation	Principal Occupation	Director Since	Common Shares beneficially owned, or controlled or directed, directly or indirectly ⁽¹⁾	DSUs ⁽²⁾
Jack C. Lee ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ Alberta, Canada	Lead Independent Director ⁽⁶⁾	Private Investor and President of Facet Resources Ltd. (private investment firm)	2008	260,504	197,206
Ronald Dewhurst ⁽³⁾⁽⁵⁾⁽⁷⁾ Victoria, Australia	Director	Corporate Director	2017	—	75,000
Marc Faber ⁽³⁾ Ampur Chaing Mai, Thailand	Director	Managing Director of Marc Faber Ltd. (investment advisory and fund management firm)	2010	20,000	89,631
Peter Grosskopf Ontario, Canada	Chief Executive Officer (“CEO”) and Director	CEO of the Corporation and CEO of Sprott Resource Lending Corp. (“SRLC”)	2010	6,239,424 ⁽⁸⁾	—
Sharon Ranson ⁽⁴⁾⁽⁵⁾ Ontario, Canada	Director	President of The Ranson Group Inc. (executive coaching and consulting services firm)	2014	35,000	182,133
James T. Roddy ⁽³⁾⁽⁴⁾ Ontario, Canada	Director	Corporate Director	2008	100,004	89,631
Arthur Richards Rule IV California, United States	Director	President and CEO of Sprott U.S. Holdings Inc. (“Sprott US”)	2011	24,587,567 ⁽⁹⁾	—
Rosemary Zigrossi ⁽⁴⁾⁽⁵⁾ Ontario, Canada	Director	President, Odaamis Inc. (consulting services firm)	2014	35,000	119,530

Notes:

- (1) The information as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by the directors, not being within the knowledge of the Corporation, has been obtained from the System for Electronic Disclosure by Insiders.
- (2) For further information concerning the Corporation’s DSU Plan (as defined below), see “Director Attendance and Compensation - Deferred Share Unit Plan”.
- (3) Member of the CGN Committee.
- (4) Member of the Audit Committee (as defined below).
- (5) Member of the HRC Committee (as defined below).
- (6) Mr. Eric S. Sprott, the current Chair of the Board, will not stand for re-election at the Meeting. If Mr. Lee is elected as a director at the Meeting, it is anticipated that he will be appointed as Chair of the Board and, given Mr. Lee is an independent director, no Lead Director will be appointed.
- (7) Ronald Dewhurst was appointed to the Board effective January 9, 2017.

- (8) 454,424 of such Common Shares have been designated for the account of Mr. Grosskopf under the EPSP and, as at the date hereof, 293,762 of such Common Shares designated under the EPSP have not yet vested.
- (9) 73,203 of such Common Shares have been designated for the account of Mr. Rule under the EIP and, as at the date hereof, 48,802 of such Common Shares designated under the EIP have not yet vested.

Except as noted below, each of the foregoing directors and officers has held the same principal occupation for the previous five years.

Jack C. Lee

Jack C. Lee is President of Facet Resources Ltd., a private investment company. Mr. Lee has 44 years of experience in the oil and gas industry. He is currently Lead Director of the Corporation and serves as Chairman of Alaris Royalty Corp. and Gryphon Petroleum Corp. He was previously Chairman of Ithaca Energy Inc., Chairman of Canetic Resources Trust ("**Canetic**"), President and CEO of Acclaim Energy Trust ("**Acclaim**"), a predecessor of Canetic, and Chairman of CanEra Energy Corp. Prior thereto, Mr. Lee was President and CEO of Danoil Energy Ltd., a predecessor of Acclaim. Mr. Lee has a Bachelor of Arts and a Bachelor of Commerce, is a member of the Institute of Corporate Directors and holds the ICD.D designation.

Ronald Dewhurst

Ron Dewhurst has spent 40 years spread across the investment banking and asset management industries. He has lived approximately half of his career outside his native Australia working in Hong Kong, the United Kingdom and the United States of America. Ron has held leadership roles as CEO of Australian Investment Bank ANZ McCaughan Ltd., Managing Director of Australian asset manager IOOF Holdings Ltd., Head of Americas for J.P. Morgan Asset Management, and Executive Vice President and Head of Global Investment Managers for Legg Mason Inc. based in the U.S. Over the years Ron has held a number of board roles including Australian United Investment Company, IOOF Holdings Ltd., Orchard Petroleum Ltd., Rhinomed Ltd., One Vue Holdings, The National Gallery of Victoria and The Breast Cancer Network of Australia.

Marc Faber

Dr. Marc Faber is the Managing Director of Marc Faber Ltd., an investment advisory and fund management firm. He also acts as a director of Ivanhoe Mines Ltd, an international mining company with operations focused on the Asia Pacific region, and as a director and advisor to a number of private investment funds. Dr. Faber publishes a widely read monthly investment newsletter entitled "The Gloom, Boom & Doom Report" and is the author of several books including "Tomorrow's Gold - Asia's Age of Discovery". He is a regular contributor to several leading financial publications around the world. Dr. Faber has over 37 years of experience in the finance industry, including acting as manager of an investment bank in the U.S. where he routinely performed financial analysis on a range of companies. Dr. Faber received his PhD in Economics magna cum laude from the University of Zurich. He is a member of the Institute of Corporate Directors.

Peter Grosskopf

Peter Grosskopf assumed the role of CEO of the Corporation in September 2010. Mr. Grosskopf has over 27 years of experience in the financial services industry and an extensive background as an advisor and underwriter to companies in a wide variety of sectors. In addition to his role at the Corporation, he also serves as CEO and a director of SRLC and President and a director of Sprott Consulting LP ("**SCLP**"). Prior to joining the Corporation, he was President of Cormark Securities Inc. ("**Cormark**"). Prior to joining Cormark, Mr. Grosskopf was one of the co-founders of Newcrest Capital Inc., which was acquired by the TD Bank Financial Group in 2000. Mr. Grosskopf holds a Bachelor of Arts degree and a Masters of Business Administration from the University of Western Ontario.

Sharon Ranson

Sharon Ranson is President of The Ranson Group Inc., a company offering executive coaching and consulting services. Ms. Ranson has experience as a director on numerous corporate and not-for-profit boards. Previously, she was on the Board of Governors for CI Investments, and was a director of Bank West, Western Life, Western Financial Insurance and MEGA Brands (TSX:MB). Ms. Ranson also currently serves as a director of the Continental Bank of Canada ("**CBOC**"), Echelon Financial Holdings Inc. and Borrowell Inc. and sits on the not-for-profit Advisory Board for the Smith School of Business at Queen's University. Ms. Ranson was an Adjunct Professor for the Master of Finance program at the Smith School of Business at Queen's University. Prior to founding her current business in 2002, Ms. Ranson spent over 20 years in the financial services industry in executive positions where she worked at both large and small firms. She was a top ranked Financial Services Analyst and Director with RBC Dominion Securities and was a senior Portfolio Manager with TAL (CIBC). Ms. Ranson is a Chartered Accountant and holds the ICD.D

designation. She graduated from Queen's University with a Bachelor of Commerce and holds a Masters of Business Administration from York University.

James T. Roddy

James T. Roddy has held a number of senior positions and directorships with companies in various industries. He served as President, CEO and a director of Ontario Bus Industries Inc. in 1994 and from 1989 to 1993 was President and Chief Operating Officer ("**COO**") and a director of Slater Industries Inc. From 1985 to 1989 he held various positions with Campeau Corporation, including President, Chief Financial Officer ("**CFO**"), COO and director, and served in the roles of CFO, Executive Vice President and COO and a director of Peoples Jewellers Limited between 1967 and 1984. Mr. Roddy has also held directorships with numerous public and not-for-profit corporations. He currently serves as a director of CBOC. Mr. Roddy received his Chartered Accountant designation in 1967, is a member of the Institute of Corporate Directors and holds the ICD.D designation.

Arthur Richards Rule IV

Arthur Richards "Rick" Rule IV has over 37 years of experience in natural resource investing. He founded Global Resource Investments, Ltd. (now called Sprott Global Resources Investments, Ltd. ("**SGRIL**")), a full service U.S. brokerage firm that specializes in natural resource companies, in 1993, Resource Capital Investment Corp. ("**RCIC**"), a manager of pooled investment vehicles that invest in natural resource companies, in 1998, and Terra Resource Investment Management (now Sprott Asset Management USA Inc. ("**SAM USA**")), a registered investment advisor that provides segregated managed accounts, in 2006. At SGRIL, Mr. Rule leads a team that features professionals trained in resource related disciplines, such as geology and engineering, who work together to evaluate investment opportunities. Mr. Rule is the lead portfolio manager for the RCIC limited partnerships and also advises some of the SAM USA investment platforms. He is a leading American retail broker specializing in mining, energy, water utilities, forest products and agriculture.

Rosemary Zigrossi

Rosemary Zigrossi is a consultant to small to medium sized companies and to Promontory Financial Group Canada ("**Promontory**"). As a consultant and former Director at Promontory, Ms. Zigrossi advises clients in the asset management and banking industries in the area of risk management, regulatory compliance and governance. Prior to joining Promontory, Ms. Zigrossi was at the Ontario Teachers' Pension Plan ("**OTPP**") for almost two decades where she held various roles including Vice President, Asset Mix and Risk; Vice President, Venture Capital, a program she initiated; and Controller, responsible for building the Investment Finance department. She has extensive experience with investments in venture-capital-backed companies and private equity and has served as a member of the board of directors for companies in various industries, including information technology, communications, health care and life sciences and renewable energy. Prior to joining OTPP, Ms. Zigrossi was an Assistant Vice President at J.P. Morgan (Canada). Ms. Zigrossi serves on the boards of directors of the Business Development Bank and Russell Investments Corporate Class Inc. She is a member of the Investment Committee of Sustainable Development Technology Corporation and a member of the Investment and Pension Committee of Trent University. Ms. Zigrossi is a Chartered Accountant and CFA charter holder. She holds the ICD.D designation, graduated from the University of Toronto with a Bachelor of Commerce and attended the Harvard Business School's Program for Management Development.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Corporation, no proposed director is, or within the ten years prior to the date hereof has been, a director, CEO or CFO of any company (including the Corporation) that was subject to (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than thirty consecutive days issued while that person was acting in such capacity or issued thereafter but resulted from an event that occurred while that person was acting in such capacity.

To the knowledge of the Corporation, no proposed director is, or within the ten years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than Jack C. Lee who was a director of an Alberta-based private company that has sought protection under the Companies' Creditors Arrangement Act.

Penalties or Sanctions and Personal Bankruptcies

To the knowledge of the Corporation, no proposed director has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

To the knowledge of the Corporation, no proposed director has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Indemnification

No indemnification under section 136 of the *Business Corporations Act* (Ontario) was paid or became payable in 2016.

3. Appointment of Auditors

KPMG LLP was appointed as the Corporation's auditors effective as of January 1, 2016. Management proposes to re-appoint KPMG LLP, Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario M5H 2S5, as auditors of the Corporation and to authorize the Board to fix the auditors' remuneration and terms of engagement.

In the absence of a contrary specification made in the form of proxy, the persons named in the enclosed form of proxy intend to vote "for" the re-appointment of KPMG LLP as auditors of the Corporation and to authorize the Board to fix their remuneration and terms of engagement.

4. Approval of Unallocated Options, Rights or Other Entitlements Under the Option Plan

The Option Plan is described under the heading "Securities Authorized for Issuance Under Equity Compensation Plans - Option Plan". Pursuant to the Option Plan, when options to acquire Common Shares (each an "**Option**") have been granted, Common Shares reserved for issuance under an outstanding Option are referred to as allocated Options. Additional Common Shares that may be issued pursuant to the Option Plan but are not subject to current Option grants are referred to as unallocated Options.

The Option Plan is a "rolling plan" that provides that the maximum number of Common Shares from treasury that may be granted under the Option Plan and all other securities based compensation arrangements (including the EPSP and the EIP) shall not exceed 10% of the issued and outstanding Common Shares at the time of an Option grant. As a result, should the Corporation issue additional Common Shares in the future, the number of Common Shares issuable under the Option Plan will increase accordingly.

In accordance with the requirements of the Toronto Stock Exchange (the "**TSX**"), every three years after institution, all unallocated options, rights or other entitlements with respect to treasury issuances under a security based compensation arrangement which does not have a fixed maximum aggregate of securities issuable must be approved by: (i) the Board; and (ii) a majority of the an issuer's security holders. The Board approved all unallocated Options, rights or other entitlements available under the Option Plan on March 1, 2017. The shareholders of the Corporation approved all unallocated Options, rights or other entitlements available under the Option Plan on May 14, 2014.

If at the Meeting, the shareholders of the Corporation do not approve all unallocated Options, rights or other entitlements with respect to treasury issuances available under the Option Plan, all currently outstanding Options will be unaffected, however the Corporation will not issue any further Options under the Option Plan and any outstanding Options that are thereafter canceled or expire will not be available for re-grant until such time as shareholder approval is obtained.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, a resolution (the "**Option Plan Resolution**") to approve the unallocated Options, rights or other entitlements with respect to treasury issuances under the Option Plan and the grant of Options until May 10, 2020, which is the date that is three years from the date of the Meeting. The text of the Option Plan Resolution is as follows:

"RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The unallocated options, rights or other entitlements with respect to treasury issuances under the Sprott Inc. (the "**Corporation**") 2017 Amended and Restated Stock Option Plan (the "**Stock Option Plan**") are hereby approved.

2. The Corporation shall have the ability to continue granting options under the Stock Option Plan until May 10, 2020, which is three years from the date of the meeting at which approval of the shareholders of the Corporation is being sought.
3. Any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all things and execute and deliver all such agreements, documents and instruments necessary or desirable in connection with the foregoing.”

Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote “for” the Option Plan Resolution. Approval of the foregoing resolution will require the affirmative vote of a majority of the votes cast by holders of Common Shares present in person or represented by proxy at the Meeting. Whether or not the resolution is approved, all Options and other entitlements currently outstanding under the Option Plan will remain in effect in accordance with their terms.

5. **Approval of Unallocated Options, Rights or Other Entitlements Under the EPSP**

The EPSP is described under the heading “Securities Authorized for Issuance Under Equity Compensation Plans - EPSP”.

Similar to the Option Plan, the EPSP is a “rolling plan” that provides that the maximum number of Common Shares from treasury that may be granted under the EPSP and all other securities based compensation arrangements (including the Option Plan and the EIP) shall not exceed 10% of the issued and outstanding Common Shares at the time of an EPSP grant. As a result, should the Corporation issue additional Common Shares in the future, the number of Common Shares issuable under the EPSP will increase accordingly. In addition to the foregoing, Common Shares may be purchased on the open market by the independent trustee(s) under the EPSP (the “**Trustee**”) on behalf of the EPSP members (the “**Members**”). The Trustee may also purchase Common Shares from Eric S. Sprott (who is not entitled to be a Member under the EPSP) at a price equal to the market price for such shares and in compliance with applicable securities laws and the rules of the TSX. If Common Shares have been distributed under the EPSP or the Member’s entitlement to benefits expires, terminates or is canceled for any reason in accordance with the terms of the EPSP, the Common Shares subject thereto shall again be available for the purpose of the EPSP.

Since the EPSP does not have a fixed maximum aggregate of securities issuable, all unallocated options, rights or other entitlements with respect to treasury issuances thereunder must be approved by: (i) the Board; and (ii) a majority of its security holders, every three years after institution. The Board approved all unallocated options, rights or other entitlements available under the EPSP on March 1, 2017. The shareholders approved all unallocated options, rights or other entitlements available under the EPSP on May 14, 2014.

If at the Meeting, the shareholders of the Corporation do not approve all unallocated options, rights or other entitlements with respect to treasury issuances available under the EPSP, all currently outstanding entitlements will be unaffected, however the Corporation will not issue any further entitlements under the EPSP and any outstanding entitlements that are thereafter canceled or expire will not be available for re-grant until such time as shareholder approval is obtained.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, a resolution (the “**EPSP Resolution**”) to approve the unallocated options, rights or other entitlements with respect to treasury issuances under the EPSP and the grant of such entitlements until May 10, 2020, which is the date that is three years from the date of the Meeting. The text of the EPSP Resolution is as follows:

“RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The unallocated options, rights or other entitlements with respect to treasury issuances under the Sprott Inc. (the “**Corporation**”) 2011 Employee Profit Sharing Plan (the “**EPSP**”) are hereby approved.
2. The Corporation shall have the ability to continue granting benefits under the EPSP until May 20, 2020, which is three years from the date of the meeting at which approval of the shareholders of the Corporation is being sought.
3. Any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all things and execute and deliver all such agreements, documents and instruments necessary or desirable in connection with the foregoing.”

Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote “for” the EPSP Resolution. Approval of the foregoing resolution will require the affirmative vote of a majority of the votes cast by holders of Common Shares present in person or represented by proxy at the Meeting. Whether or not the resolution is approved, all options and other entitlements currently outstanding under the EPSP will remain in effect in accordance with their terms.

6. Approval of Unallocated Options, Rights or Other Entitlements Under the EIP

The EIP is described under the heading “Securities Authorized for Issuance Under Equity Compensation Plans - EIP”.

Similar to the Option Plan and the EPSP, the aggregate number of Common Shares from treasury that may be granted under the EIP and under all other securities based compensation arrangements (including the Option Plan and the EPSP) shall not exceed 10% of the issued and outstanding Common Shares as at the date of such grant. As a result, if the Corporation issues additional Common Shares in the future, the number of Common Shares issuable under the Corporation’s securities based compensation arrangements will increase accordingly. Common Shares may also be purchased on the open market for distribution under the EIP. If Common Shares have been distributed under the EIP or the grantee’s entitlement to benefits shall expire, terminate or be canceled for any reason in accordance with the terms of the EIP, the Common Shares subject thereto shall again be available for the purpose of the EIP.

Since the EIP does not have a fixed maximum aggregate of securities issuable, all unallocated options, rights or other entitlements with respect to treasury issuances thereunder must be approved by: (i) the Board; and (ii) a majority of its security holders, every three years after institution. The Board approved all unallocated options, rights or other entitlements available under the EIP on March 1, 2017. The shareholders of the Corporation approved all unallocated options, rights or other entitlements available under the EIP on May 14, 2014.

If at the Meeting, the shareholders of the Corporation do not approve all unallocated options, rights or other entitlements with respect to treasury issuances available under the EIP, all currently outstanding entitlements will be unaffected, however the Corporation will not issue any further awards under the EIP and any outstanding awards that are thereafter canceled or expire will not be available for re-grant until such time as shareholder approval is obtained.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, a resolution (the “**EIP Resolution**”) to approve the unallocated options, rights or other entitlements with respect to treasury issuances under the EIP and the grant of such awards until May 10, 2020, which is the date that is three years from the date of the Meeting. The text of the EIP Resolution is as follows:

“RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The unallocated options, rights or other entitlements with respect to treasury issuances under the Spratt Inc. (the “**Corporation**”) 2011 Equity Incentive Plan for U.S. Service Providers (the “**EIP**”) are hereby approved.
2. The Corporation shall have the ability to continue granting awards under the EIP until May 10, 2020, which is three years from the date of the meeting at which approval of the shareholders of the Corporation is being sought.
3. Any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all things and execute and deliver all such agreements, documents and instruments necessary or desirable in connection with the foregoing.”

Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote “for” the EIP Resolution. Approval of the foregoing resolution will require the affirmative vote of a majority of the votes cast by holders of Common Shares present in person or represented by proxy at the Meeting. Whether or not the resolution is approved, all options and other entitlements currently outstanding under the EIP will remain in effect in accordance with their terms.

CORPORATE GOVERNANCE

Board of Directors

The Board is currently comprised of nine directors, six of whom are independent directors. The following are the Corporation's independent directors: Ronald Dewhurst, Jack C. Lee, Marc Faber, Sharon Ranson, James T. Roddy and Rosemary Zigrossi. The following directors are not independent: Eric S. Sprott (who is the Chair of the Board); Peter Grosskopf (who is CEO of the Corporation, CEO of SRLC, a wholly-owned subsidiary of the Corporation, and CEO of Sprott Consulting GP Inc., the general partner of SCLP and a wholly-owned subsidiary of the Corporation); and Arthur Richards Rule IV (who is President and CEO of Sprott US, a wholly-owned subsidiary of the Corporation).

As noted above, the Chair of the Board is Eric S. Sprott who is, as a result of being an executive officer of a subsidiary of the Corporation within the last three years, not considered to be independent of management. The Board has appointed Jack C. Lee as Lead Director. Mr. Lee is an independent director who has served on the Board since March 10, 2008. The Chair of the Board, together with the Lead Director, is responsible for overseeing the performance by the Board of its duties, communicating periodically with committee chairs regarding the activities of their respective committees, and ensuring the Board functions in a cohesive manner and providing the leadership essential to achieve this. As Mr. Sprott will not stand for re-election at the Meeting, it is anticipated that Mr. Lee will be appointed Chair of the Board if he is elected a director and no Lead Director will be appointed since Mr. Lee is an independent director of the Corporation.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. Rather, a portion of each meeting is set aside for meetings of the independent directors, if requested. During the course of a Board meeting, if a matter is more effectively dealt with without the presence of members of management, the independent directors will request that members of management leave the meeting, and the independent directors then meet *in camera*. The independent directors communicate with each other on an informal basis throughout the year. At each of its meetings, the Audit and Risk Management Committee (the "**Audit Committee**") members (who are all independent directors) meet without members of management in attendance.

The Board discharges its responsibility for overseeing the management of the Corporation's business by delegating to the Corporation's senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its three standing committees: the Audit Committee, the CGN Committee and the Human Resources and Compensation Committee (the "**HRC Committee**"). In addition to these regular committees, the Board may appoint *ad hoc* committees periodically to address certain issues of a more short-term nature.

Certain of the directors are also directors (or equivalent) of other reporting issuers as set forth below:

Name	Reporting Issuer
Eric Sprott	Kirkland Lake Gold Ltd.
Marc Faber	NovaGold Resources Inc. Ivanhoe Mines Ltd.
Jack C. Lee	Alaris Royalty Corp.
Sharon Ranson	Echelon Financial Holdings Inc.
Arthur Richards Rule IV	Sprott Resource Holdings Inc.

Board Mandate

The Board has adopted a written mandate that acknowledges its responsibility for the stewardship of the business and affairs of the Corporation. The Board reviews and assesses the adequacy of the Board mandate at least annually or otherwise, as it deems appropriate, and makes any necessary changes. A copy of this mandate is attached to this Circular as Schedule "A".

Position Descriptions

The Board is responsible for: (i) developing position descriptions for the Chair of the Board, the lead director, if applicable, the chair of each Board committee and, together with the CEO of the Corporation, the CEO of the Corporation (which includes delineating management's responsibilities); (ii) developing and approving the corporate goals and objectives that the CEO of the Corporation is responsible for meeting; and (iii) developing a description of the expectations and responsibilities of the Corporation's directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.

The Board has developed written position descriptions for the Chair, the lead director and the chair of each Board committee. In addition, the Board has developed a written position description for the CEO which delineates the role and responsibilities of such officer. The CEO is specifically charged with the responsibility of managing the strategic and operational agenda of the Corporation and for the execution of the directives and policies of the Board.

Orientation and Continuing Education

The Board is responsible for: (i) ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors) and that they understand the nature and operation of the Corporation's business; and (ii) providing continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current. Each member of the Board is provided with copies of all of the mandates of the Board (and its committees) as well as all governance-related policies of the Corporation. In order to provide members of the Board with a more comprehensive understanding of the operations of the group, each senior portfolio manager and other senior executives are provided with an opportunity to present to the Board at a regularly scheduled meeting. Board members are also encouraged to contact the CEO, the CFO or the General Counsel of the Corporation should they have any specific questions or concerns.

The Board does not have a formal continuing education program for its directors. All directors are encouraged to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each current member of the Board is an experienced director who is aware of his or her responsibility to maintain the skill and knowledge necessary to meet his or her obligations as a director. Directors have the resources to engage outside consultants to review matters on which they feel they require independent advice.

Ethical Business Conduct

The Board has approved policies and procedures (collectively, the "**Policies**") designed to ensure that the Corporation operates with the highest ethical and moral standards "best practices", including the Code of Business Conduct and Ethics which is available on SEDAR at www.sedar.com. The Policies include (i) a whistleblower policy, to ensure that the Corporation, its subsidiaries, directors, officers and employees comply with all applicable legal and regulatory requirements relating to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against the Corporation and its shareholders; and (ii) an insider trading policy, to ensure that the Corporation, its subsidiaries, directors, officers and employees comply with, or do not violate, insider trading obligations or restrictions under applicable securities laws. The directors of the Corporation encourage and promote an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to employees, directors and officers to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical conduct. Sprott Asset Management LP ("**SAM**"), Sprott Private Wealth LP ("**SPW**"), SAM USA and SGRIL also have written policies and procedures that establish strict rules for professional conduct and management of conflicts of interest.

Nomination of Directors

In connection with the nomination or appointment of individuals as directors, the Board is responsible for: (i) considering what competencies and skills the Board, as a whole, should possess; (ii) assessing what competencies and skills each existing director possesses; and (iii) considering the appropriate size of the Board, with a view to facilitating effective decision making, all with regard to their diversity, gender, age, expertise, time availability and experience (industry, professional and public service). See also "*Corporate Governance - Diversity on the Board and in Executive Officer Positions*" below. The Board will also consider the advice and input of the CGN Committee. See "*Corporate Governance - Corporate Governance and Nominating Committee*" below for further details regarding such committee, including its members and responsibilities.

Board Evaluation

The Board is responsible for ensuring that the Board, its committees and each individual director are regularly assessed regarding his, her or its effectiveness and contribution. These assessments consider, in the case of the Board or a committee thereof, its mandate or charter and in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board.

Audit and Risk Management Committee

The Board has established an Audit Committee that is currently comprised of James T. Roddy (Chair), Jack C. Lee, Sharon Ranson and Rosemary Zigrossi. All members of the Audit Committee are independent and non-executive directors of the Corporation and meet the independence and financial literacy requirements of National Instrument 52-110 - *Audit Committees ("NI 52-110")*. See *"Particulars of Matters to be Acted Upon - Election of Directors"* for a biographical description of each member of the Audit Committee. For further information regarding the Audit Committee, see the section entitled *"Audit and Risk Management Committee Information"* in the Corporation's Annual Information Form for the financial year ended December 31, 2016 (the "AIF") as well as Appendix "A" to the AIF (collectively, the **"AIF Audit Committee Disclosure"**). The AIF Audit Committee Disclosure is incorporated by reference into, and forms an integral part of, this Circular. The AIF is available on SEDAR at www.sedar.com. The Corporation will, upon request at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario, Canada M5J 2J1, Attention Chief Financial Officer, promptly provide a copy of the AIF free of charge to any securityholder of the Corporation.

Corporate Governance and Nominating Committee

The Board has established a CGN Committee comprised of James T. Roddy (Chair), Ronald Dewhurst, Jack C. Lee and Marc Faber. The overall purpose of the CGN Committee is to assist the Board in maintaining high standards of corporate governance by developing, recommending and monitoring effective guidelines and procedures applicable to the Corporation, and by establishing the process for identifying, recruiting, appointing and/or providing ongoing development for directors of the Corporation. Responsibilities include reviewing the mandates of the Board and its committees; periodically reviewing and evaluating the performance of all directors, committees and the Board as a whole; recommending new candidates for Board membership, making recommendations to the Board regarding the size and composition of the Board and qualification criteria for the selection of new Board members and ensuring that appropriate orientation and education programs are available for new Board members; reviewing annually the membership and chairs of all committees of the Board; and reviewing annually and recommending retainers and fees paid to Board members. All members of the CGN Committee meet the independence requirements of the applicable regulatory authorities.

Human Resources and Compensation Committee

The Board has established an HRC Committee currently comprised of Sharon Ranson (Chair), Ronald Dewhurst, Jack C. Lee and Rosemary Zigrossi, all of whom are independent directors within the meaning of Section 1.4 of NI 52-110. The overall purpose of the HRC Committee is to assist the Board in fulfilling its oversight responsibilities in relation to human resources and compensation by developing, monitoring and assessing the Corporation's approach to the development and succession of key executives and the compensation of its directors, senior management and employees. This includes: recommending to the Board candidates for CEO, President and all other senior management positions and approving the terms of their appointment and termination or retirement; reviewing succession planning programs for the CEO, President and all other senior management and specific career planning for potential successors; reviewing, in consultation with the Chair of the Board, and recommending to the Board for approval, the remuneration of the Corporation's CEO and senior executive officers; reviewing and recommending to the Board for approval, on an annual basis, the corporate goals and objectives for the CEO and evaluating the CEO's performance against such goals and objectives; reviewing and, if advisable, approving compensation for any newly hired individual whose total annual compensation (including salary, bonus and any other incentive compensation) exceeds \$1 million; and determining (or delegating the authority to determine) and recommending to the Board for approval awards of Options under the Option Plan as well as awards under the EPSP and EIP, respectively. See also *"Executive Compensation - Compensation Discussion and Analysis - Executive Compensation Governance Compensation Process"*.

Director Term Limits and Other Mechanisms of Board Renewal

Since the initial public offering ("IPO") of the Corporation in 2008, the number of directors on the Board has increased from seven to nine. Three of the nine current directors were elected or appointed within the past one to four years. The Corporation has not adopted term limits for members of the Board, but facilitates Board renewal by reviewing and evaluating the performance and independence of directors and committees annually and seeks to foster a balance between new perspectives and the experience of seasoned Board members.

Diversity on the Board and in Executive Officer Positions

The Corporation does not have a formal written policy with regard to considering diversity in identifying and nominating directors, including female directors. However, the CGN Committee, in accordance with its formal mandate, annually reviews the individual skills and experience of the directors, as well as the composition of the Board as a whole, and strives to nominate individuals with

a variety of complementary and diverse skills so that, as a group, the Board will possess the appropriate talent, skills and expertise to oversee the Corporation's business. This assessment includes consideration of independence, diversity, age, skills, expertise, time availability and industry backgrounds in the context of the needs of the Board and the Corporation. While the CGN Committee seeks a broad range of perspectives and considers both the personal characteristics (gender, ethnicity, age) and experience (industry, professional, public service) of directors and prospective nominees to the Board, the Corporation also considers other business factors such as risk management and financial experience.

The addition in 2014 of two women to the Board, being over 20% of the Board, is consistent with the Board's commitment to promote gender diversity. The Corporation does not have a target regarding women on the Board, but the Board will continue to review potential director candidates with a view to maintaining or increasing representation of women on the Board.

Similarly, there are no formal targets set for women in executive officer positions. Female representation in senior management at the Corporation include the Chief Compliance Officer ("**CCO**") of SAM and SPW, the CFO of SPW, and the Treasurer of Rule Investment, Inc., SAM USA and RCIC, which represents approximately 13% of senior management. Other senior positions are occupied by members of visible minorities. Assessments of candidates for senior management positions with the Corporation and its subsidiaries take into account education, experience, and qualifications and suitability for the role without regard to gender, ethnicity, or sexual orientation; however, final selection of a candidate for a position will factor in diversity including gender and ethnicity.

DIRECTOR ATTENDANCE AND COMPENSATION

The Board meets regularly to review the activities and financial results of the Corporation and as necessary to review and consider significant impending actions of the Corporation. The Board met formally 5 times during 2016 and twice since the end of 2016. The attendance record of each director for all Board and committee meetings held since January 1, 2016 is as follows:

Name of Director	Board Meetings (Attended/Held) ⁽¹⁾	Audit Committee Meetings (Attended/Held) ⁽²⁾	HRC Committee Meetings (Attended/Held) ⁽³⁾	CGN Committee Meetings (Attended/Held) ⁽⁴⁾
Eric S. Sprott	7/7	—	—	—
Alex Adamson ⁽⁵⁾	2/2	—	7/7	—
Ronald Dewhurst ⁽⁶⁾	2/2	—	—	—
Marc Faber	7/7	—	—	8/8
Peter Grosskopf	7/7	—	—	—
Jack C. Lee	7/7	7/7	12/12	8/8
Sharon Ranson	7/7	7/7	12/12	—
James T. Roddy	7/7	7/7	—	8/8
Arthur Richards Rule IV	6/7	—	—	—
Rosemary Zigrossi	7/7	7/7	12/12	—

Notes:

- (1) Includes Board meetings held on February 14, 2017 and March 1, 2017. The Board also held a strategy session on January 23, 2017 at which all directors were in attendance.
- (2) Includes an Audit Committee meeting held on February 27, 2017.
- (3) Includes HRC Committee meetings held on January 25, 2017, February 3, 2017 and February 27, 2017.
- (4) Includes a CGN Committee meeting held on February 27, 2017.
- (5) Mr. Adamson stepped down as a director of the Corporation effective June 8, 2016.
- (6) Mr. Dewhurst was appointed as a director of the Corporation effective January 9, 2017 and as a member of each of the HRC Committee and CGN Committee effective March 1, 2017.

Director Compensation Table

The following table shows all compensation (before taxes and other statutory withholdings) provided to the directors of the Corporation (other than the directors who were also Named Executive Officers ("**NEOs**") and for whom information is shown on the tables for NEOs below) for the year ended December 31, 2016.

Name ⁽¹⁾	Fees Earned (\$) ⁽²⁾	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Pension value (\$)	Total (\$)
Eric S. Sprott	275,000	—	—	—	—	—	275,000
Alex Adamson ⁽³⁾	33,978	—	—	—	—	—	33,978
Marc Faber	68,000	—	—	—	—	—	68,000
Jack C. Lee	120,500	—	—	—	—	—	120,500
Sharon Ranson	105,000	—	—	—	—	—	105,000
James T. Roddy	128,500	—	—	—	—	—	128,500
Rosemary Zigrossi	80,000	—	—	—	—	—	80,000

Notes:

- (1) Peter Grosskopf, CEO of the Corporation and CEO of SRLC, and Arthur Richards Rule IV, President and CEO of Sprott US, are also directors of the Corporation. Messrs. Grosskopf's and Rule's compensation in respect of the Corporation is fully disclosed in the Summary Compensation Table below dealing with the compensation of NEOs. Messrs. Grosskopf and Rule did not receive any additional compensation from the Corporation for their services as directors of the Corporation. Ronald Dewhurst was appointed to the Board effective January 9, 2017 and therefore was not provided any compensation for the year ended December 31, 2016.
- (2) As noted below, each eligible director shall have the right, but not the obligation, to elect once each calendar year to receive all or 50% of such director's annual retainer for the immediately succeeding year in the form of DSUs. Mr. Adamson elected to receive DSUs in respect of \$20,000 of his \$33,978 in director fees earned for the year ended December 31, 2016. Ms. Ranson elected to receive DSUs in respect of \$52,500 of her \$105,000 in director fees earned for the year ended December 31, 2016. Mr. Lee elected to receive all of his directors fees earned for the year ended December 31, 2016 in the form of DSUs. Mr. Faber, Mr. Roddy and Ms. Zigrossi each elected to receive all of their director fees earned for the year ended December 31, 2016 in the form of cash. A portion of the director fees earned in DSUs during the year ended December 31, 2016 were granted on January 13, 2017.
- (3) Mr. Adamson stepped down as a director of the Corporation effective June 8, 2016.

Each independent member of the Board is paid such remuneration for his or her services as the Board may, from time to time, determine. Independent directors were entitled to the following compensation for service as directors of the Corporation in 2016:

- Annual retainer fee for each independent director: \$50,000 (the Lead Director is entitled to an additional annual retainer fee of \$30,000, for a total annual retainer fee of \$80,000)
- Annual retainer fee for the Chair of the Audit Committee: \$35,000
- Annual retainer fee for the Chair of the HRC Committee: \$25,000
- Annual retainer fee for the Chair of the CGN Committee: \$15,000
- Meeting attendance fees: \$1,500 per meeting
- Reimbursement for out-of-pocket expenses for attending Board or committee meetings

In addition, effective January 1, 2014, the Chair of the HRC Committee has been authorized to approve the grant of 75,000 DSUs to each new non-executive director of the Corporation upon his or her election or appointment to the Board.

Deferred Share Unit Plan

In May 2012, the Corporation established the deferred share unit plan (the "DSU Plan") for the independent directors of the Corporation. The purpose of the DSU Plan is to advance the interests of the Corporation by: (i) providing additional incentives to eligible directors, as determined by the Board, by aligning their interests with those of the Corporation's shareholders; and (ii) promoting the success of the Corporation's business.

The Board designates the number of DSUs granted. The issue price for each DSU is the Market Price of the Common Shares calculated as of the date of the award. "Market Price" for the purpose of the DSU Plan means the volume-weighted average price of the Common Shares on the TSX for the five trading days immediately preceding the relevant date. In the event that the Common Shares are not then listed and posted for trading on any exchange, the Market Price in respect thereof is the fair market value of the Common Shares as determined by the reasonable application by the Board of a reasonable valuation method.

Each eligible director shall have the right, but not the obligation, to elect once each calendar year to receive all or 50% of such director's annual retainer for the immediately succeeding year in the form of DSUs. If an eligible director does not make an election for all or part of a year, all of such director's annual retainer for the year is paid in cash.

A participant's account is credited with dividend equivalents in the form of additional DSUs on each dividend payment date in respect of which ordinary course cash dividends are paid on the Common Shares.

All DSUs awarded pursuant to the DSU Plan are settled in cash. Participants are entitled to payment when he or she ceases to be an eligible director of the Corporation.

Outstanding Option-Based and Share-Based Awards

The following table sets forth information concerning all option-based and share-based awards for each director (other than the directors who were also NEOs and for whom the identical information is shown on the comparable table for NEOs set out below) outstanding at December 31, 2016, including awards granted before the financial year ended December 31, 2016. During the financial year ended December 31, 2016, the directors earned 76,976 DSUs in director fees and were granted no option-based awards. The directors also earned 31,939 DSUs in dividend income during the financial year ended December 31, 2016 from prior DSU grants.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested share-based awards not paid or distributed (\$) ⁽²⁾
Alex Adamson ⁽³⁾	—	—	—	—	—	—	—
Marc Faber	50,000	4.85	January 15, 2020	—	8,333	20,916	204,058
Jack C. Lee	50,000 50,000	10.00 6.60	May 6, 2018 November 9, 2020	— —	8,333	20,916	474,076 ⁽⁴⁾
Sharon Ranson	—	—	—	—	25,000	62,750	394,404 ⁽⁵⁾
James T. Roddy	50,000 50,000	10.00 6.60	May 6, 2018 November 9, 2020	— —	8,333	20,916	204,058
Rosemary Zigrossi	—	—	—	—	25,000	62,750	237,270

Notes:

- (1) Based on the December 30, 2016 TSX closing price of \$2.51 per Common Share.
- (2) Valued as at December 30, 2016. Although DSUs vest immediately upon being awarded, they cannot be paid out until 30 days following the date on which an independent director ceases to be independent of the Corporation, as determined in accordance with Section 1.4 of NI 52-110.
- (3) Mr. Adamson was paid out all of his 106,465 DSUs for \$268,292 on June 30, 2016, upon stepping down as a director of the Corporation effective June 8, 2016.
- (4) Includes \$27,496 of DSUs earned in director fees in the year ended December 31, 2016 but not granted until January 13, 2017.
- (5) Includes \$11,627 of DSUs earned in director fees in the year ended December 31, 2016 but not granted until January 13, 2017.

Incentive Plan Awards - Value Vested or Earned during the Year

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each of the Corporation's directors (other than the directors who were also NEOs and for whom the identical information is shown on the comparable table for NEOs set out below) for the financial year ended December 31, 2016.

Name	Option-based awards - value vested during the year (\$)	Share-based awards - value vested during the year (\$)	Non-equity incentive plan compensation - value earned during the year (\$)
Alex Adamson	—	88,055 ⁽¹⁾	—
Marc Faber	—	35,361 ⁽²⁾	—
Jack C. Lee	—	164,890 ⁽³⁾	—
Sharon Ranson	—	152,461 ⁽⁴⁾	—
James T. Roddy	—	35,361 ⁽⁵⁾	—
Rosemary Zigrossi	—	94,176 ⁽⁶⁾	—

Notes:

- (1) Includes \$62,000 of DSUs in special grants, \$20,001 of DSUs in director fees and \$6,054 of DSUs earned in dividend income during the year ended December 31, 2016 from prior DSU grants.
- (2) Includes \$24,916 of DSUs in special grants and \$10,445 of DSUs earned in dividend income during the year ended December 31, 2016 from prior DSU grants.
- (3) Includes \$24,916 of DSUs in special grants, \$120,503 of DSUs in director fees and \$19,471 of DSUs earned in dividend income during the year ended December 31, 2016 from prior DSU grants. \$27,496 of the \$120,503 of DSUs were earned in director fees in the year ended December 31, 2016 but were not granted until January 13, 2017.
- (4) Includes \$80,250 of DSUs in special grants, \$52,508 of DSUs in director fees and \$19,703 of DSUs earned in dividend income during the year ended December 31, 2016 from prior DSU grants. \$11,627 of the \$52,508 of DSUs were earned in directors fees in the year ended December 31, 2016 but were not granted until January 13, 2017.
- (5) Includes \$24,916 of DSUs in special grants and \$10,445 of DSUs earned in dividend income during the year ended December 31, 2016 from prior DSU grants.
- (6) Includes \$80,250 of DSUs in special grants and \$13,926 of DSUs earned in dividend income during the year ended December 31, 2016 from prior DSU grants.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Named Executive Officers (NEOs)

The following is an overview of our executive compensation policy and programs, and focuses on the following executives who appear in the compensation tables:

- Peter Grosskopf (CEO of the Corporation; CEO of SRLC)
- Kevin Hibbert (CFO and Corporate Secretary of the Corporation)
- John Wilson (CEO and Co-Chief Investment Officer ("Co-CIO") of SAM)
- James Fox (President of SAM)
- Arthur Richards Rule IV (President and CEO of Sprott US)

Objectives of the Corporation's Compensation Programs

Sprott has a number of diverse business activities, with distinct talent pools from which we hire. In order to ensure our compensation programs can attract, retain and motivate the best professionals in the marketplace, our compensation programs are tailored to the individual business in which we operate; we have deliberately not adopted a "one size fits all" approach to compensation across our various divisions.

As we have matured as an alternative investment management organization, and as we have grown, we compete for a broader range of talent across the investment management industry. As a result, we have reviewed our approach to ensure that our compensation practices provide competitive compensation for all employees, including NEOs.

In all cases, we aim to pay competitive salaries but emphasize variable compensation in order to align executive compensation with the financial performance of the Corporation and with long-term shareholder returns. In 2011, we also added a deferred compensation element through the introduction of the EPSP (for Canadian employees) and the EIP (for U.S. employees) to further

align the interests of our employees with those of our shareholders. See “*Securities Authorized for Issuance Under Equity Compensation Plans*”.

For each of our business units, we approach compensation as follows:

- As the Corporation has grown, we have developed a core team of professionals who provide services to some or all of the operating entities within the Sprott group of companies. These “shared services” employees, including the CEO and CFO, are rewarded by reference to the overall success of the Corporation, with a focus on their individual contributions and the external competitive environment.
- SAM’s strategy has been to selectively hire “best in class” portfolio managers and analysts supported by sales, trading, operations, finance and compliance personnel. We seek to align the interests of our key personnel with those of the investors in the investment funds and discretionary managed accounts that we manage and, in turn, shareholders of the Corporation.
- SCLP, Toscana Energy Corporation and Sprott Korea Corporation hire personnel responsive to their respective needs to effectively provide the required services to their respective managed companies or funds, currently comprised of Sprott Resource Holdings Inc., Toscana Energy Income Corporation and a private equity fund for South Korea’s National Pension Service.
- SPW’s business continues to evolve and the Corporation continues to seek the right balance of skills and experience to service our private clients at the level that they expect of us.
- At SGRIL, an indirect wholly-owned subsidiary of the Corporation, brokers are compensated primarily via a percentage of the commissions generated from the sale and purchase of securities on behalf of their clients. They may earn additional variable compensation based on overall corporate results.
- At SAM USA and RCIC, indirect wholly-owned subsidiaries of the Corporation, variable compensation for senior investment employees is largely related to the earnings and performance of the funds that they manage, thereby closely aligning investment management’s interests with those of their shareholders and investors.

Comparator Group

The competition to attract and retain high performing executives and professionals in the financial services industry is intense and, consequently, the amount of total compensation paid to our executives must be considered in light of competitive compensation levels. When hiring new employees, compensation packages are structured so as to attract and retain such personnel. Compensation is tailored to the particular circumstances. There are no directly comparable publicly listed companies in Canada. However, with the assistance of Hugessen Consulting Inc. (“**Hugessen**”) in 2015, we identified a “reference group” of companies against which to “benchmark” executive compensation at the Corporation. The reference group was selected based on criteria including geography, exchange-listing, asset management industry and market capitalization. Seven issuers were identified by Hugessen as public comparators: AGF Management Limited (TSX:AGF.B), Dundee Corporation (TSX:DC.A), Gluskin Sheff + Associates, Inc. (TSX:GS), Fiera Capital Corporation (TSX:FSZ), Tricon Capital Group Inc. (TSX:TCN), Guardian Capital Group Ltd. (TSX:GCG) and Senvest Capital Inc. (TSX:SEC). While the reference group data provided some benchmark information to the HRC Committee, a large part of our overall compensation program relates directly to the size of the Employee Bonus Pool (as defined below). Thus, total compensation can vary significantly from year-to-year based on overall profitability and, for certain individuals, the profitability of the business unit that they primarily support, rather than by any reference to comparator organizations. We believe this variable long-term performance-based approach allows us to retain and recruit top executives and closely aligns their interests with that of our shareholders.

Executive Compensation Governance

Compensation Process

The HRC Committee periodically reviews and approves our compensation policies and practices. For further information concerning the HRC Committee, see “*Corporate Governance - Human Resources and Compensation Committee*”.

In making compensation recommendations for our NEOs and other senior executive officers, the HRC Committee introduced the use of scorecards in 2016. Individualized scorecards were prepared with respect to each NEO and certain other senior executive officers of the Corporation against which their respective performance for the year was measured and analyzed. Each scorecard sets out an individualized set of weighted quantitative and qualitative annual target performance metrics that are weighted toward

the Corporation's operational and financial results. Each of the quantitative metrics in the 2016 scorecards had a threshold level of performance which had to be reached for the metric to contribute to a payout. There is also a target level of performance on each element and a stretch level of performance above the threshold. To achieve a stretch level of performance, there must be a significant over-achievement of target. For qualitative metrics, the HRC Committee set appropriate methods of evaluation to determine whether a specific metric had been met. The HRC Committee believes that the use of scorecards enhances transparency and better aligns NEO pay with the Corporation's fiscal year performance. The HRC Committee intends to review and revise the scorecards on an annual basis.

In making compensation recommendations for our other investment professionals and senior employees, in addition to the objective criteria referenced herein, the HRC Committee relies on the CEO and other corporate executives of the Corporation to make recommendations based on their judgment of the performance and contribution of the relevant individual. The first step involves the senior executive team's analysis of company performance against budget and on a year-over-year basis. From there, consideration is given to individual employee performance based on a comprehensive review of such individual's written performance reviews. A detailed formal bonus proposal is presented by the senior executive team to the HRC Committee (on both a segment-by-segment and employee-by-employee basis). The HRC Committee reviews and discusses such recommendations with the CEO and other corporate executives and, if determined to be appropriate, recommends approval by the Board. The HRC Committee performs an annual reassessment of the programs each year in connection with year-end compensation decisions. See "*Corporate Governance - Human Resources and Compensation Committee*".

Beginning in late 2014 and throughout 2015, the HRC Committee undertook a detailed review of the organization's compensation programs - initially focusing on the CEO of the Corporation, the CEO of SAM and the President of SAM. As a result of this exercise, the HRC Committee with the assistance of Hugessen, negotiated with each of Messrs Grosskopf, Wilson and Fox new employment agreements and compensation packages which align each of their interests more closely with those of the Corporation's shareholders. In particular, performance-based metrics were introduced (which were later used to inform the basis of the new scorecards) to provide reward for financial success of the Corporation or SAM, as the case may be, as well as certain time-based and performance-based equity incentives to encourage focus on creating long-term value for shareholders of the Corporation. The Board is of the view that these policies appropriately align executive compensation with long-term shareholder return and further promote the Corporation's long-standing philosophy of employee participation and ownership. The new compensation packages include long-term and performance-based vesting schedules through the year 2020. In addition, performance-based metrics largely consist of multi-year average targets. Finally, the new packages include a new and significant Share Ownership Policy (as defined below) and Recoupment Policy (as defined below). We believe these new measures together reduce any incentive for executives to engage in short-term high risk projects and instead reward long-term prudent management of the Corporation.

For further details, see "*Executive Compensation - Employment Agreements, Termination and Change of Control Benefits*".

Compensation Risk Management

The HRC Committee recognizes that certain elements of compensation could promote unintended inappropriate risk-taking behaviors, but the Corporation seeks to ensure that the Corporation's executive compensation package is comprised of a mix of cash and equity compensation, balancing short-term incentives (e.g. cash bonuses) and long-term incentives (e.g. options and grants and awards under the Option Plan, EPSP and EIP with vesting periods typically over three years). Base salaries and personal benefits are sufficiently competitive and not subject to performance risk. Subject to limited exceptions, to receive short-term or long-term incentives, the executive officer must be employed by the Corporation at the time of payout. Therefore, through different time horizons and metrics reflected in the compensation elements, the Corporation attempts to better align executive performance with the interests of the Corporation and its shareholders.

The HRC Committee believes that executive compensation risk management is reinforced by ongoing Board oversight of, among other things, the Corporation's financial results, regulatory disclosure, strategic plans, fraud and error reporting, the Audit Committee's regular meetings with the external auditors (including without the presence of management), the Corporation's internal control, management information systems and financial control systems. In addition, the Corporation reviews significant risks associated with its operations, the most significant of which are disclosed in the Corporation's annual management's discussion and analysis for each fiscal year. The Corporation does not believe that its compensation policies and practices are reasonably likely to have a material adverse effect on the Corporation.

Services Rendered by Independent Compensation Consultants

In August 2014, the HRC Committee engaged Hugessen, a Canadian-based compensation consulting firm focused on providing executive compensation advice, to assist the Corporation by identifying its main compensation policy items; providing market context of compensation practices among select Canadian asset management companies and the broader investment management industry; reviewing and commenting on the Corporation's current executive compensation programs (both at the corporate level and key business units); and assisting with executive compensation design changes and reviewing executive employment contracts for each of Messrs Grosskopf, Wilson and Fox.

The table below sets out the fees billed by Hugessen for each of the last two fiscal years in respect of the services noted above:

	December 31, 2016 (\$)	December 31, 2015 (\$)
Executive Compensation - Related Fees ⁽¹⁾	24,831	107,947
Total Fees	24,831	107,947

Notes:

- (1) Aggregate fees billed by Hugessen, or any of its affiliates, for services related to determining compensation for any of the Corporation's directors and executive officers.

Elements of Compensation

The key elements of the compensation arrangements of our executive officers, investment professionals and other key employees are set out below.

The Corporation's compensation structure has generally followed the tradition of a competitive base salary and greater participation in the profits of the Corporation through cash bonuses and, more recently, participation in the Option Plan, EPSP or EIP. There have been a few exceptions to that model for our executives and investment professionals for certain key hires. In these exceptional circumstances and in order to attract them to the Corporation, compensation levels are guaranteed for a specified period (not to exceed two years). Those compensation structures are reviewed at the end of the specified periods and converted to the general corporate policy of competitive base pay and variable pay dependent upon long-term financial and personal performance.

For further details concerning the compensation provided to the NEOs, see the "*Summary Compensation Table*".

Base Salary and Benefits

The base salary is the fixed portion of each NEO's total compensation. It is designed to provide income certainty. In determining the base level of compensation for the Corporation's executives, weight is placed on the following factors: the particular responsibilities related to the position, salaries or fees paid by companies of similar size in the industry, level of experience of the executive and overall performance, and the time which the executive is required to devote to the Corporation in fulfilling his or her responsibilities.

In addition to the base salary, we provide all employees with a benefits program that includes medical, dental, life insurance and other benefits. We believe that providing this type of program is a necessary part of our overall compensation structure to attract and retain employees in the competitive environment for professional talent. We do not provide any other perquisites to our NEOs, nor do we have any pension or other post-retirement plans.

Cash Bonus and Other Variable Compensation

We have a bonus compensation program (the "**Employee Bonus Pool**") providing that an aggregate amount equal to a percentage of our net operating income, before the Employee Bonus Pool allocations, would be allocated to the Employee Bonus Pool, with an additional amount allocated to reflect a share of any performance fees earned, if applicable. The Employee Bonus Pool is reviewed by the HRC Committee and the Board on an annual basis. The size of the Employee Bonus Pool is determined by the Board on recommendation by the HRC Committee, and generally calculated as a percentage of EBITDA.

Senior management advises the Chair of the HRC Committee of the aggregate amount of the accrued Employee Bonus Pool on a semi-annual basis. Individual bonus payments to employees other than senior executives are paid at management's discretion and are based on an overall assessment by senior management of the individual's performance and absolute and/or relative contribution. With respect to portfolio managers, specific consideration is given to the performance of the fund compared with its appropriate benchmark and performance fees generated by the fund(s) or strategies with which the portfolio manager is involved. In all cases, each employee is considered separately, taking into account personal performance, relative ranking among peers

(both internally and with reference to external information, where available and appropriate) and salary base. The CEO of the Corporation, in consultation with senior management of the Corporation and the various operating subsidiaries, as appropriate, recommends the compensation levels for all senior management, including the NEOs, and these proposals are submitted for review by and discussion with the HRC Committee and based on the HRC Committee's recommendation, ultimately approved by the Board.

These incentives are designed to motivate executives to achieve personal business objectives, to be accountable for their relative contribution to the Corporation's performance, as well as attract and retain executives.

Equity Incentives

We intend to continue to structure our compensation programs to attract, retain and motivate executives and investment professionals of the highest level of quality and effectiveness. We are focused on rewarding the types of performance that increase long-term shareholder value, including growing our assets under management, retaining investors in the Spratt funds, developing new investor relationships, improving operational efficiency and managing risks. In order to improve our ability to retain talent and to further align the interest of employees and those of our shareholders, as noted above, the Corporation established the Option Plan, to attract, retain and motivate our employees while aligning their interests with that of our shareholders. Grants of Options pursuant to the Option Plan are approved by the Board upon the recommendation of the HRC Committee. See "*Securities Authorized for Issuance Under Equity Compensation Plans - Equity Compensation Plan Information as at December 31, 2016 - Option Plan*". In 2011, we introduced the EPSP and EIP whereby a portion of the bonus allocated to certain employees are paid by way of Common Shares. The Common Shares are either issued from treasury or purchased in the open market and are available to the relevant employees over a specified vesting period.

We have adopted an executive compensation deferral policy to formalize our approach to the deferral of compensation for certain of the NEOs. A meaningful portion of the bonus comprising compensation for such persons is deferred (the "**Deferred Compensation**"). For the purposes of the bonus in respect of the 2016 fiscal year, up to 30% of the total annual incentive award will be in the form of Deferred Compensation. Unless otherwise determined by the Board, the deferral period is a minimum of three years, and generally vests no faster than on a pro rata basis unless subject to achieving performance targets. The Deferred Compensation is delivered in the form of equity-based awards with appropriate vesting periods or performance targets under mid and long-term incentive plans, such as the Option Plan, EPSP and EIP. As of the date hereof, this policy applies to the CEO and CFO of the Corporation, the CEO of SAM and the President of SAM.

These incentive arrangements are designed to motivate executives to achieve long-term sustainable business results, align their interests with those of the shareholders, attract and retain executives and make our executives partners and owners of the Corporation over time.

Other Compensation Policies

Share Ownership Policy

As a condition of employment, certain of our NEOs are subject to our share ownership policy (the "**Share Ownership Policy**") and are (and/or their spouses are) required to beneficially own and hold that number of Common Shares (including certain allocations thereto under the EPSP) having a minimum aggregate market value that is equal to: (i) five times the NEO's then applicable annual base salary by March 10, 2019; and (ii) ten times the NEO's then applicable annual base salary by March 10, 2022. We believe these standards are meaningfully higher than share ownership requirements at other companies. We believe significant long-term share ownership best aligns executives and shareholders. Market value shall be determined on December 31 of each year. As of the date hereof, this policy applies to the CEO, CFO and CCO of the Corporation, the CEO of SAM and the President of SAM.

Recoupment Policy

We have also established an executive incentive compensation recoupment policy (the "**Recoupment Policy**") that allows the recoupment of any performance based-compensation, including, without limitation, cash bonuses and awards granted to certain NEOs under our annual incentive plan (the "**AIP**"), the Option Plan, the EPSP and the EIP (collectively, the "**Incentive Compensation**") under certain circumstances. In the event of a restatement of our financial results (as a result of which any Incentive Compensation to have been paid is a lower amount had it been calculated based on such restatement) (a "**Restatement**") or of fraud or intentional misconduct by one or more of the NEOs, the Board, on the recommendation of the HRC Committee, may, based upon the facts and circumstances surrounding such event, direct that we recover all or a portion of any Incentive Compensation paid, or cancel all, or part of, the equity-based Incentive Compensation granted, to an NEO. The Board may also seek to recover any gains realized with respect to equity-based Incentive Compensation, regardless of when issued or if required to be issued at

a future date. In addition, the Board, on the recommendation of the HRC Committee, may, in the event of fraud or intentional misconduct by the NEO, take other disciplinary action that it deems necessary, including, without limitation: (1) adjustment of any future compensation of the NEO, (2) termination of the NEO's employment, (3) pursuit of any and all remedies available in law and/or equity in any country, and (4) pursuit of such other action as may fit the circumstances of the particular case. As of the date hereof, this policy applies to the CEO and CFO of the Corporation, the CEO of SAM and the President of SAM.

Hedging

The Corporation adopted an anti-hedging policy (the "**Anti-Hedging Policy**") effective May 12, 2016. The objectives of the Anti-Hedging Policy are to: (a) prohibit directors, officers or employees of the Corporation or its subsidiaries from directly or indirectly engaging in hedging or monetization transactions, through transactions in the Corporation's securities or through the use of financial instruments designed for such purpose; and (b) prohibit directors, officers or employees of the Corporation or its subsidiaries from engaging in short-term or speculative transactions in the Corporation's securities that could create heightened legal risk and/or the appearance of improper or inappropriate conduct by such individuals.

Pursuant to the Anti-Hedging Policy, directors, officers or employees of the Corporation may not engage in any hedging or monetization transactions with respect to the Corporation's securities, including, but not limited to, through the use of financial instruments such as exchange funds, prepaid variable forwards, equity swaps, puts, calls, collars, forwards and other derivative instruments, or through the establishment of a short position in the Corporation's securities. Further, directors, officers or employees of the Corporation may not engage in short-term trading, short sales and publicly-traded options.

Any director or officer of the Corporation or any of its subsidiaries may seek an exemption from the Anti-Hedging Policy from the Chair of the CGN Committee. Other persons to which the Anti-Hedging Policy applies may seek an exemption from the CCO or such other person designated by the CGN Committee. Any such request must be submitted prior to the contemplated transaction and the person seeking an exception should be advised that any purchase or sale of securities will be subject to the prohibition on "insider trading" as set forth under the Corporation's insider trading policy. An exemption will only be granted in exceptional circumstances.

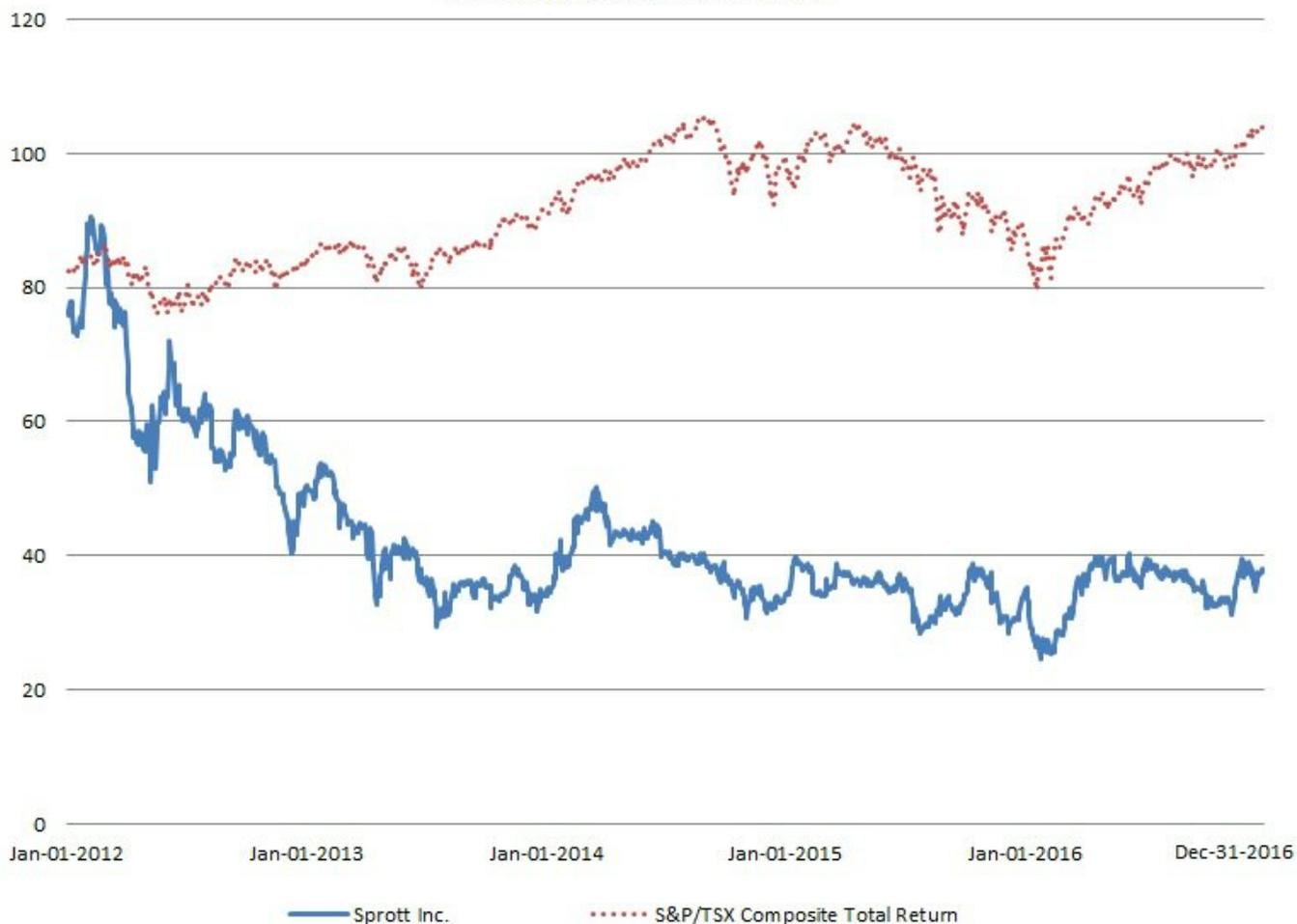
The Anti-Hedging Policy applies to all of the directors, officers or employees of the Corporation or its subsidiaries and include, to the extent practicable, any other person (or their associates) in a special relationship (within the meaning of applicable securities laws) with the Corporation.

Performance Graph

The following graph compares the cumulative shareholder return per \$100 invested in Common Shares to the cumulative total return of the S&P/TSX Composite Index from January 1, 2012 to December 31, 2016. The calculations include reinvested dividends and exclude brokerage fees and taxes.

Cumulative Shareholder Return per \$100

(From January 1, 2012 to December 31, 2016)



There are many factors that may influence the Corporation's stock price, such as future earnings expectations, views on specific sectors and personnel changes, all of which are not directly related to historical financial performance. Compensation for our NEOs has largely been dictated by the size of the Employee Bonus Pool and the relative allocations therefrom. Historically, there has been some relationship between corporate performance and the size of the Employee Bonus Pool but not necessarily between compensation and shareholder returns over any given period of time. The new and significant equity-based component of our NEOs' compensation packages is designed to more closely correlate compensation and shareholder returns.

Summary Compensation Table

The following table provides a summary of compensation information for the three most recent financial years for the Corporation's CEO, CFO and three other NEOs.

Name and Principal Occupation	Year	Salary (\$)	Share-based Awards (\$) ⁽¹⁾	Option-based Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽³⁾	Long-Term Incentive Plans			
Peter Grosskopf, CEO; CEO of SRLC ⁽⁴⁾	2016	500,000	557,000	1,296,135	1,343,000	—	—	—	3,696,135
	2015	1,000,000	150,000	—	300,000	—	—	—	1,450,000
	2014	1,000,000	343,374	—	600,000	—	—	—	1,943,374
Kevin Hibbert, CFO and Corporate Secretary ⁽⁵⁾	2016	325,000	198,200	344,800	232,800	—	—	—	1,100,800
	2015	184,508	145,000	—	120,000	—	—	—	449,508
	2014	180,000	119,305	—	120,000	—	—	—	419,305
John Wilson, CEO and Co-CIO of SAM ⁽⁶⁾	2016	500,000	1,316,833	1,584,165	1,221,500	—	—	—	4,622,498
	2015	500,000	567,653	—	1,229,353	—	—	—	2,297,006
	2014	350,000	572,289	—	1,000,000	—	—	—	1,922,289
James Fox, President of SAM ⁽⁷⁾	2016	350,000	1,084,333	1,296,135	679,000	—	—	—	3,409,468
	2015	350,000	300,000	—	600,000	—	—	—	1,250,000
	2014	350,000	286,146	—	400,000	—	—	—	1,036,146
Arthur Richards Rule IV, President and CEO of Sprott US ⁽⁸⁾	2016	616,032	186,667	—	287,670	—	—	421,418 ⁽⁹⁾	1,511,787
	2015	540,778	—	—	75,879	—	—	389,112 ⁽⁹⁾	1,005,769
	2014	418,212	—	—	627,509	—	—	803,784 ⁽⁹⁾	1,849,505

Notes:

- (1) The value of each Common Share is determined based on the average cost base of the shares held by the Trust (as defined below) at the time the grant is made, which was \$2.35 for the Common Shares granted under the EPSP, \$2.55 for the Common Shares granted under the EIP, and \$2.38 for the Common Shares granted pursuant to the one-time grant awards in 2016. This valuation methodology is in accordance with the tax treatment per the *Income Tax Act (Canada)* (the "ITA"). The total value of the award is based on the value in Common Shares to be awarded as compensation. \$200,000 of Mr. Grosskopf's 2016 share-based award, \$793,333 of Mr. Wilson's 2016 share-based award, \$793,333 of Mr. Fox's 2016 share-based award and \$140,000 of Mr. Hibbert's 2016 share-based award represent one-time awards of Common Shares under the EPSP in connection with the successful completion of a strategic transaction for the Corporation.
- (2) This balance reflects the grant date fair value using a Black-Scholes option pricing model for Time-Based Option (as defined below) grants. Performance-Based Options (as defined below) are not in performance territory and have not vested. As further detailed below in "*Executive Compensation - Employment Agreements, Termination and Change of Control Benefits*", each of Messrs. Grosskopf, Wilson and Fox were awarded a one-time grant of Time-Based Options and Performance-Based Options in 2016 and Mr. Hibbert was awarded a one-time grant of Time-Based Options in 2016 to better align the interests of the Corporation's senior executives with those of shareholders. As a result, Messrs. Grosskopf's, Wilson's, Fox's and Hibbert's compensation in 2016 was largely equity based: Peter Grosskopf (50.1% equity based); John Wilson (62.8% equity based); James Fox (69.8% equity based); and Kevin Hibbert (49.3% equity based).
- (3) Represents the cash bonus earned during the year.
- (4) Mr. Grosskopf was granted \$357,000, \$150,000 and \$343,374 in value of Common Shares under the EPSP for 2016, 2015 and 2014, respectively. These Common Shares vest equally over three years commencing on January 1, 2018, 2017 and 2016, respectively. Bonus allocations to Mr. Grosskopf reflect his contribution to the overall profitability of the Corporation and the competitive environment within the financial services sector. \$357,000 Mr. Grosskopf's 2016 share-based award was earned in the year ended December 31, 2016 but was not granted until 2017. On March 18, 2016, Mr. Grosskopf was awarded a one-time grant of 2,250,000 Time-Based Options and 1,000,000 Performance-Based Options under the Option Plan. These Options are intended to cover a four year period and to further align Mr. Grosskopf's interests with those of the Corporation's shareholders. See "*Executive Compensation - Employment Agreements, Termination and Change of Control Benefits*".
- (5) Mr. Hibbert was appointed CFO and Corporate Secretary of the Corporation on December 4, 2015. Prior to his appointment, Mr. Hibbert was Vice President, Finance of the Corporation. All of Mr. Hibbert's compensation for 2014 was paid with respect to his role as Vice President, Finance of the Corporation. In 2015, Mr. Hibbert earned a salary of \$165,000 and \$19,508 in his capacity as Vice President, Finance and CFO and Corporate Secretary of the Corporation, respectively. The bonus allocation to Mr. Hibbert in 2015 was earned for his services as Vice President, Finance. Mr. Hibbert was granted \$58,200, \$145,000 and \$119,305 in value in Common Shares under the EPSP for 2016, 2015 and 2014, respectively. These Common Shares vest equally over three years commencing on January 1, 2018, 2017 and 2016 respectively. Bonus allocations to Mr. Hibbert reflect his contribution to the overall profitability of the Corporation and the competitive environment within the financial services sector. \$58,200 of Mr. Hibbert's 2016 share-based award was earned in the year ended December 31, 2016 but was not granted until 2017. On May 17, 2016, Mr. Hibbert was awarded a one-time grant of 500,000 Time-Based Options under the Option Plan. These Options are intended to cover a four year period and to further align Mr. Hibbert's interests with those of the Corporation's shareholders. See "*Executive Compensation - Employment Agreements, Termination and Change of Control Benefits*".

- (6) Mr. Wilson was appointed Co-CIO of SAM on January 11, 2013 and was appointed as CEO of SAM on March 5, 2014. Mr. Wilson was granted \$523,500, \$567,653 and \$572,289 in value of Common Shares under the EPSP for 2016, 2015 and 2014, respectively. These Common Shares vest equally over three years commencing on January 1, 2018, 2017 and 2016, respectively. Bonus allocations to Mr. Wilson reflect his contribution to the overall profitability of the Corporation and the competitive environment within the financial services sector. \$523,500 of Mr. Wilson's 2016 share-based award was earned in the year ended December 31, 2016 but was not granted until 2017. On March 18, 2016, Mr. Wilson was awarded a one-time grant of 2,750,000 Time-Based Options and 2,750,000 Performance-Based Options under the Option Plan. These Options are intended to cover a four year period, rewarding Mr. Wilson specifically for his role as CEO of SAM, as well as, his position as Portfolio Manager of the Enhanced Fund products, and are intended to further align Mr. Wilson's interests with those of the Corporation's shareholders. See "Executive Compensation - Employment Agreements, Termination and Change of Control Benefits".
- (7) Mr. Fox was granted \$291,000, \$300,000 and \$286,146 in value of Common Shares under the EPSP for 2016, 2015 and 2014, respectively. These Common Shares vest equally over three years commencing on January 1, 2018, 2017 and 2016, respectively. Bonus allocations to Mr. Fox reflect his contribution to the overall profitability of the Corporation and the competitive environment within the financial services sector. \$291,000 of Mr. Fox's 2016 share-based award was earned in the year ended December 31, 2016 but was not granted until 2017. On March 18, 2016, Mr. Fox was awarded a one-time grant of 2,250,000 Time-Based Options and 1,000,000 Performance-Based Options under the Option Plan. These Options are intended to cover a four year period and to further align Mr. Fox's interests with those of the Corporation's shareholders. See "Executive Compensation - Employment Agreements, Termination and Change of Control Benefits".
- (8) Mr. Rule was granted \$186,667 in value of Common Shares under the EIP for 2016. These Common Shares vest equally over three years commencing on January 16, 2017. Mr. Rule is paid in U.S. dollars. 2016 values expressed above in Canadian dollars are converted from U.S. dollars at the Bank of Canada average exchange rate for the year ended December 31, 2016 of Cdn \$1.3248 per U.S. \$1.00. 2015 values expressed above in Canadian dollars are converted from U.S. dollars at the Bank of Canada average exchange rate for the year ended December 31, 2015 of Cdn \$1.2787 per U.S. \$1.00. 2014 values expressed above in Canadian dollars are converted from U.S. dollars at the Bank of Canada average exchange rate for the year ended December 31, 2014 of Cdn \$1.1617 per U.S. \$1.00. Mr. Rule is the principal advisor to the Exploration Limited Partnerships managed by RCIC. He advises certain SAM USA managed accounts and he provides leadership to the entire Spratt US organization, including SGRIL. In addition, he earns commission income in his capacity as a broker at SGRIL.
- (9) These amounts are variable compensation payments that are directly related to certain revenues received by SGRIL.

Outstanding Option-Based and Share-Based Awards

The following table sets forth information concerning all option-based and share-based awards for each NEO outstanding at December 31, 2016, including awards granted before the financial year ended December 31, 2016.

Name	Option-based Awards				Share-based Awards ⁽⁶⁾		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽⁷⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽⁸⁾	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽⁸⁾
Peter Grosskopf ⁽¹⁾	2,250,000	2.33	January 27, 2026	405,000	394,597	990,439	150,166
Kevin Hibbert ⁽²⁾	500,000	2.73	May 17, 2026	—	168,515	422,973	—
John Wilson ⁽³⁾	2,750,000	2.33	January 27, 2026	495,000	977,061	2,452,424	1,624,342
James Fox ⁽⁴⁾	2,250,000	2.33	January 27, 2026	405,000	705,332	1,459,569	874,096
Arthur Richards Rule IV ⁽⁵⁾	—	—	—	—	73,203	183,740	—

Notes:

- (1) See Notes 1, 2 and 4 to the Summary Compensation Table above for details of Mr. Grosskopf's option-based and share-based awards.
- (2) See Notes 1, 2 and 5 to the Summary Compensation Table above for details of Mr. Hibbert's option-based and share-based awards. On January 3, 2017, Mr. Hibbert cashed out 44,000 vested Common Shares granted under the EPSP.
- (3) See Notes 1, 2 and 6 to the Summary Compensation Table above for details of Mr. Wilson's option-based and share-based awards.
- (4) See Notes 1, 2 and 7 to the Summary Compensation Table above for details of Mr. Fox's option-based and share-based awards.
- (5) See Note 8 to the Summary Compensation Table above for details of Mr. Rule's share-based awards.
- (6) Included in the share-based awards reflected in the above table is \$1,313,425 in value of Common Shares under the EPSP earned in the year ended December 31, 2016 but not granted until 2017.
- (7) This balance is based on the difference between the market value of the securities underlying the instrument at December 30, 2016 (\$2.51) and the exercise price of the Option (\$2.33) for Time-Based Options. Performance-Based Options are not in performance territory and have not vested.
- (8) Based on the December 30, 2016 TSX closing price of \$2.51 per Common Share.

Incentive Plan Awards - Value Vested or Earned during the Year

The following table provides information regarding the value on payout or vesting of incentive plan awards for the NEOs for the fiscal year ended December 31, 2016.

Name	Option-based awards - Value vested during the year (\$) ⁽⁶⁾	Share-based awards - Value vested during the year (\$) ⁽⁷⁾	Non-equity incentive plan compensation - Value earned during the year (\$)
Peter Grosskopf ⁽¹⁾	9,000	125,485	1,343,000
Kevin Hibbert ⁽²⁾	—	31,854	232,800
John Wilson ⁽³⁾	11,000	250,849	1,221,500
James Fox ⁽⁴⁾	9,000	243,058	679,000
Arthur Richards Rule IV ⁽⁵⁾	—	—	287,670

Notes:

- (1) See Notes 1, 2 and 4 to the Summary Compensation Table above for details of Mr. Grosskopf's option-based and share-based awards.
- (2) See Notes 1, 2 and 5 to the Summary Compensation Table above for details of Mr. Hibbert's option-based and share-based awards.
- (3) See Notes 1, 2 and 6 to the Summary Compensation Table above for details of Mr. Wilson's option-based and share-based awards.
- (4) See Notes 1, 2 and 7 to the Summary Compensation Table above for details of Mr. Fox's option-based and share-based awards.
- (5) Mr. Rule was paid in U.S. dollars. The values expressed above in Canadian dollars are converted from U.S. dollars at the Bank of Canada average exchange rate for 2016 of Cdn.\$1.3248 per U.S.\$1.00.
- (6) This balance is based on the difference between the market value of the securities underlying the instrument at the vesting date (\$2.35) and the exercise price of the option (\$2.33) for Time-Based Options. Performance-Based Options are not in performance territory and have not vested.
- (7) Based on the December 30, 2016 TSX closing price of \$2.51 per Common Share.

Pension Plan Benefits

The Corporation does not have any pension plans that provide for payments of benefits at, following or in connection with, retirement or provide for retirement or deferred compensation plans for the NEOs or directors.

Employment Agreements, Termination and Change of Control Benefits

Other than as described herein, the Corporation does not have any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with a termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO's responsibilities (each, a "**Triggering Event**"). Potential payments to each NEO shown below assumes the Triggering Event took place on December 31, 2016. "**Sprott Group**" means the Corporation and any subsidiary or related or affiliated business entities of the Corporation.

Peter Grosskopf

The services of Mr. Grosskopf as the CEO of the Corporation are provided under an employment agreement (the "**Grosskopf Employment Agreement**") dated January 27, 2016. Under the terms of the Grosskopf Employment Agreement, Mr. Grosskopf voluntarily took a reduction in his base salary as compared to prior years in favour of a more equity-based compensation package that further aligns his interest with those of the shareholders of the Corporation. Under the Grosskopf Employment Agreement, Mr. Grosskopf is entitled to receive an annual base salary of \$500,000. In addition, Mr. Grosskopf is eligible to participate in the AIP pursuant to which he may receive an AIP award (an "**AIP Award**") of between \$500,000 and \$2,500,000 subject to the achievement of annual performance objectives (with an AIP Award equal to \$1,500,000 should the applicable annual target performance metrics be achieved), pro rated for any partial calendar year of employment, as determined by the Board or the HRC Committee. A percentage of the value of the AIP Award will be translated into Common Shares under the EPSP, which will be awarded and vest in accordance with the EPSP. For 2016, 30% of the value of the AIP Award was paid in Common Shares under the EPSP. At its sole discretion, the Board or HRC Committee may award other compensation for extraordinary performance or Corporation results. Any awards, whether in cash or shares, are subject to the Recoupment Policy in effect from time to time. See "*-Compensation Discussion and Analysis - Elements of Compensation - Equity Incentives*".

Under the Grosskopf Employment Agreement, in 2016 Mr. Grosskopf received a one-time grant of: (i) time-based Options (the "**Time-Based Options**") to acquire up to 2,250,000 Common Shares which vest as to 20% immediately upon the granting of such options and thereafter as to 20% on January 1 in each of the following four years; and (ii) performance-based Options (the "**Performance-Based Options**") to acquire up to 1,000,000 Common Shares which vest in four equal tranches only if certain performance conditions (such as growth in overall EBITDA of the Corporation) as well as time-based vesting conditions are met,

such that each of the four tranches will not vest prior to March 2017, 2018, 2019 and 2020, respectively. These Options will be subject to the Recoupment Policy.

The Grosskopf Employment Agreement contains provisions relating to: (i) non-disclosure or use of Sprott Group’s confidential information; (ii) non-solicitation of Sprott Group’s clients and employees during, and 12 months after, employment; and (iii) non-competition during and six months after, employment.

The Corporation may terminate Mr. Grosskopf’s employment at any time for just cause without notice or payment of any compensation, except to the minimum extent required by applicable legislation. The Corporation may terminate Mr. Grosskopf’s employment at any time without cause by providing 24 months of notice (or pay in lieu calculated using base salary) and all of the Common Shares under the EPSP awarded to Mr. Grosskopf shall be deemed to be vested as of the date of termination. In addition, the Sprott Group will continue to make its employer contributions to maintain employee benefits for the minimum period prescribed by the *Employment Standards Act, 2000* (the “**ESA**”).

Mr. Grosskopf may terminate his employment with the Sprott Group (or a particular entity within the Sprott Group) at any time by providing at least one month’s prior written notice (which notice may be waived) and he will be provided with any minimum entitlements under the ESA. However, Mr. Grosskopf may also terminate his employment for “Good Reason”, as such term is described in the Grosskopf Employment Agreement (which includes acts constituting constructive dismissal), upon which he will receive benefits as though he had been terminated without cause. Pursuant to the Option Plan, all of Mr. Grosskopf’s Options will vest immediately if, within six months of a Change of Control, his employment is terminated without cause, or if he resigns for Good Reason.

Peter Grosskopf	Severance	AIP Award	EPSP Shares	Time-Based Options⁽²⁾	Performance-Based Options⁽²⁾
Termination Without Cause ⁽¹⁾	\$1,000,000	Nil	\$1,140,605	\$1,752,975	Nil

Notes:

(1) All payments are subject to applicable statutory deductions.

(2) This balance reflects the year-end date fair value using a Black-Scholes option pricing model for Time-Based Option grants. Performance-Based Options are not in performance territory and have not vested.

Kevin Hibbert

The services of Mr. Hibbert as CFO and Corporate Secretary are provided under an employment agreement (the “**Hibbert Employment Agreement**”) dated May 2, 2016. Under the Hibbert Employment Agreement, Mr. Hibbert is entitled to receive an annual base salary of \$300,000.

In addition, Mr. Hibbert is eligible to participate in the AIP pursuant to which he may receive an AIP Award of between \$210,000 and \$300,000 subject to the achievement of annual performance objectives (with an AIP Award equal to \$210,000 should the applicable annual target performance metrics be achieved), pro rated for any partial calendar year of employment, as determined by the Board or the HRC Committee. A percentage of the value of the AIP Award will be translated into Common Shares under the EPSP, which will be awarded and vest in accordance with the EPSP. For 2016, 20% of the value of the AIP Award was paid in Common Shares under the EPSP. At its sole discretion, the Board or HRC Committee may award other compensation for extraordinary performance or Corporation results. Any awards, whether in cash or shares, are subject to the Recoupment Policy in effect from time to time. See “-*Compensation Discussion and Analysis - Elements of Compensation - Equity Incentives*”.

Under the Hibbert Employment Agreement, in 2016 Mr. Hibbert received a one-time grant of Time-Based Options to acquire up to 500,000 Common Shares which vest as to 25% on April 1, 2017 and 25% on April 1 in each of the following three years. These Options will be subject to the Recoupment Policy.

The Hibbert Employment Agreement contains provisions relating to: (i) non-disclosure or use of Sprott Group’s confidential information; (ii) non-solicitation of Sprott Group’s clients and employees during, and 12 months after, employment; and (iii) non-competition during and six months after, employment.

The Corporation may terminate Mr. Hibbert’s employment at any time for just cause without notice or payment of any compensation, except to the minimum extent required by applicable legislation. The Corporation may terminate Mr. Hibbert’s employment at any time without cause by providing 12 months of notice (or pay in lieu calculated using base salary) and all of the Common Shares under the EPSP awarded to Mr. Hibbert shall be deemed to be vested as of the date of termination. In addition, the Sprott Group will continue to make its employer contributions to maintain employee benefits for the minimum period prescribed by the ESA.

Mr. Hibbert may terminate his employment with the Sprott Group (or a particular entity within the Sprott Group) at any time by providing at least one month's prior written notice (which notice may be waived) and he will be provided with any minimum entitlements under the ESA. However, Mr. Hibbert may also terminate his employment for "Good Reason", as such term is described in the Hibbert Employment Agreement (which includes acts constituting constructive dismissal), upon which he will receive benefits as though he had been terminated without cause. Pursuant to the Option Plan, all of Mr. Hibbert's Options will vest immediately if, within six months of a Change of Control, his employment is terminated without cause, or if he resigns for Good Reason.

Kevin Hibbert	Severance	AIP Award	EPSP Shares	Time-Based Options⁽²⁾	Performance-Based Options⁽²⁾
Termination Without Cause ⁽¹⁾	\$300,000	Nil	\$422,973	\$343,050	Nil

Notes:

(1) All payments are subject to applicable statutory deductions.

(2) This balance reflects the year-end date fair value using a Black-Scholes option pricing model for Time-Based Option grants. Performance-Based Options are not in performance territory and have not vested.

John Wilson

The services of Mr. Wilson as the Chief Investment Officer of the Corporation and Chief Executive Officer and Senior Portfolio Manager of SAM are provided under an employment agreement (the "**Wilson Employment Agreement**") dated January 27, 2016. Under the terms of the Wilson Employment Agreement, Mr. Wilson is entitled to receive an annual base salary of \$500,000. In addition, Mr. Wilson is eligible to participate in the Employee Bonus Pool based on annual target performance metrics, pro rated for any partial calendar year of employment, as determined by the Board or the HRC Committee. A percentage of the value of such bonus award will be translated into Common Shares under the EPSP, which will be awarded and vest in accordance with the EPSP. For 2016, 30% of the value of such bonus award was paid in Common Shares under the EPSP. At its sole discretion, the Board or HRC Committee may award other compensation for extraordinary performance or Corporation results. Any awards, whether in cash or shares, is subject to the Recoupment Policy in effect from time to time.

Under the Wilson Employment Agreement, in 2016 Mr. Wilson received a one-time grant of: (i) Time-Based Options to acquire up to 2,750,000 Common Shares which vest as to 20% immediately upon the granting of such options and thereafter as to 20% on January 1 in each of the following four years; and (ii) Performance-Based Options to acquire up to 2,750,000 Common Shares which vest in four equal tranches only if certain performance conditions (such as growth in the overall EBITDA of SAM) as well as time-based vesting conditions are met, such that each of the four tranches will not vest prior to March 2017, 2018, 2019 and 2020, respectively.

The Wilson Employment Agreement contains provisions relating to: (i) non-disclosure or use of Sprott Group's confidential information; (ii) non-solicitation of Sprott Group's clients and employees during, and 12 months after, employment; and (iii) non-competition during and six months after, employment.

The Sprott Group may terminate Mr. Wilson's employment at any time for just cause without notice or payment of any compensation, except to the minimum extent required by applicable legislation. The Sprott Group may terminate Mr. Wilson's employment at any time without cause by providing 24 months of notice (or pay in lieu calculated using base salary) and all of the Common Shares under the EPSP awarded to Mr. Wilson shall be deemed to be vested as of the date of termination. In addition, the Sprott Group will continue to make its employer contributions to maintain employee benefits for the minimum period prescribed by the ESA.

Mr. Wilson may terminate his employment with the Sprott Group (or a particular entity within the Sprott Group) at any time by providing at least one month's prior written notice (which notice may be waived) and he will be provided with any minimum entitlements under the ESA. However, Mr. Wilson may also terminate his employment for Good Reason, upon which he will receive benefits as though he had been terminated without cause. All of Mr. Wilson's options will vest immediately if, within six months of a Change of Control, his employment is terminated without cause, or if he resigns for Good Reason.

John Wilson	Severance	AIP Award	EPSP Shares	Time-Based Options⁽²⁾	Performance-Based Options⁽²⁾
Termination Without Cause ⁽¹⁾	\$1,000,000	Nil	\$4,076,766	\$2,142,525	Nil

Notes:

(1) All payments are subject to applicable statutory deductions.

(2) This balance reflects the year-end date fair value using a Black-Scholes option pricing model for Time-Based Option grants. Performance-Based Options are not in performance territory and have not vested.

James Fox

The services of Mr. Fox as the President of SAM are provided under an employment agreement (the “**Fox Employment Agreement**”) dated January 27, 2016. Under the terms of the Fox Employment Agreement, Mr. Fox is entitled to receive an annual base salary of \$350,000. In addition, Mr. Fox is eligible to participate in the AIP pursuant to which he may receive an AIP Award of between \$400,000 and \$1,000,000 (with an AIP Award equal to \$650,000 should the applicable annual target performance metrics be achieved), pro rated for any partial calendar year of employment, as determined by the Board or the HRC Committee. A percentage of the value of the AIP Award will be translated into Common Shares under the EPSP, which will be awarded and vest in accordance with the EPSP. For 2016, 30% of the value of the AIP Award was paid in Common Shares under the EPSP. At its sole discretion, the Board or HRC Committee may award other compensation for extraordinary performance or Corporation results. Any awards, whether in cash or shares, is subject to the Recoupment Policy in effect from time to time.

Under the Fox Employment Agreement, in 2016 Mr. Fox received a one-time grant of: (i) Time-Based Options to acquire up to 2,250,000 Common Shares which vest as to 20% immediately upon the granting of such options and thereafter as to 20% on January 1 in each of the following four years; and (ii) Performance-based Options to acquire up to 1,000,000 Common Shares which vest in four equal tranches only if certain performance conditions (such as growth in the overall EBITDA of SAM) as well as time-based vesting conditions are met, such that each of the four tranches will not vest prior to March 2017, 2018, 2019 and 2020, respectively. These Options will be subject to the Recoupment Policy.

The Fox Employment Agreement contains provisions relating to: (i) non-disclosure or use of Sprott Group’s confidential information; (ii) non-solicitation of Sprott Group’s clients and employees during, and 12 months after, employment; and (iii) non-competition during and six months after, employment.

The Sprott Group may terminate Mr. Fox’s employment at any time for just cause without notice or payment of any compensation, except to the minimum extent required by applicable legislation. The Sprott Group may terminate Mr. Fox’s employment at any time without cause by providing 24 months of notice or, alternatively, by paying a lump-sum severance of \$1,500,000 and all of the Common Shares under the EPSP awarded to Mr. Fox shall be deemed to be vested as of the date of termination. In addition, the Sprott Group will continue to make its employer contributions to maintain employee benefits for the minimum period prescribed by the ESA.

Mr. Fox may terminate his employment with the Sprott Group (or a particular entity within the Sprott Group) at any time by providing at least one month’s prior written notice (which notice may be waived) and he will be provided with any minimum entitlements under the ESA. However, Mr. Fox may also terminate his employment for Good Reason, upon which he will receive benefits as though he had been terminated without cause. All of Mr. Fox’s options will vest immediately if, within six months of a Change of Control, his employment is terminated without cause, or if he resigns for Good Reason.

James Fox	Severance	AIP Award	EPSP Shares	Time-Based Options⁽²⁾	Performance-Based Options⁽²⁾
Termination Without Cause ⁽¹⁾	\$1,500,000	Nil	\$2,644,478	\$1,752,975	Nil

Notes:

(1) All payments are subject to applicable statutory deductions.

(2) This balance reflects the year-end date fair value using a Black-Scholes option pricing model for Time-Based Option grants. Performance-Based Options are not in performance territory and have not vested.

Arthur Richards Rule IV

Mr. Rule has entered into a written employment agreement with Sprott US, a wholly-owned subsidiary of the Corporation, for an initial term of three years (the “**Employment Term**”) renewable automatically thereafter for additional one-year terms. Either party may terminate such agreement upon notice provided not more than 180 days nor less than 90 days before the last day of the Employment Term or any extension thereof. Pursuant to such employment agreement, Mr. Rule is entitled to receive an annual salary of US\$360,000 as compensation for his services as CEO and President of Sprott US. Additionally, he is entitled to receive a discretionary cash bonus. Mr. Rule is also eligible to receive certain commission payments in accordance with the general practice with respect to commission payments of SGRIL and SAM USA, each an indirect wholly-owned subsidiary of the Corporation. In the event that Mr. Rule is terminated without cause or he resigns for good reason, he will be entitled to receive (i) salary until the end of the Employment Term, (ii) a bonus payable out of SGRIL’s and SAM USA’s bonus plan in respect of the calendar year in which Mr. Rule is terminated, prorated to the portion of such year that Mr. Rule was employed by Sprott US, and (iii) continued

payment of his bonus payable under the bonus plan of RCIC, an indirect wholly-owned subsidiary of the Corporation. Subject to certain conditions, in the event of Mr. Rule's termination without cause or he resigns for good reason, Sprott US will cause RCIC to enter into a contract with Mr. Rule pursuant to which Mr. Rule will continue to manage the then existing RCIC funds as an independent contractor through the end of the term for such RCIC Funds. Mr. Rule's employment agreement also provides for, among other things, non-compete and non-solicit covenants in favour of Sprott US. If Mr. Rule's employment had been terminated without cause on December 31, 2016, the estimated termination payment would have been approximately US\$360,000 with respect to the salary based component of such payment, and his bonus based component would have been determined and pro-rated as set forth above.

Directors' & Officers' Liability Insurance

The Corporation has purchased directors' & officers' liability insurance coverage ("**D&O Insurance**") for directors and officers of the Corporation. The total annual premium payable by the Corporation for the D&O Insurance for the year ended December 31, 2016 was \$138,937, and no amount of such premium was paid by the directors or officers of the Corporation. The D&O Insurance coverage has an annual aggregate limit of \$25,000,000. There is a \$100,000 deductible for any claim made, but no deductible is assessed against any director or officer. D&O Insurance is designed to protect Board members and officers for their legal liabilities including, but not limited to, securities claims, claims for statutory liabilities and employment claims.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information as at December 31, 2016

Plan Category	Number of Securities to be issued upon the exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) ⁽¹⁾
<i>Equity compensation plans approved by security holders</i>	10,900,000	\$4.16	8,664,464
<i>Equity compensation plans not approved by security holders</i>	—	—	—
Total	10,900,000	\$4.16	8,664,464

Note:

(1) Includes 5,287,752 Common Shares under the EPSP and 4,202 Common Shares under the EIP.

The Corporation has the following three equity based compensation plans: (a) the Option Plan; (b) the EPSP; and (c) the EIP. As of December 31, 2016 there were 10,900,000 Options outstanding under the Option Plan and 4,202 Common Shares issued under the EIP, representing approximately 4.39% and 0.002%, respectively, of the issued and outstanding Common Shares. As of the date hereof, there are 10,900,000 Options outstanding under the Option Plan and 90,332 Common Shares issued under the EIP, representing approximately 4.39% and 0.04%, respectively, of the issued and outstanding Common Shares. No Common Shares have been granted from treasury under the EPSP. However, 5,287,752 Common Shares have been purchased in the open market by the Trustee under the EPSP, representing approximately 2.13% of the issued and outstanding Common Shares.

The aggregate number of Common Shares from treasury that may be granted under the Option Plan, the EPSP and the EIP and all other securities based compensation arrangements shall not exceed 10% of the issued and outstanding Common Shares as at the date of such grant. As a result, if the Corporation issues additional Common Shares in the future, the number of Common Shares issuable under such securities based compensation arrangements will increase accordingly. Furthermore, the number of Common Shares that are (i) issuable from treasury, at any time, and (ii) issued from treasury, within any one year period, to insiders

(as defined in the applicable rules of the TSX) of the Corporation under the Option Plan, the EPSP and the EIP and all other security based compensation arrangements, may not exceed 10% of the issued and outstanding Common Shares.

Option Plan

The Option Plan is intended to aid in attracting, retaining and motivating our officers, employees and directors.

Options may be granted to a director, officer, employee or service provider of the Corporation or any related entity (being a person that controls or is controlled by the Corporation or that is controlled by the same person that controls the Corporation), but excluding Eric S. Spratt. However, no Options are to be granted to any optionee that is a non-employee director if such grant could result, at any time, in: (i) the aggregate number of Common Shares issuable to non-employee directors under the Option Plan, or any other security-based compensation arrangement of the Corporation, exceeding 1% of the issued and outstanding Common Shares; or (ii) an annual grant of Options per non-employee director exceeding a grant value of \$100,000, determined using a generally accepted valuation model.

The exercise price for any Option issued under the Option Plan may not be less than the market price of the Common Shares at the time of issue. Options issued under the Option Plan may be exercised during a period determined under the Option Plan, which may not exceed ten years. Unless otherwise determined by the Board, Options will vest at a rate of one-third per annum commencing 12 months after the date of grant.

In addition to the restrictions on maximum issuances set forth above for all security based compensation arrangements, the number of Common Shares which may be issued pursuant to Options granted pursuant to the Option Plan to any one person may not exceed 5% of the then aggregate issued and outstanding Common Shares.

The following insider participation limits shall apply under the Option Plan: (a) the number of Common Shares issuable to insiders, at any time, pursuant to the Option Plan and other share compensation arrangements shall not exceed 10% of the issued and outstanding Common Shares; and (b) the number of Common Shares issued to insiders, within a one-year period, pursuant to the Option Plan and other share compensation arrangements shall not exceed 10% of the issued and outstanding Common Shares.

Options may be transferred to certain permitted assigns which include a spouse, a trustee acting on behalf of the optionholder or spouse, or a holding entity. If the optionholder resigns, is terminated for cause or fails to be re-elected as a director, the Options terminate immediately. If the optionholder dies or ceases to be eligible under the Option Plan for any other reason, Options that are entitled to be exercised may generally be exercised (subject to certain extensions at the discretion of the Board or a committee thereof) until the earlier of (i) one year or three months, respectively, of the applicable date, or (ii) the expiry date of the Option. The Option Plan also provides for the cashless exercise of Options which allows for the optionholder to receive, without cash payment (other than taxes), a number of Common Shares based on a specified formula tied to the market price of the Common Shares as at the last trading day immediately prior to the cashless exercise. In the event that the expiry of an Option occurs during a blackout period imposed by management or the Board in accordance with the Corporation's insider trading policy, the expiry date of such Option shall be deemed to be amended to that date which is ten business days following the end of such blackout period.

In the event of a Change of Control (as defined below) with respect to the Corporation or a Spratt Group entity (which, under the Option Plan, means the Corporation and any subsidiary or related or affiliated business entities of the Corporation and includes any successor corporations or entities thereto), notwithstanding anything in the Option Plan to the contrary:

- if the employment of an optionee is terminated by the Corporation or a Spratt Group entity, respectively, without cause or if the optionee resigns in circumstances constituting constructive dismissal by the Corporation or a Spratt Group entity, respectively, in each case, within six months (or such other period as determined by the Board in its sole discretion) following a Change of Control with respect to the Corporation or the Spratt Group entity, respectively (such date being the "**Termination Date**"), all or any of the optionee's Options will vest immediately prior to the Termination Date (or such later period as determined by the Board in its sole discretion), subject to any performance conditions which shall be dealt with at the discretion of the Board. All vested Options may be exercised until 90 days (or such other period as may be determined by the Board in its sole discretion) following the Termination Date (but until the normal expiry date of the Option rights of such optionee, if earlier). Upon the expiration of such period, all unexercised Option rights of that optionee shall immediately become terminated and shall lapse notwithstanding the original term of the Option granted to such optionee under the Option Plan; and
- any surviving, successor or acquiring entity will assume any outstanding Options or will substitute similar awards for the outstanding Options. If the surviving, successor or acquiring entity is a "private issuer" or does not have any securities listed on an established securities exchange, does not assume the outstanding Options or substitute similar awards for

the outstanding Options, or if the Board otherwise determines in its sole discretion and subject to the rules of the TSX, the Corporation will give written notice to all optionees advising that the Option Plan will be terminated effective immediately prior to the Change of Control and all Options will be deemed to be vested Options, and may provide for the exercise of Options and tender of Common Shares in connection with the Change of Control and may otherwise provide for the cash out or termination of Options that are not exercised within a specified period of time.

A “**Change of Control**” for the purposes of the Option Plan means: (a) the acquisition by any person or persons acting jointly or in concert (as determined by the *Securities Act* (Ontario)), whether directly or indirectly, of beneficial ownership of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 50% of all of the then outstanding voting securities of the Corporation; (b) an amalgamation, arrangement, consolidation, share exchange, take-over bid or other form of business combination of the Corporation with another person that results in the holders of voting securities of that other person holding, in the aggregate, more than 50% of all outstanding voting securities of the person resulting from the business combination; (c) the sale, lease, exchange or other disposition of all or substantially all of the property of the Sprott Group (as defined below) to another person, other than (i) in the ordinary course of business of the Sprott Group, or (ii) to the Sprott Group; (d) a resolution is adopted to wind-up, dissolve or liquidate the Corporation; or (e) as a result of, or in connection, with: (i) a contested election of directors of the Corporation, or (ii) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Sprott Group and another Person, the nominees named in the most recent management information circular of the Corporation for election to the Board shall not constitute a majority of the Board, provided however that a transaction or a series of related transactions will not constitute a Change of Control if such transaction(s) result(s) in the Corporation or Sprott Group entity, or any successor to the Corporation’s or Sprott Group entity’s respective business, being controlled, directly or indirectly, by the same person or persons who controlled the Corporation or the Sprott Group entity, respectively, directly or indirectly, immediately before such transaction(s).

The Board may make the following amendments to the Option Plan, without obtaining shareholder approval: (i) amendments to the terms and conditions of the Option Plan necessary to ensure that the Option Plan complies with the applicable regulatory requirements, including the rules of the TSX, in place from time to time; (ii) amendments to the provisions of the Option Plan respecting administration of the Option Plan and eligibility for participation under the Option Plan; (iii) amendments to the provisions of the Option Plan respecting the terms and conditions on which Options may be granted pursuant to the Option Plan, including the provisions relating to the term of the Option and the vesting schedule; and (iv) amendments to the Option Plan that are of a “housekeeping” nature.

However, the Board may not, without the approval of the Corporation’s shareholders, make amendments with respect to the following: (i) an increase to the Option Plan maximum or the number of securities issuable under the Option Plan; (ii) amendment provisions granting additional powers to the Board to amend the Option Plan or entitlements; (iii) an amendment to the exercise price of Options (if such shareholder approval is required by the TSX); (iv) reduction in the exercise price of Options or cancellation and reissue of Options or other entitlements; (v) extension to the term of Options (other than as a result of an Blackout Period Extension (as such term is defined in the Option Plan)); (vi) amendments that may permit the introduction or re-introduction of non-employee directors on a discretionary basis or amendments that increase limits previously imposed on non-employee director participation; (vii) any amendment which would permit Options granted under the Option Plan to be transferable or assignable other than to a related Permitted Assign (as such term is defined in the Option Plan) and for normal estate settlement purposes; (viii) changes to insider participation limits; and (ix) amendments to the Option Plan amendment provisions.

As a general matter, if any Option granted under the Option Plan shall expire, terminate for any reason in accordance with the terms of the Option Plan or be exercised, Common Shares subject thereto shall again be available for the purpose of the Option Plan. The Option Plan specifically excludes Eric S. Sprott as an optionee under the Option Plan.

EPSP

Membership and Administration

Participation in the EPSP is limited to eligible full time non-U.S. resident employees of the Corporation and any affiliated entity which has adopted the EPSP, excluding Eric S. Sprott. The Corporation and such affiliated entities are collectively referred to as the “**Participating Entities**”.

The selection of Members and the specific terms of any benefits granted to a Member, including the number of Common Shares vesting schedule, and timing of distributions (after discharge of debt owing in respect of Common Shares) in cash or Common Shares will be determined by the HRC Committee or the general partner or other controlling person of a Participating Entity, as

applicable, and as set forth in the applicable employment or other contract entitling the Member to benefits under the EPSP (the “**Member’s Contract**”).

While Common Shares from treasury may be granted under the EPSP subject to the restrictions set forth above, Common Shares may also be purchased on the open market by the Trustee on behalf of the Members. Management of the Corporation is responsible for administering the EPSP. The Trustee may purchase Common Shares from Eric S. Sprott (who is not entitled to be a Member under the EPSP) at a price equal to the market price for such shares and in compliance with applicable securities laws and the rules of the TSX. The Trustee is an independent trustee appointed by the Board pursuant to a trust agreement entered into by the Corporation and the Trustee, which created the trust in respect of the EPSP (the “**Trust**”).

In each fiscal year, or within 120 days thereafter, each Participating Entity realizing profits in such fiscal year shall pay to the Trustee (to be held in trust) for such fiscal year out of profits a contribution in an amount determined by the Board or general partner or other controlling person of the Participating Entity.

Subject to the terms of a Member’s Contract and the *ITA*, distributions of cash or in specie, may be made from a Member’s “allocated account” to such Member at any time upon the written direction of the Corporation provided that the Trustee shall distribute only the net amount available for distribution to the Member and only upon the discharge of any debt owing by the Trust in respect of the Common Shares at the time of distribution. Such debt may be discharged by a Participating Entity (including the Corporation) or the Member in accordance with the relevant provisions of the Member’s Contract. Any applicable taxes or interest shall be the sole responsibility of the Members.

Termination of Employment

No later than three months of the earliest of the (i) termination of employment, including retirement, resignation or dismissal without cause and (ii) termination of the EPSP, an amount equal to the net value of the assets (after applicable expenses and any unpaid debt owing on any Common Shares in the Member’s vested account) that have been allocated to the Member’s vested account shall be distributed by the Trustee to the Member, subject to any debt obligations assumed by the Member under the Member’s Contract. Within three months of the death of a Member, subject to compliance with applicable laws, the Trustee shall distribute to such Member’s beneficiary the net value (after applicable expenses) of the amount in the Member’s vested account. Upon the occurrence of the foregoing events, the Board may, in its sole discretion, deem vested and designate to a Member’s vested account, such number of Common Shares that would otherwise have vested up to a specified period had death or termination of employment of the Member not occurred.

In the event that a Member’s employment with a Participating Entity is terminated for cause, all Common Shares and amounts contained in or allocated to such Member’s vested account and such Member’s allocated account shall be forfeited and the amounts thereof shall be reallocated to the other Members of the EPSP at the end of the taxation year of the Trust as the Corporation shall direct.

Transferability

The Member may not assign, convert, charge, surrender or alienate the rights or benefits granted under the EPSP. Amounts vested in a Member under the EPSP shall not be available for the claims of his or her creditors.

Amendments or Termination

The Corporation currently intends to continue the EPSP in effect indefinitely but the Corporation reserves the right to amend, modify or discontinue the EPSP, in whole or in part, at any time, provided, however, that any such amendment or modification which may affect the rights, duties and responsibilities of the Trustee shall not become effective until the Corporation has received the written consent of the Trustee.

The Board may make the following amendments to the EPSP, without obtaining shareholder approval: (i) amendments to the terms and conditions of the EPSP necessary to ensure that the EPSP complies with the applicable regulatory requirements, including the rules of the TSX and Canada Revenue Agency, in place from time to time; (ii) amendments to the provisions of the EPSP respecting administration of the EPSP and eligibility for participation under the EPSP; (iii) amendments to the provisions of the EPSP respecting the terms and conditions on which allocations may be made to a Member’s allocated account pursuant to the EPSP, including the provisions relating to the vesting schedule (subject to a minimum three-month vesting period for Common Shares issued from treasury); and (iv) amendments to the EPSP that are of a “housekeeping” nature.

The Board may not, without the approval of the Corporation’s shareholders, make amendments with respect to the following: (i) an increase to the EPSP maximum or the number of securities issuable under the EPSP; (ii) amendment provisions granting

additional powers to the Corporation or the Board to amend the EPSP; and (iii) an increase in entitlements held by insiders of the Corporation, including extension of the termination or expiry dates thereof or changes to insider participation limits.

If the EPSP is terminated, each Participating Entity shall not recover any amounts paid into the Trust fund up to the date of such termination and all of the Trust fund must and shall be used for the sole benefit of the Members and/or their beneficiaries, according to the balance in their Member's account as determined by a special valuation of the Trust fund as of the date of the termination of the EPSP.

EIP

Participants and Administration

Eligible participants in the EIP are those directors, officers, employees and consultants of the Corporation and its subsidiaries and affiliates residing in the United States or who are otherwise U.S. taxpayers who are selected for participation by the plan administrator. The EIP specifically excludes Eric S. Sprott as a participant thereunder.

The EIP provides for the award of restricted stock, restricted stock units, related dividend equivalents and unrestricted stock. Shares issued pursuant to the EIP may be authorized but unissued Common Shares or treasury shares or Common Shares obtained on the market by the Corporation.

The EIP is administered by the HRC Committee. The specific terms of any award granted under the EIP is determined by the plan administrator, subject to the terms of the EIP, including the number of Common Shares, vesting conditions and schedule, timing of distributions, and such other terms and conditions as the administrator may determine, and as may be set forth in the applicable award agreement.

Restricted stock is subject to forfeiture prior to the vesting of the award. A restricted stock unit is notional stock that entitles the grantee to receive a Common Share following the vesting of the restricted stock unit. The HRC Committee may determine to make grants under the EIP of restricted stock and restricted stock units containing such terms as the HRC Committee may determine, subject to applicable law. The HRC Committee will determine the period over which restricted stock and restricted stock units granted to EIP participants will vest, subject to a minimum vesting period of three months for Common Shares issued from treasury, and the timing of distributions. In connection with restricted stock units, the HRC Committee, in its discretion, may grant dividend equivalent rights under the EIP, subject to such terms and conditions, including the timing of distribution, as determined by the HRC Committee and subject to the provisions of the EIP and applicable law. The HRC Committee may base its determination upon the achievement of specified performance goals. The HRC Committee, in its discretion, may grant Common Shares free of restrictions under the EIP in respect of past services or other valid consideration. Such Common Shares shall be purchased on the market, and in no event shall treasury shares be issued to make such grants.

Termination of Employment or Service

Unless otherwise provided in the applicable award agreement, upon a termination of employment or service other than for death or disability, unvested restricted stock and restricted stock units granted under the EIP will be forfeited, provided that the administrator may waive or modify such provisions. Unless otherwise provided in the applicable award agreement, upon a termination of employment or service due to death or disability, unvested restricted stock and restricted stock units granted under the EIP will vest.

Transferability

Shares of restricted stock or restricted stock units granted under the EIP may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of prior to the lapsing of all restrictions thereon, other than by will, by the laws of descent and distribution, or through gift or domestic relations orders to a "family member" of the grantee as permitted by Rule 701 of the Securities Act of 1933, as amended, or may be otherwise specifically provided in the applicable award agreement in accordance with applicable law. Following any such transfer, any transferred restricted stock or restricted stock units will continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer.

Adjustments, Termination and Amendment

Subject to any required approvals of the stock exchange(s) on which the Common Shares are listed, the plan administrator may, in its discretion, provide for adjustment of the terms and conditions of outstanding awards and awards issuable under the EIP, in recognition of unusual or nonrecurring events (including any stock split, reverse stock split, reorganization, merger, consolidation, split-up, combination, or other similar corporate transaction or event) affecting the Corporation or any of its affiliates. The Board,

in its discretion, may terminate, suspend or discontinue the EIP at any time with respect to any award that has not yet been granted. Unless the EIP is terminated earlier, no award may be granted under the EIP following the tenth anniversary of the date of the EIP's adoption by the Board or approval by the Corporation's security holders, whichever is earlier. The Board also has the right to alter or amend the EIP or any part of the EIP, and the HRC Committee may modify outstanding awards granted under the EIP, from time to time, in each case subject to shareholder approval in certain circumstances as provided in the EIP. However, other than adjustments to outstanding awards upon the occurrence of certain unusual or nonrecurring events, generally no change in any outstanding grant may be made that would materially impair the rights or materially increase the obligations of the participant without the consent of the participant.

The Board may make the following amendments to the EIP, without obtaining shareholder approval: (i) amendments to the terms and conditions of the EIP necessary to ensure that the EIP complies with the applicable regulatory requirements, including the rules of the TSX, U.S. federal and state securities laws, Canada Revenue Agency, and the Internal Revenue Code of 1986, as amended, in place from time to time; (ii) amendments to the provisions of the EIP respecting administration of the EIP and eligibility for participation under the EIP; (iii) amendments to the provisions of the EIP respecting the terms and conditions on which awards may be granted pursuant to the EIP, including the provisions relating to the vesting schedule (subject to a minimum three-month vesting period for Common Shares issued from treasury); and (iv) amendments to the EIP that are of a "housekeeping" nature.

The Board and the plan administrator may not, without the approval of the Corporation's shareholders, make amendments with respect to the following: (i) an increase to the EIP maximum or the number of securities issuable under the EIP; (ii) amendment provisions granting additional powers to the Board or plan administrator to amend the EIP or entitlements thereunder; and (iii) an increase in entitlements held by insiders of the Corporation, including extension of the termination or expiry dates thereof or changes to insider participation limits.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as disclosed herein,

- (a) there is no indebtedness outstanding of any executive officers, directors, employees or former executive officers, directors or employees of the Corporation or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise; and
- (b) no individual who is, or at any time during the most recently completed financial year of the Corporation was, a director or executive officer of the Corporation, no proposed nominee for election as a director of the Corporation and no associate of any such person:
 - (i) is or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries; or
 - (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries,

whether in relation to a securities purchase program or other program.

A \$3.5 million non-interest bearing related party demand note (the "Loan") was issued by Sprott Continental Holdings Limited, a company controlled by Eric S. Sprott, in favour of the Corporation. The Loan has since been repaid.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, no "informed person", proposed director, or any associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since January 1, 2016 or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries. An "informed person" means, among others, (i) a director or executive officer of the Corporation or of a subsidiary of the Corporation, (ii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution.

ADDITIONAL INFORMATION

Financial information about the Corporation is provided in its financial statements for the fiscal year ended December 31, 2016 and related management's discussion and analysis. You may obtain a copy of such documents by contacting Sprott Investor Relations at (416) 203-2310 or toll-free at 1 (877) 403-2310 or ir@sprott.com.

All of these above mentioned documents, as well as additional information relating to the Corporation, are also available by visiting the Corporation's website at www.sprottinc.com or SEDAR's website at www.sedar.com.

BOARD APPROVAL

The contents and the distribution of this Circular have been approved by the Board, and this Circular has been sent (or made available) to each director of the Corporation, each shareholder entitled to notice of the Meeting and the auditors of the Corporation.

Dated at Toronto, Ontario as of March 23, 2017.

BY ORDER OF THE BOARD

(signed) "*Eric S. Sprott*"

Eric S. Sprott

Chair of the Board

SCHEDULE “A”
SPROTT INC.
MANDATE OF THE BOARD OF DIRECTORS

Introduction

The term “**Corporation**” herein shall refer to Sprott Inc. and the term “**Board**” shall refer to the board of directors of the Corporation. The Board is elected by the shareholders and is responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge such responsibility by reviewing, discussing and approving the Corporation’s strategic planning and organizational structure and supervising management to ensure that the foregoing enhance and preserve the underlying value of the Corporation.

Although directors may be elected by the shareholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times.

Chairman and Composition and Quorum

1. The Board will be comprised of a minimum of one member and a maximum of ten members, the majority of which shall be, in the determination of the Board, “independent” for the purposes of National Instrument 58-101 *Disclosure of Corporate Governance Practices*. Each Board member shall satisfy the independence and experience requirements, if any, imposed by applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.
2. The chairman of the Board will be elected by vote of a majority of the full Board membership, on the recommendation of the Corporate Governance and Nominating Committee. The chairman of the Board with the assistance of the lead director (who shall be an independent director), if any, will chair Board meetings and shall be responsible for overseeing the performance by the Board of its duties, for setting the agenda of each Board meeting (in consultation with the Chief Executive Officer (the “**CEO**”)), for communicating periodically with committee chairs regarding the activities of their respective committees, for assessing the effectiveness of the Board as a whole as well as individual Board members and for ensuring the Board works as a cohesive team and providing the leadership essential to achieve this.

Meetings

3. Meetings will be scheduled to facilitate the Board carrying out its responsibilities. Additional meetings will be held as deemed necessary by the Chairman of the Board. The time at which and place where the meetings of the Board shall be held and the calling of the meetings and procedure in all things at such meetings shall be determined by the Board in accordance with the Corporation’s articles, by-laws and applicable laws. The independent directors of the Board shall hold regularly scheduled meetings at which non-independent directors and management are not in attendance. Any director of the Corporation may request the Chairman of the Board to call a meeting of the Board.
4. Meetings of the Board shall be validly constituted if a majority of the members of the Board is present in person or by tele- or video- conference. A resolution in writing signed by all the members of the Board entitled to vote on that resolution at a meeting of the Board is as valid as if it had been passed at a meeting of the Board duly called and held.

Board Charter and Performance

5. The Board shall have a written charter that sets out its mandate and responsibilities and the Board shall review and assess the adequacy of such charter and the effectiveness of the Board at least annually or otherwise, as it deems appropriate, and make any necessary changes. Unless and until replaced or amended, this mandate constitutes that charter. The Board will ensure that this mandate or a summary that has been approved by the Board is disclosed in accordance with all applicable securities laws or regulatory requirements in the Corporation's annual management information circular or such other annual filing as may be permitted or required by applicable securities regulatory authorities.

Duties of Directors

6. The Board discharges its responsibility for overseeing the management of the Corporation's business by delegating to the Corporation's senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its committees, the Audit Committee, the Corporate Governance and Nominating Committee and the Human Resources and Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature. In addition to the Board's primary roles of overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation's strategic objectives, principal duties include the following:

Appointment of Management

- (i) The Board has the responsibility for approving the appointment of the CEO and all other senior management, monitoring their performance and, where deemed necessary, approving their compensation, following a review of the recommendations of the Human Resources and Compensation Committee. To the extent feasible, the Board shall satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation. The Board may provide advice and counsel in the execution of the CEO's duties as appropriate.
- (ii) The Board from time to time delegates to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits and material transactions outside the ordinary course of business are reviewed by and subject to the prior approval of the Board.
- (iii) The Board oversees that succession planning programs are in place, including programs to appoint, train, develop and monitor management.

Board Organization

- (iv) The Board will respond to recommendations received from the Corporate Governance and Nominating Committee and the Human Resources and Compensation Committee, but retains the responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation.
- (v) The Board may delegate to Board committees matters it is responsible for, including the approval of compensation of the Board and management, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

Strategic Planning

- (vi) The Board has oversight responsibility to participate directly, and through its committees, in reviewing, questioning and approving the mission of the business and its objectives and goals and the strategy by which it proposes to reach those goals.
- (vii) The Board is responsible for adopting a strategic planning process and approving and reviewing, on at least an annual basis, the business, financial and strategic plans by which it is proposed that the Corporation may reach those goals, and such strategic plans will take into account, among other things, the opportunities and risks of the business.
- (viii) The Board has the responsibility to provide input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.

Monitoring of Financial Performance and Other Financial Reporting Matters

- (ix) The Board is responsible for:
 - (a) adopting processes for monitoring the Corporation's progress toward its strategic and operational goals, and to revise and alter its direction to management in light of changing circumstances affecting the Corporation; and
 - (b) taking action when the Corporation's performance falls short of its goals or when other special circumstances warrant.
- (x) The Board shall be responsible for approving the audited financial statements, interim financial statements and the notes and Management's Discussion and Analysis accompanying such financial statements.
- (xi) The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including the payment of dividends, issuance, purchase and redemptions of securities, acquisitions and dispositions of material capital assets and material capital expenditures.

Risk Management

- (xii) The Board has responsibility for the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to effectively monitor and manage such risks with a view to the long-term viability of the Corporation and achieving a proper balance between the risks incurred and the potential return to the Corporation's shareholders.
- (xiii) The Board is responsible for the Corporation's internal control and management information systems.

Policies and Procedures

- (xiv) The Board is responsible for:
 - (a) developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines for the Corporation and approving and monitoring compliance with all significant policies and procedures related to corporate governance; and
 - (b) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards and, in particular, adopting a written code of business conduct and ethics which is applicable to directors, officers and employees of the Corporation and which constitutes written standards that are reasonably designed to promote integrity and to deter wrongdoing.
- (xv) The Board enforces its policy respecting confidential treatment of the Corporation's proprietary information and Board deliberations.

- (xvi) The Board is responsible for adopting and monitoring compliance with the Corporation's Code of Business Conduct and Ethics.

Communications and Reporting

- (xvii) The Board is responsible for approving and revising from time to time as circumstances warrant a Disclosure Policy to address communications with shareholders, employees, financial analysts, the media and such other outside parties as may be appropriate.
- (xviii) The Board is responsible for:
 - (a) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely, regular and non-selective basis;
 - (b) overseeing that the financial results are reported fairly and in accordance with international financial reporting standards and related legal disclosure requirements;
 - (c) taking steps to enhance the timely, non-selective disclosure of any other developments that have a significant and material impact on the Corporation;
 - (d) reporting annually to shareholders on its stewardship for the preceding year; and
 - (e) overseeing the Corporation's implementation of systems which accommodate feedback from stakeholders.

Position Descriptions

- (xix) The Board is responsible for:
 - (a) developing position descriptions for the Chair of the Board, the lead director, if applicable, the chair of each Board committee and, together with the CEO, the CEO (which will include delineating management's responsibilities). The CEO shall be expected to, among other things:
 - (i) foster a corporate culture that promotes ethical practices, encourages individual integrity and fulfills social responsibility;
 - (ii) develop and recommend to the Board a long-term strategy and vision for the Corporation that is intended to lead to creation of shareholder value;
 - (iii) develop and recommend to the Board annual plans and budgets that support the Corporation's long-term strategy; and
 - (iv) seek to consistently strive to achieve the Corporation's financial and operating goals and objectives;
 - (b) developing and approving the corporate goals and objectives that the CEO is responsible for meeting; and
 - (c) developing a description of the expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.

Orientation and Continuing Education

- (xx) The Board is responsible for:
 - (a) ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors) and that they understand the nature and operation of the Corporation's business; and

- (b) providing continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.

Nomination of Directors

(xxi) In connection with the nomination or appointment of individuals as directors, the Board is responsible for:

- (a) considering what competencies and skills the Board, as a whole, should possess;
- (b) assessing what competencies and skills each existing director possesses; and
- (c) considering the appropriate size of the Board, with a view to facilitating effective decision making;

with regard to their diversity, gender, age, expertise, time availability and experience (industry, professional and public service).

In carrying out each of these responsibilities, the Board will consider the advice and input of the Corporate Governance and Nominating Committee.

(xxii) Director nominees shall be selected by a majority of the independent directors.

Board Evaluation

(xxiii) The Board is responsible for ensuring that the Board, its committees and each individual director are regularly assessed regarding his, her or its effectiveness and contribution. An assessment will consider, in the case of the Board or a Board committee, its mandate or charter and in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board.

Authority to engage outside advisors

7. The Board has the authority to engage outside advisors as it determines necessary to carry out its duties, including, but not limited to identifying and reviewing candidates to serve as directors or officers.
8. The Corporation shall provide appropriate funding, as determined by the Board, for payment (a) of compensation to any advisors engaged by the Board, and (b) of ordinary administrative expenses of the Board that are necessary or appropriate in carrying out its duties.

March 4, 2015