



Annual Report of the Independent Review Committee for the Spratt Funds

February 3, 2022

Re: IRC Annual Report to Securityholders in the Spratt Funds (the "Funds")

Dear Securityholders,

In accordance with National Instrument 81-107 - *Independent Review Committee for Investment Funds* ("NI 81-107" or the "Instrument"), Spratt Asset Management LP ("Spratt" or "the Manager") established an Independent Review Committee (the "Committee" or "IRC") for the Funds in April 2007. The IRC has functioned in accordance with the applicable securities laws and is composed of three individuals, each of whom is independent of the Funds, the Manager and each entity related to the Manager (as defined in the Instrument).

The IRC is pleased to publish its annual report to securityholders, covering the period from January 1, 2021 to December 31, 2021 (the "Reporting Period").

Mandate of the IRC

In accordance with the Instrument, the mandate of the IRC is to consider and provide decisions to the Manager on conflicts of interest to which the Manager may be subject when managing the Funds. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Funds, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures.

When a conflict matter arises, the Manager must refer its proposed course of action in respect of such conflict to the IRC for its review. While certain matters require the IRC's prior approval, in most cases the IRC will provide a decision to the Manager as to whether or not, in the opinion of the IRC, the Manager's proposed action provides a fair and reasonable result for the Funds. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions ("SIs") that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, providing the Manager deals with the conflicts in accordance with the SIs.

The IRC is empowered to represent the best interest of the Funds in any matter where the Manager has referred a conflict of interest matter to it. In those cases, the IRC has sought to ensure that the Manager's proposed course of action represents a fair and reasonable result for the affected Funds.

Composition of the IRC

The members of the IRC during 2020, and their principal occupations, are as follows:

<i>Name and municipality of residence</i>	<i>Principal Occupation</i>	<i>Term of Office</i>
Chair: Michele McCarthy Toronto, Ontario	President, McCarthy Law Professional Corp.	Appointed January 1, 2019 to December 31, 2024 Renewed on October 18, 2021 for a three year term effective January 1, 2022
Kevin Drynan Clarksburg, Ontario	Consultant, Retired Financial Services Executive	Appointed February 20, 2019 until December 31, 2023 Renewed on October 18, 2021 for a two year term effective January 1, 2022
Fraser Howell Toronto, Ontario	Financial executive, broad experience managing investment funds.	Appointed January 1, 2020 to December 31, 2022

Michele McCarthy's initial term was renewed on October 18, 2021 for a period of three years effective January 1, 2022.

Kevin Drynan's term was renewed on October 18, 2021 for a period of two years effective January 1, 2022.

Compensation and Indemnification

Review of Compensation

At least annually, the IRC reviews its compensation giving consideration to the following:

- the nature and extent of the workload of each member of the IRC, including the commitment of time and energy expected from each member;
- the number of meetings required by the IRC including special meetings to consider conflict issues brought to the Committee;
- industry best practices, including industry averages and surveys on IRC compensation; and,
- the complexity of the conflict issues brought to the IRC.

Members' Fees

In aggregate, the IRC members were paid \$28,500 plus applicable taxes, during the Reporting Period.

Indemnities Granted

The Funds and the Manager have provided each IRC Member with a contractual indemnity in keeping with NI 81-107. No payments were paid to the IRC Members pursuant to this indemnity by the Funds or the Manager during the Reporting Period.

Disclosure of IRC Members' Holdings

As of December 31, 2021, the IRC Members did not beneficially own, directly or indirectly:

- any interest in any of the Funds;
- any interests in the Manager; or,
- any interests in a company or person that provides services to the Manager or any Fund.

Decisions and Approvals

The IRC did not provide any decisions or approvals during the Reporting Period.

Standing Instructions Approved

The IRC has approved three (3) SIs, as set out below which constitute a written approval or decision from the IRC that permit the Manager to proceed with the specific action(s) set out in the SI on an ongoing basis, without having to refer the conflict of interest matter or its proposed action to the IRC, provided that the Manager complies with the terms and conditions of the SI. In each case, the SI required the Manager to comply with its related policy and procedures and to report periodically to the IRC.

Standing Instruction No. 1: Omnibus deals with a number of conflict of interest matters including:

1. Expenses charged to the Funds policy
2. Expense allocations policy between prospectus funds
3. Expense allocations policy between prospectus and non-prospectus funds
4. Short-term trading and late trading policy
5. Trade allocations policy

6. Net asset value error correction policy
7. Other material transaction error policy
8. Best execution policy
9. Soft dollar policy
10. Favouritism policy
11. Proxy voting policy
12. Changing service providers policy
13. Employee personal trading policy
14. Sub-advisors personal trading policy
15. Short term trading policy
16. Complaint handling policy
17. Service providers related to the Manager policy
18. Affiliate dealer policy

Standing Instruction No. 2: Portfolio Pricing Issues: *Fair Valuing Securities*

Standing Instruction No. 3: Related Party Issues: *Inter-Fund Trades*

Manager's Report on its Standing Instructions

In accordance with the Instrument, the Manager provided written reports to the IRC describing its reliance on the SIs during the Reporting Period. The Manager relied on SIs No. 1 and 2 during the Reporting Period.

Funds Served by the IRC

Sprott Physical Gold Trust
Sprott Physical Silver Trust
Sprott Physical Platinum and Palladium Trust
Sprott Physical Gold and Silver Trust
Sprott Physical Uranium Trust

This report is available on the Manager's website at www.sprott.com or you may request a copy, at no cost to you, by contacting the Manager at 866-299-9906 or email the Sprott Funds at invest@sprott.com. This document and other information about the Sprott Funds are available on www.sedar.com.

Yours truly,

"Michele McCarthy"

Michele McCarthy, Chair

**Schedule of all the
Independent Review Committees that the IRC Members Serve on**

Michele McCarthy served as a member of the following Independent Review Committees in 2021:

Investment funds that are reporting issuers managed by Edgehill Partners L.P.
Investment funds that are reporting issuers managed by Northwest & Ethical Investments L.P.
Investment funds that are reporting issuers managed by Picton Mahoney Asset Management Inc.
Investment funds that are reporting issuers managed by PIMCO Canada Corp.
Investment funds that are reporting issuers managed by Hazelview Securities Inc.
Investment funds that are reporting issuers managed by Sprott Asset Management LP

Kevin Drynan served as a member of the following Independent Review Committees in 2021:

Investment funds that are reporting issuers managed by Evolve Funds Group Inc.
Investment funds that are reporting issuers managed by Vertex One Asset Management Inc.
Investment funds that are reporting issuers managed by Willoughby Asset Management Inc.
Investment funds that are reporting issuers managed by Genus Capital Management Inc.
Investment funds that are reporting issuers managed by Sprott Asset Management LP

Fraser Howell served as a member of the following Independent Review Committees in 2021:

Investment funds that are reporting issuers managed by Veritas Asset Management Inc.
Investment funds that are reporting issuers managed by Sprott Asset Management LP