



CODE OF BUSINESS CONDUCT AND ETHICS

A. INTRODUCTION

Spratt Inc. ("**Spratt**" or the "**Corporation**") has adopted this Code of Business Conduct and Ethics (the "**Code**") to assist all employees, officers and directors (the "**Spratt Representatives**") of the Corporation and its subsidiaries to maintain the highest standards of ethical conduct in corporate affairs. This Code is intended to comply with Canadian securities law requirements. Specifically, the purpose of this Code is to encourage among Spratt Representatives a culture of honesty, accountability and fair business practice. Each Spratt Representative must adhere to this Code and cooperate fully in any investigations initiated by Spratt under this Code or by securities regulators or other competent legal authorities.

B. ADMINISTRATION

The board of directors of the Corporation (the "**Board**") is ultimately responsible for the implementation and administration of this Code and has designated the General Counsel and Corporate Secretary as well as the Chief Financial Officer of Spratt (the "**Compliance Officers**") for the day-to-day implementation and administration of this Code. From time to time, the Board may change this designation and may also designate one or more Assistant Compliance Officers to fill in at times when the Compliance Officers may be otherwise unavailable, such as during their vacation. The Board's current designations, together with contact information, are set out in Schedule "A" to this Code. Spratt Representatives should direct questions concerning this Code to one or both of the Compliance Officers.

While this Code is designed to provide helpful guidelines, it is not intended to address every situation. Dishonest or unethical conduct or conduct that is illegal will constitute a violation of this Code, regardless of whether such conduct is specifically referenced in this Code. Spratt Representatives should conduct their business affairs in such a manner that the Corporation's reputation will not be impugned if the details of their dealings should become a matter of public discussion. Spratt Representatives shall not engage in any activity that adversely affects the reputation or integrity of Spratt.

It is not intended that there be any waivers granted under this Code. In the unlikely event that a waiver is considered, in order to be granted, it must receive the prior approval by the Board (or a Board committee). Any waiver or amendment will be disclosed promptly, if required, in accordance with applicable laws and Spratt's Disclosure Policy.

Spratt will take such disciplinary or preventive action as it deems appropriate to address any existing or potential violation of this Code brought to its attention. Any Spratt Representative in a situation that he or she believes may violate or lead to a violation of this Code should follow the reporting procedures described in the section entitled "Reporting of Violations Procedure" below.

C. OVERVIEW

It is the policy of Spratt to apply high standards of courtesy, professionalism and honesty in its interactions with, among others, shareholders, customers, suppliers, co-workers and the community. This Code governs the business-related conduct of all Spratt Representatives, including, but not limited to, the Chief Executive Officer and the Chief Financial Officer and all other directors, officers and

employees of Sprott.

D. COMPLIANCE WITH LAWS

A variety of laws apply to Sprott and its operations. It is Sprott's policy to comply with all applicable laws, including employment, discrimination, health, safety, antitrust, securities, banking and environmental laws. Each Sprott Representative has a duty to know, understand and comply with all such laws.

E. CONFLICTS OF INTEREST

Sprott Representatives are expected to make or participate in business decisions and actions in the course of their relationship with the Corporation based on the best interests of Sprott and not based on personal relationships or benefits. A conflict of interest, which can occur or appear to occur in a wide variety of situations, may compromise a Sprott Representative's ability to act ethically.

Generally speaking, a conflict of interest occurs when the personal interest of a Sprott Representative, an immediate family member of a Sprott Representative or a person with whom a Sprott Representative has a close personal relationship interferes with, or has the potential to interfere with, the interests or business of the Corporation. A conflict of interest could make it difficult for a Sprott Representative to perform corporate duties objectively and effectively because he or she is involved in a competing interest.

Conflicts of interest may arise in a number of ways and may include the following categories or situations. However, a conflict of interest can occur in a variety of situations.

- A personal interest in a proposed business transaction involving Sprott or in a business activity also conducted by Sprott;
- Use of Sprott's name in connection with outside political, charitable or other business activities;
- For a Sprott Representative or an immediate family member of a Sprott Representative to seek or accept from, or to offer or provide to, a third party (individual, client, broker, trustee or a bank, financial institution or company representative doing or seeking to do business with Sprott) services, payments, excessive entertainment and travel, vacation or pleasure trips, any gift of more than nominal value, or gifts of money in any amount;
- For a Sprott Representative or an immediate family member to have any interest, direct or indirect, in any organization which has business dealings with Sprott, if such interest would be likely to affect adversely wither the person's ability to exercise independent professional judgment on behalf of Sprott or the quality of such person's work;
- For a Sprott Representative to serve as an officer, director, employee or consultant of another company or organization which is a competitor of Sprott or which is doing or seeking to do business with Sprott except that, with the knowledge and consent of the Board, such Sprott Representative may serve as a director of a corporation which is doing business with Sprott where no competitive situation is present; and
- For a Sprott Representative to use or reveal, without authorization, to a third party, any confidential product information, data on decisions, plans, financial data, or any other information concerning Sprott which might be prejudicial to the interest of Sprott.

Sprott Representatives must be able to recognize any situation that may raise conflict of interest issues. Any Sprott Representative who becomes aware of a conflict or potential conflict should bring it immediately to the attention of one or both of the Compliance Officers and/or the Board, following the procedures described in the section entitled "Reporting of Violations Procedure". If a Sprott Representative is uncertain as to whether a conflict or interest exists or could arise, the matter should be discussed with one or both of the Compliance Officers. Where there is still uncertainty, the

Compliance Officer(s), with the Board, will determine whether a conflict of interest exists and what steps should be taken to address it.

F. INVENTIONS, BOOKS AND PUBLICATIONS

Sprott Representatives must receive written permission from the Board before developing, outside of Sprott, any products, software or intellectual property that may be related to Sprott's current or potential business.

G. BRIBERY AND OTHER IMPROPER PAYMENTS

No Sprott Representative may, directly or indirectly, give, offer, demand, solicit or accept a bribe to or from anyone in the course of conducting business on behalf of the Corporation, including in order to obtain or retain business, or for any other advantage. Improper payments include, without limitation, any gift other than a nominal gift, gratuity, reward, advantage or benefit of any kind (monetary or non-monetary). For greater certainty, a third party intermediary, such as an agent or family member, cannot be used to further any bribe or improper payment or otherwise violate the spirit of this Code.

Sprott may make corporate contributions to political parties or committees or to individual politicians only in accordance with applicable law and all such payments must be reported to the Board.

H. PUBLIC DISCLOSURE

Sprott has an obligation in compliance with applicable laws to make full, fair, accurate, timely and understandable disclosure in its financial records and statements, in reports and documents that it files with or submits to securities regulatory authorities and in its public communications.

In furtherance of this obligation, each Sprott Representative in performing his or her duties shall act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated, in order to ensure that to the best of his or her knowledge Sprott's books, records, accounts and financial statements are maintained accurately and in reasonable detail, appropriately reflect Sprott's transactions, are honestly and accurately reflected in its publicly available reports and communications and conform to applicable legal requirements and Sprott's system of internal controls, including Sprott's Disclosure Policy.

I. HANDLING OF CONFIDENTIAL INFORMATION

In addition to the general restrictions regarding material non-public information set forth in Sprott's Disclosure Policy, Sprott Representatives should observe the confidentiality of information that they acquire by virtue of their relationship with Sprott, including information concerning Sprott and its customers, suppliers and other Sprott Representatives, except where disclosure is approved by an executive officer of Sprott or otherwise legally mandated. In addition, Sprott Representatives must safeguard proprietary information, which includes information that is generally known to the public and has commercial value in Sprott's business. Proprietary information includes, among other things, business methods, analytical tools, software programs, source and object codes, trade secrets, ideas, techniques, inventions (whether patentable or not) and information relating to economic analysis, designs, algorithms and research. It also includes information relating to marketing, pricing, clients, and terms of compensation for Sprott Representatives. The obligation to preserve proprietary information continues even after service with the Corporation ends.

J. USE OF SPROTT ASSETS

Sprott assets, including facilities, funds, materials, supplies, time, information, intellectual property, software, corporate opportunities and other assets owned or leased by Sprott, or that are otherwise in Sprott's possession, may be used only for legitimate business purposes of Sprott. Sprott assets are not to be misappropriated, loaned to others, donated, sold or used for personal use, except for

any activities that have been approved in writing by the Board in advance, or for personal usage that is minor in amount and reasonable. Sprott Representatives are to report any theft or suspected theft by following the procedures described in the section entitled "Reporting of Violations Procedure". No Sprott Representative should knowingly invoke a program or code that could damage Sprott's assets.

K. FAIR DEALING

Each Sprott Representative should deal fairly and in good faith with other Sprott Representatives, security holders, customers, suppliers, regulators, business partners and competitors. No Sprott Representative may take unfair advantage of anyone through manipulation, concealment, misrepresentation, inappropriate threats, fraud, abuse of confidential information or any other intentional unfair-dealing practice.

L. HEALTH AND SAFETY

Sprott strives to provide each Sprott Representative with a safe and healthy work environment. While every attempt is made to meet and exceed the health and safety requirements for each jurisdiction it is each Sprott Representative's responsibility to help in this effort by following all safety and health rules and practices and promptly reporting accidents, injuries and unsafe equipment, practices and conditions. Violence and threatening behaviour will not be tolerated. Sprott Representatives should report to work in condition to perform their duties, free from the influence of illegal drugs or excessive alcohol. The use of illegal drugs or excessive alcohol in the workplace will not be tolerated.

M. DISCRIMINATION AND HARASSMENT

Sprott is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate illegal discrimination or harassment of any kind. Examples of conduct that will not be tolerated include derogatory comments based on racial, ethnic or religious characteristics and unwelcomed sexual advances or comments.

N. REPORTING OF VIOLATIONS PROCEDURE

Sprott Representatives have a duty to report any contravention of this Code that comes to their attention, and to co-operate in any investigation relating to possible breaches of this Code. Any Sprott Representative who becomes aware of any violation of this Code must report it to one or both of the Compliance Officers and/or the Board.

O. COMPLIANCE

All Sprott Representatives have a responsibility to understand and follow this Code. In addition, all Sprott Representatives are expected to perform their work with honesty and integrity in all areas not specifically addressed in this Code.

Records of all violations of this Code and the disciplinary action taken will be maintained by the Compliance Officers and will be placed in the Sprott Representatives' personnel file.

Violations of this Code may result in a Sprott Representative being disciplined by Sprott. Discipline will depend on the circumstances and can include, but is not limited to:

- Oral or written warning or reprimand;
- Profits disgorged/losses assumed;
- Change in responsibilities or demotion;
- Suspension from employment;
- Termination; and/or
- Referral to regulatory and/or law enforcement authorities.

Sprott will notify and cooperate with the police or other governmental authorities regarding acts of Sprott Representatives involving violations of law. In addition, some violations may result in Sprott bringing suit against employees or former employees to defend its rights vigorously.

P. COMMUNICATIONS

Sprott strongly encourages dialogue among Sprott Representatives and their supervisors to make everyone aware of situations that give rise to ethical questions and to articulate acceptable ways of handling those situations. The Compliance Officers shall provide an annual report to the Board on investigations and other significant matters arising under this Code, including any breach of this Code and the action taken in each situation.

Q. RELATED SPROTT POLICIES

This Code should be read in conjunction with Sprott's other related policy documents, including the Whistleblower Policy and the Disclosure Policy. This Code supplements any contractual obligation any person may have under the terms of any agreements with the Corporation. This Code is not intended to create any contract (express or implied) with any person, including, without limitation, any employment or consulting contract, or to constitute any promise that a person's employment or consulting arrangement will not be terminated except for cause.

R. APPROVAL

This Code was approved and adopted by the Board on November 13, 2012. Sprott is committed to reviewing and updating its policies and procedures on a continuing basis. This Code may be revised, changed or amended at any time by the Board and amendment to this Code will be disclosed promptly to Sprott Representatives and will be disclosed publicly in accordance with applicable laws.

SCHEDULE "A"

The Board has made the following designations:

Compliance Officers:

Arthur Einav
Royal Bank Plaza, South Tower
200 Bay Street Suite 2600
Toronto, Ontario M5J 2J1

Telephone: 416-943-6448
Email: aeinav@sprott.com

Kevin Hibbert
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200 Bay Street Suite 2600
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Telephone: 416-945-3279
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