



Sprott's 20/20 Vision on Gold & Gold Stocks

Webcast February 19, 2020

Sprott

Featured Speakers



John Hathaway, CFA, Senior Portfolio Manager

John Hathaway joined Sprott Asset Management in January 2020. Mr. Hathaway is a Portfolio Manager of Sprott Hathaway Special Situations Strategy and Co-Portfolio Manager of the Sprott Gold Equity Fund. Previously, Mr. Hathaway joined Tocqueville Asset Management L.P. in 1997 where he was a Co-Portfolio Manager of the Tocqueville Gold Fund as well as other investment vehicles in the Tocqueville Gold Equity Strategy. He was also the Portfolio Manager of private funds. Prior to joining Tocqueville, Mr. Hathaway co-founded and managed Hudson Capital Advisors followed by seven years with Oak Hall Advisors as the Chief Investment Officer in 1986. In 1976, he joined the investment advisory firm David J. Greene and Company, where he became a Partner. Mr. Hathaway began his career in 1970 as an Equity Analyst with Spencer Trask & Co. Mr. Hathaway earned a B.A. from Harvard College and an MBA from the University of Virginia. Mr. Hathaway was also the Chairman of Tocqueville Management Corporation, the General Partner of Tocqueville. He also holds the CFA® designation.



Douglas Groh, Senior Portfolio Manager

Douglas Groh joined Sprott Asset Management in January 2020. He serves as a Co-Portfolio Manager of the Sprott Gold Equity Fund as well as other investment vehicles in the Sprott Gold Equity Strategy. Previously, Mr. Groh was a Portfolio Manager at Tocqueville Asset Management L.P. Prior to joining Tocqueville in 2003, he was Director of Investment Research at Grove Capital from 2001-2003. From 1990-2001, he held investment research and banking positions at J.P. Morgan, Merrill Lynch, and ING Bank. During the late 1980s, Mr. Groh served as a portfolio manager of gold mining equity funds for U.S. Global Investors and IDS Financial Services, after beginning his career as a mining and precious metals analyst in 1985 at U.S. Global Investors. Mr. Groh earned a B.S. in Geology/Geophysics from the University of Wisconsin – Madison and an M.A. from the University of Texas at Austin, where he focused on mineral economics.



Ed Coyne, Senior Managing Director, Global Sales

Ed Coyne joined Sprott in January 2016 and has more than 25 years of investment management and sales experience. Previously, Ed was a Principal and Investment Specialist for 18 years at Royce & Associates, a small-cap value manager located in New York City and the investment adviser to The Royce Funds. Before joining Royce, Ed worked with Zweig Mutual Funds and Neuberger Berman as a Regional Sales Director. Ed began his career at Reich & Tang, a provider of deposit, liquidity, and cash management solutions for banks, broker-dealers, investment advisors, institutional investors, and public entities. Ed worked in the firm's key account sales division servicing institutional clients. Ed earned his Bachelor of Science in Architectural Studies from the University of Missouri. Ed also holds a Series 7 license, administered by Financial Industry Regulatory Authority (FINRA).

Sprott Group Overview

With US\$11B in AUM⁽¹⁾, Sprott is one of the largest investment firms focused on the mining sector

- Sprott's sector breadth provides it with a competitive advantage in precious metals and mining investments
- Sprott's extensive reach in the sector provides unparalleled access to management teams and unique technical insights into mines and mineral endowments
- Publicly-listed (TSX: SII)
 - Market capitalization of ~US\$600 million⁽¹⁾
 - Insider ownership in excess of 20%
 - Headquartered in Toronto with approximately 130 professionals in 5 offices across the globe
 - 25% of investment professionals have a mining related degree⁽²⁾

⁽¹⁾ As of February 1, 2020.

⁽²⁾ Includes graduate and undergraduate degrees in geology, engineering or related fields.

Invested Across the Metals & Mining Spectrum

Sprott

US\$11B in AUM⁽¹⁾

Public Investments		Private Investments		
Exchange Listed	Managed Equities	Private Equity	Private Lending	Private Streaming
<ul style="list-style-type: none">• 4 Physical Bullion Trusts• 2 Gold Mining Equity ETFs• Dual listing on NYSE Arca and TSX	<ul style="list-style-type: none">• Managing public resource equities since 1981• Seasoned team of portfolio managers and analysts• Recent acquisition of Tocqueville gold strategies	<ul style="list-style-type: none">• Diversified portfolio of resource equity investments – focus on exploration assets• Experience with boards, management and liquidity events	<ul style="list-style-type: none">• Bespoke credit investments to mining and resource companies• Cohesive team of credit and financing experts	<ul style="list-style-type: none">• Long dated streams and royalties• Independent team of stream professionals
US\$6.6B in AUM	US\$2.6B in AUM	US\$0.7B in AUM	Over US\$1.3B in committed capital	US\$0.2B committed capital⁽²⁾ with final target of US\$0.5B














⁽¹⁾ As of February 1, 2020.

⁽²⁾ Committed Capital for Private Streaming completed as of December 31, 2020.

Sprott and Tocqueville Gold Team Create an Industry Leader

- Sprott acquired the Tocqueville Gold Strategies in January 2020
- The combination of Sprott and Tocqueville gold investment team creates an industry leader in gold equity investments
- Senior portfolio managers John Hathaway and Douglas Groh have joined Sprott, and are supported by an extensive group of research analysts and technical specialists
- Benefits of bringing together the Tocqueville and Sprott gold investment teams
 - Deeper and broader investment network in the precious metals sector
 - Access to the Sprott platform including – trading, research, technology, marketing and resources that are committed to long-term investing in the precious metals space
 - Sprott is a global leader in junior mine financing – leading hundreds of equity and structured financing investments in the last decade
 - As many banks and asset managers have exited the sector, Sprott has remained steadfast in its focus and support
 - Sprott has investment, advisory and personal relationships with hundreds of mining companies

Sprott Gold Team

INVESTMENT TEAM			TECHNICAL ADVISORS			EXECUTIVE TEAM		
Team		Tenure* (Years)	Team		Tenure* (Years)	Team		Tenure* (Years)
John Hathaway Senior Portfolio Manager		50	Neil Adshead Portfolio Manager		16	Whitney George President, Sprott Inc.; Chief Investment Officer, Sprott Asset Management; Chairman, Sprott U.S. Holdings		40
Douglas Groh Senior Portfolio Manager		34	Andrew Jackson Economic Geologist		14	Peter Grosskopf Chief Executive Officer, Sprott Inc.; Managing Director, Sprott Resource Lending		32
Victor Huwang Director, U.S. Operations		28	Justin Tolman Economic Geologist		22	Rick Rule Senior Managing Director, Sprott Inc.; President & CEO, Sprott U.S. Holdings		46
Maria Smirnova Senior Portfolio Manager		20						
Jason Mayer Senior Portfolio Manager		15						
Shree Kargutkar Portfolio Manager		10						
J'aime Spork Head Trader		17						

*Tenure denotes years of investment management experience.

Sprott Gold Equity Strategies⁽¹⁾

Strategy AUM

- \$1.8 Billion as of 12/31/2019

Inception

- 1998

Portfolios

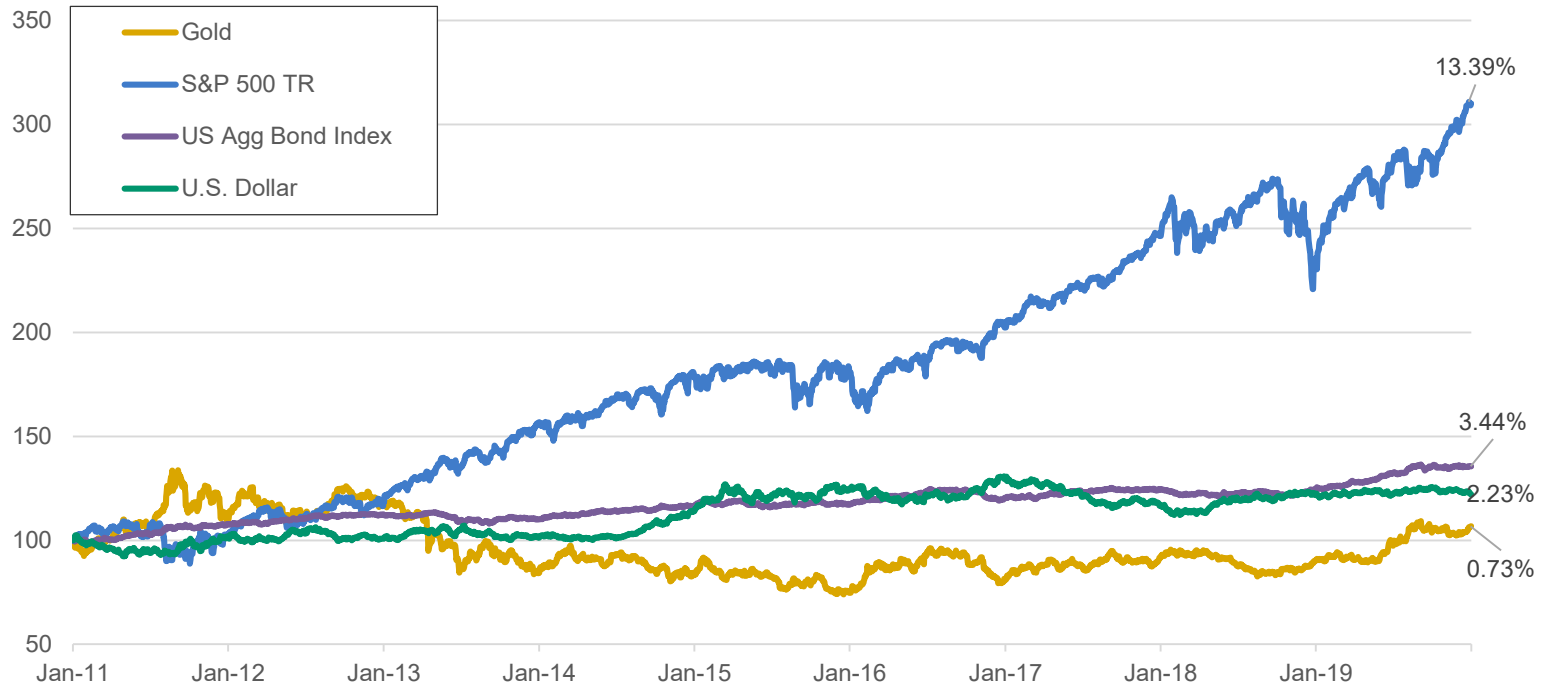
- Mutual Funds
- Separately Managed Accounts
- Private Funds

⁽¹⁾ Represents the AUM of the Tocqueville Gold Strategies acquired by Sprott Asset Management on 1/17/2020.

Market Opportunity

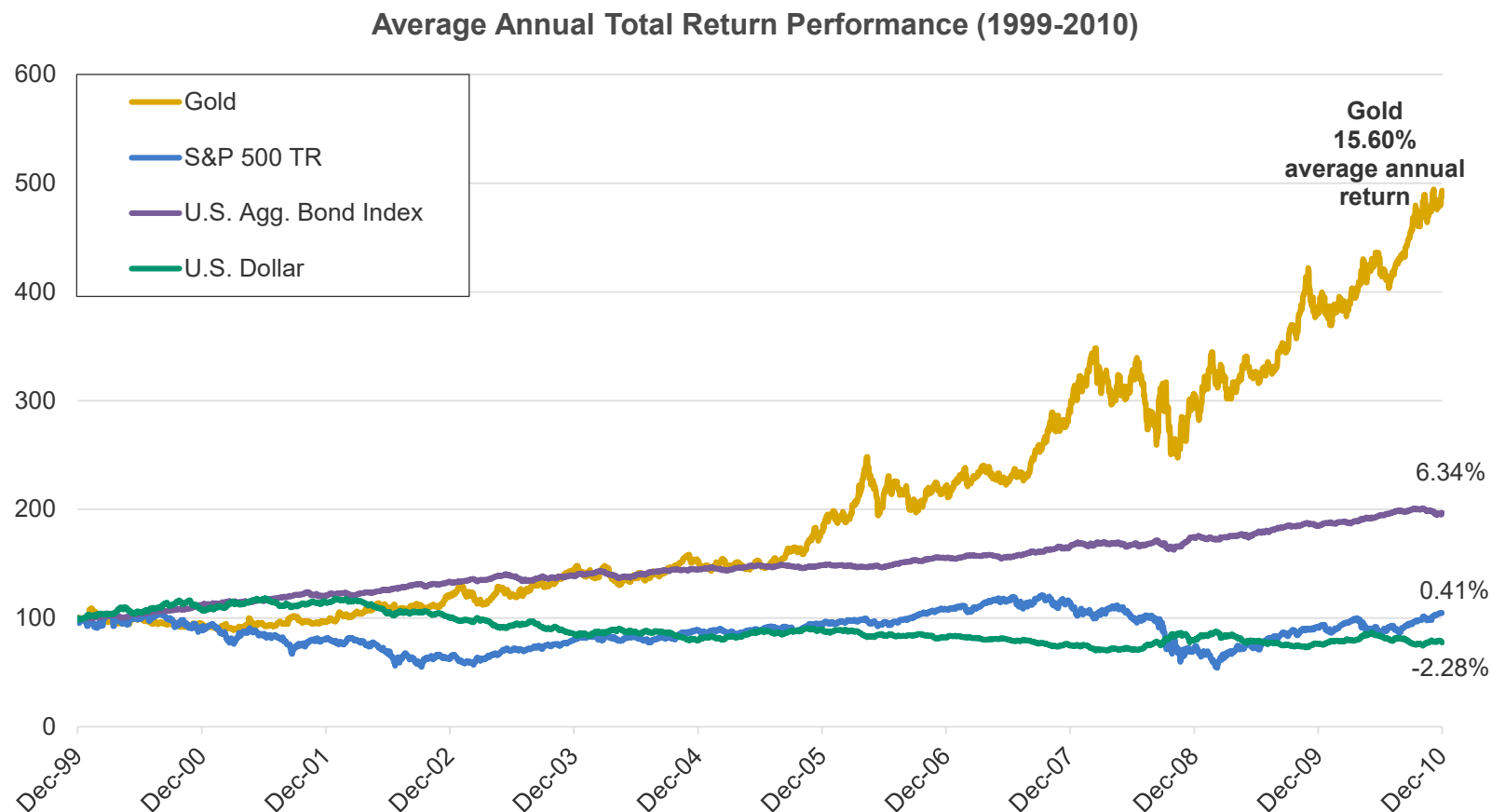
Gold Lagged for Most of the Past Decade...

Average Annual Total Return Performance (2011-2019)



Source: Bloomberg. Period from 01/01/2011-12/31/2019. Gold is measured by GOLD Comdty; US Agg Bond Index is measured by the Bloomberg Barclays US Agg Total Return Value Unhedged USD (LBUSTRUU Index); S&P 500 TR is measured by the SPX; and the U.S. Dollar is measured by DXY Curncy. Past performance is no guarantee of future results.

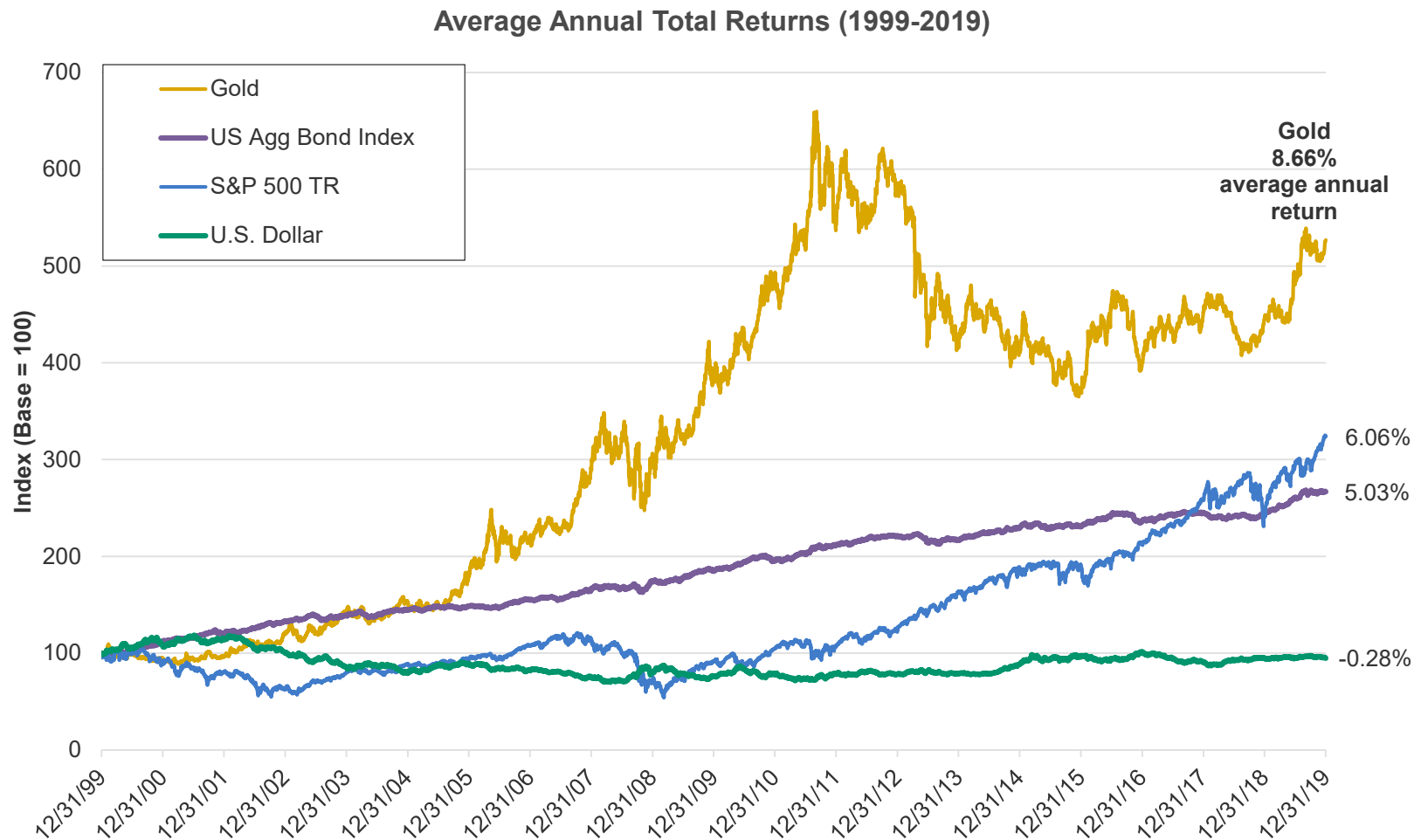
After Outperforming for 10 Years Through the GFC*



Source: Bloomberg. Period from 12/31/1999-12/31/2010. Gold is measured by GOLD Comdty; US Agg Bond Index is measured by the Bloomberg Barclays US Agg Total Return Value Unhedged USD (LBUSTRUU Index); S&P 500 TR is measured by the SPX; and the U.S. Dollar is measured by DXY Currency. Past performance is no guarantee of future results.

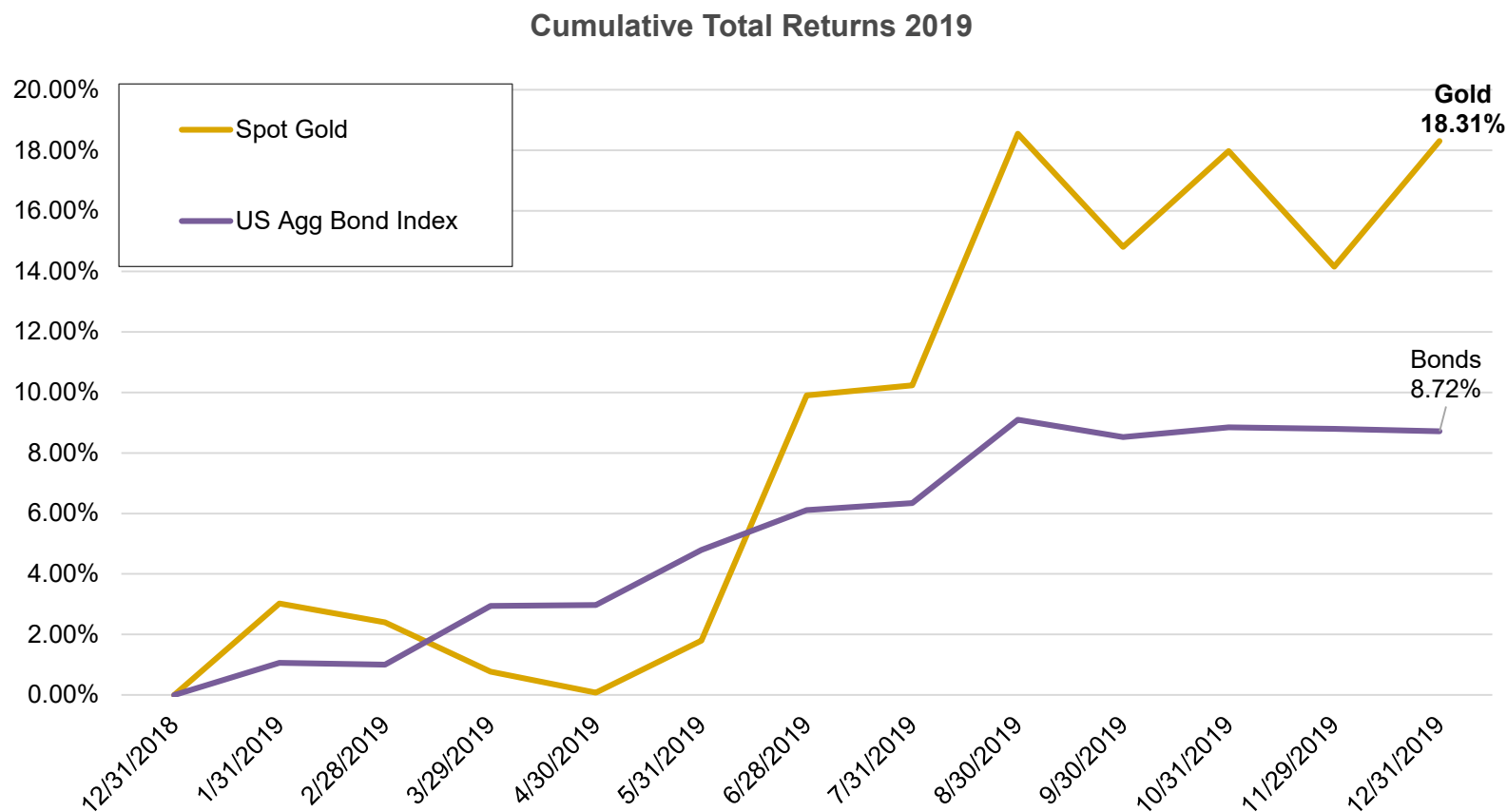
* Global Financial Crisis (GFC).

The Modern Era of Gold (Take the Long View)



Source: Bloomberg. Period from 12/31/1999-12/31/2019. Gold is measured by GOLD Comdty; US Agg Bond Index is measured by the Bloomberg Barclays US Agg Total Return Value Unhedged USD (LBUSTRUU Index); S&P 500 TR is measured by the SPX; and the U.S. Dollar is measured by DXY Currency. Past performance is no guarantee of future results.

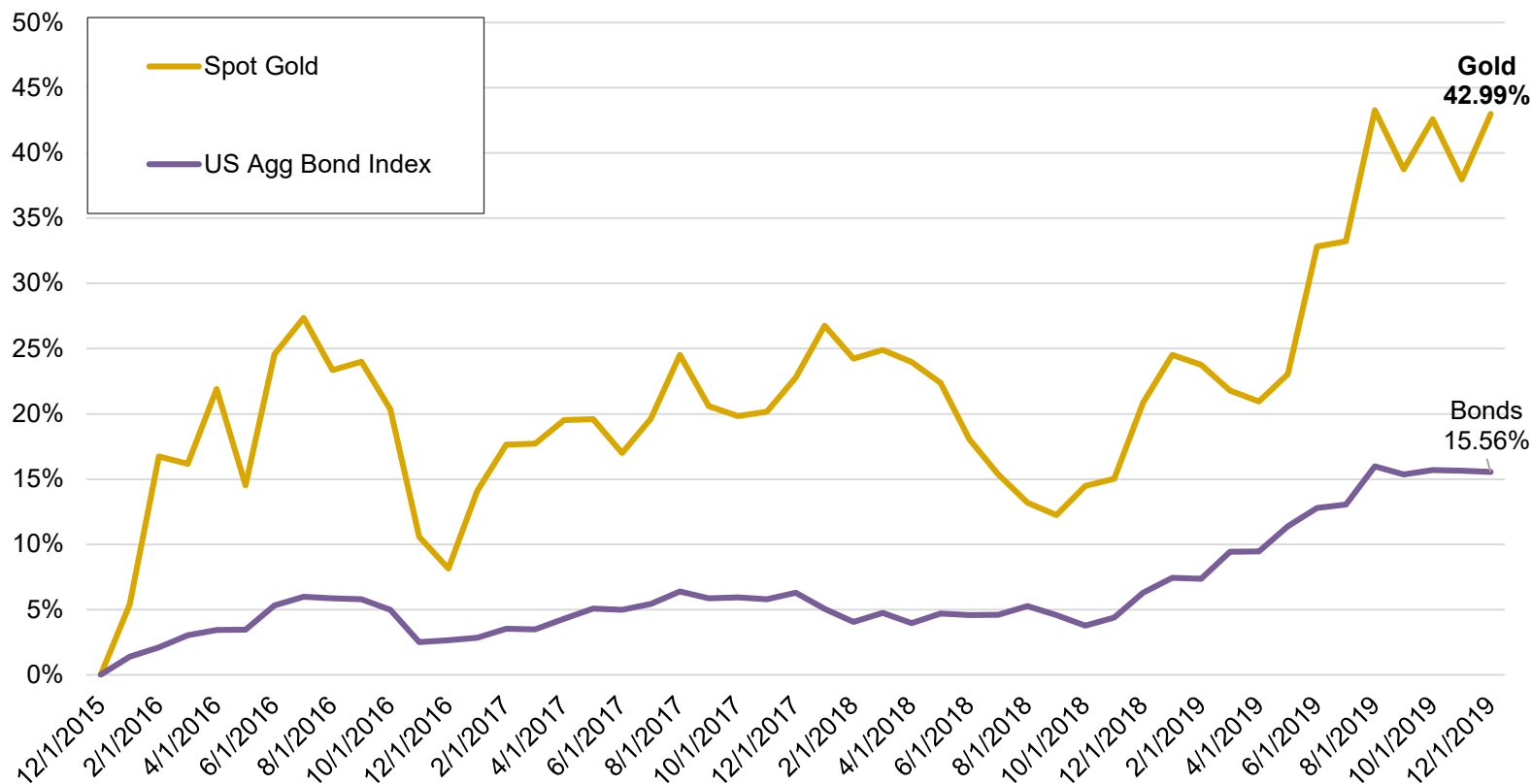
Gold Outpaced Bonds in 2019...



Source: Bloomberg. Period from 12/31/2018-12/31/2019. The spot price of gold refers to the price of one ounce of gold. US Agg Bond Index is measured by the Bloomberg Barclays US Agg Total Return Value Unhedged USD (LBUSTRUU Index). Past performance is no guarantee of future results.

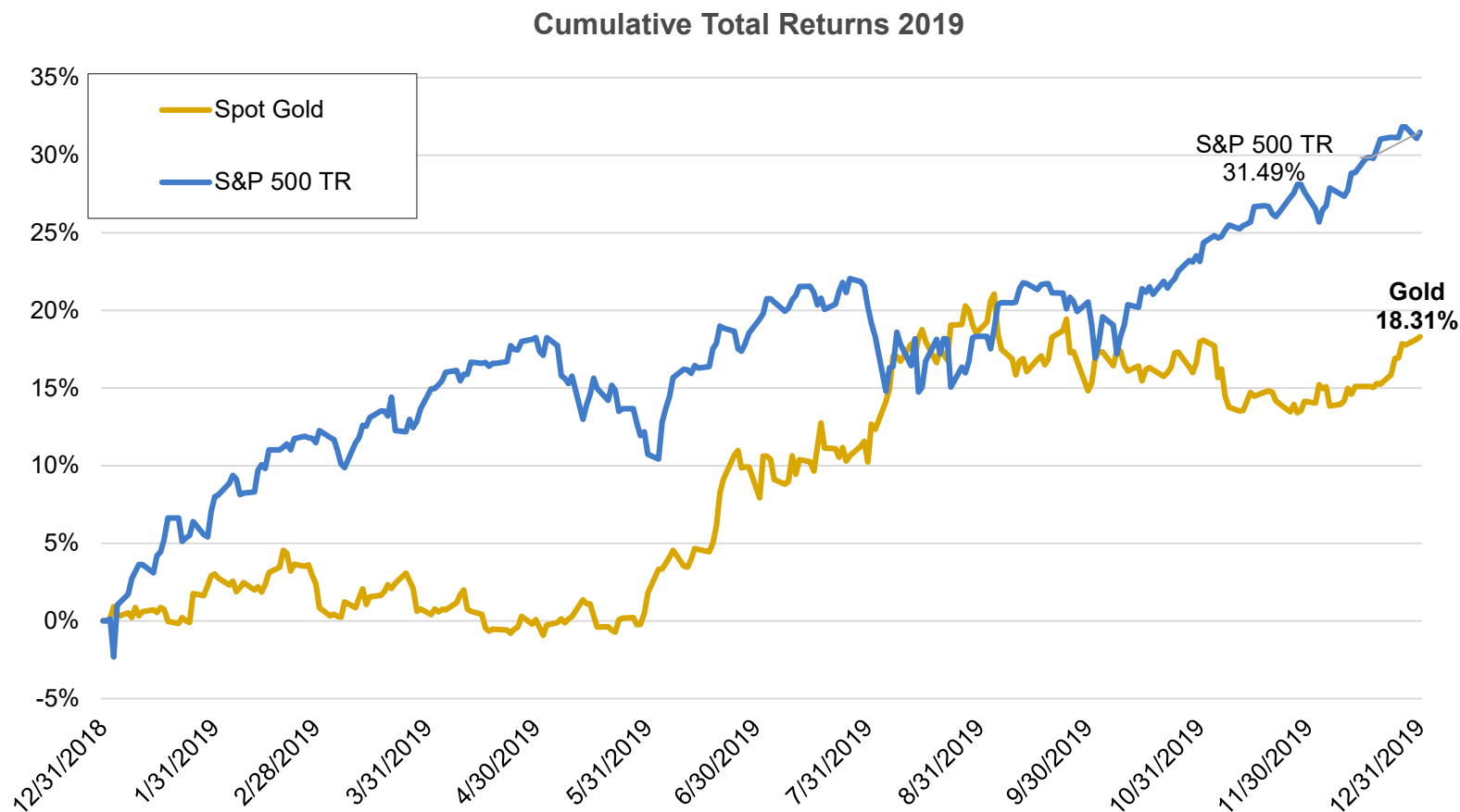
...and Over the Past Four Years

Cumulative Total Return Performance (2015-2019)



Source: Bloomberg. Period from 12/31/2015-12/31/2019. The spot price of gold refers to the price of one ounce of gold. US Agg Bond Index is measured by the Bloomberg Barclays US Agg Total Return Value Unhedged USD (LBUSTRUU Index). Past performance is no guarantee of future results.

Even with a Strong S&P 500, Gold Delivered in 2019



Source: Bloomberg. Period from 12/31/2018-12/31/2019. The spot price of gold refers to the price of one ounce of gold, and the S&P 500 TR is measured by the SPX. Past performance is no guarantee of future results.

Webcast Overview

Making the case for allocating to gold bullion *and* gold equities in a well diversified modern portfolio

Gold as a Core Allocation

- An evergreen asset in both periods of stress *and* prosperity
- Provides liquidity with no credit risk
- Serves as a true alternative investment over multiple market cycles
- Balances traditional equity risk and can serve as a replacement for bonds and cash

Gold Equities as a Tactical Allocation

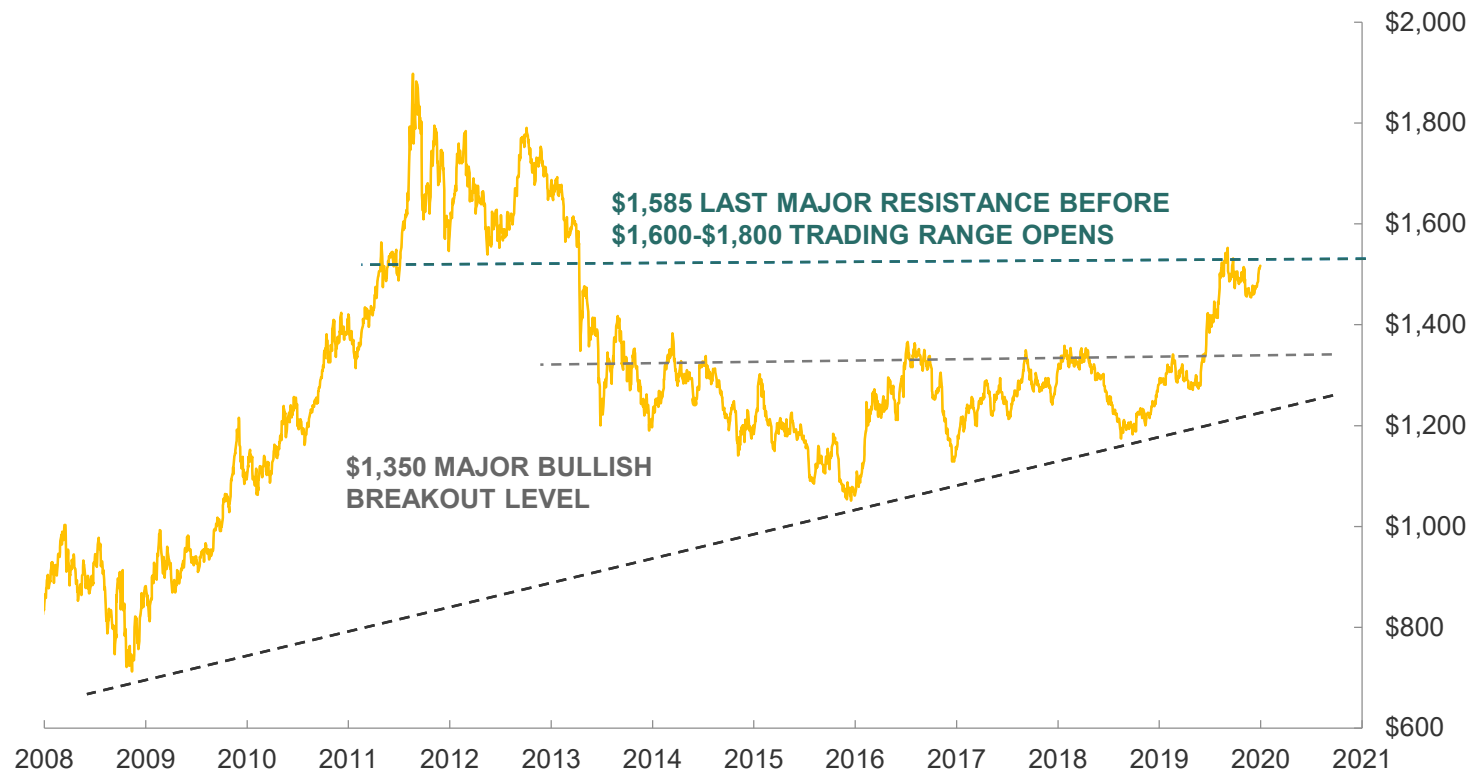
- An opportunistic allocation in times of favorable precious metals market conditions
- As gold prices climb, gold equity margin expansion looks more attractive
- M&A wave is just getting started, as large-cap (senior) miners look to acquire small-cap (junior) miners
- Value discrepancies between gold bullion and gold equities continues to exist, creating a value opportunity

Gold as a CORE Allocation

John Hathaway, Senior Portfolio Manager,
Sprott Asset Management LP

Gold Price Breakout

- Gold had a breakout year in 2019, surpassing \$1,500 in August 2019
- Gold has continued to perform well in 2020, reaching a six-year high in January

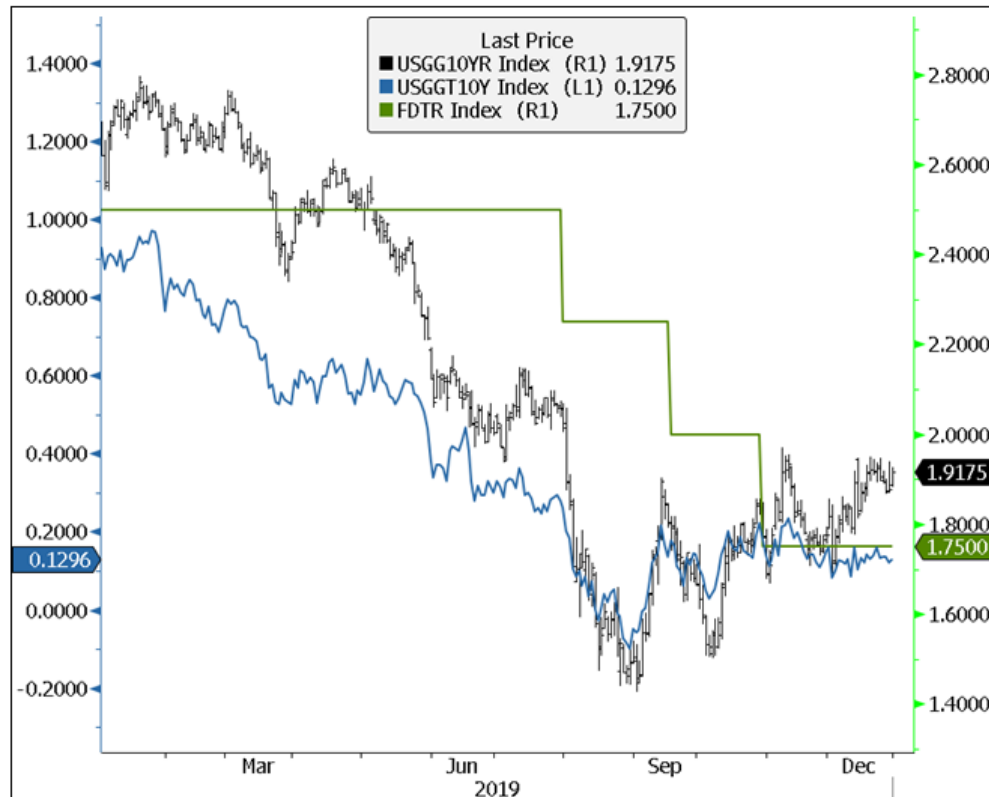


Source: Bloomberg. Data as of 12/31/2019. Past performance is not indicative of future results. Outlook is subject to change without notice.

Gold Thrives When Real Interest Rates are Low

- Interest rates are trending lower around the world
- Federal Reserve has done a 180-degree turn and has resumed easing

U.S. Yields Plummet and Real Yields Near 0% in 2019

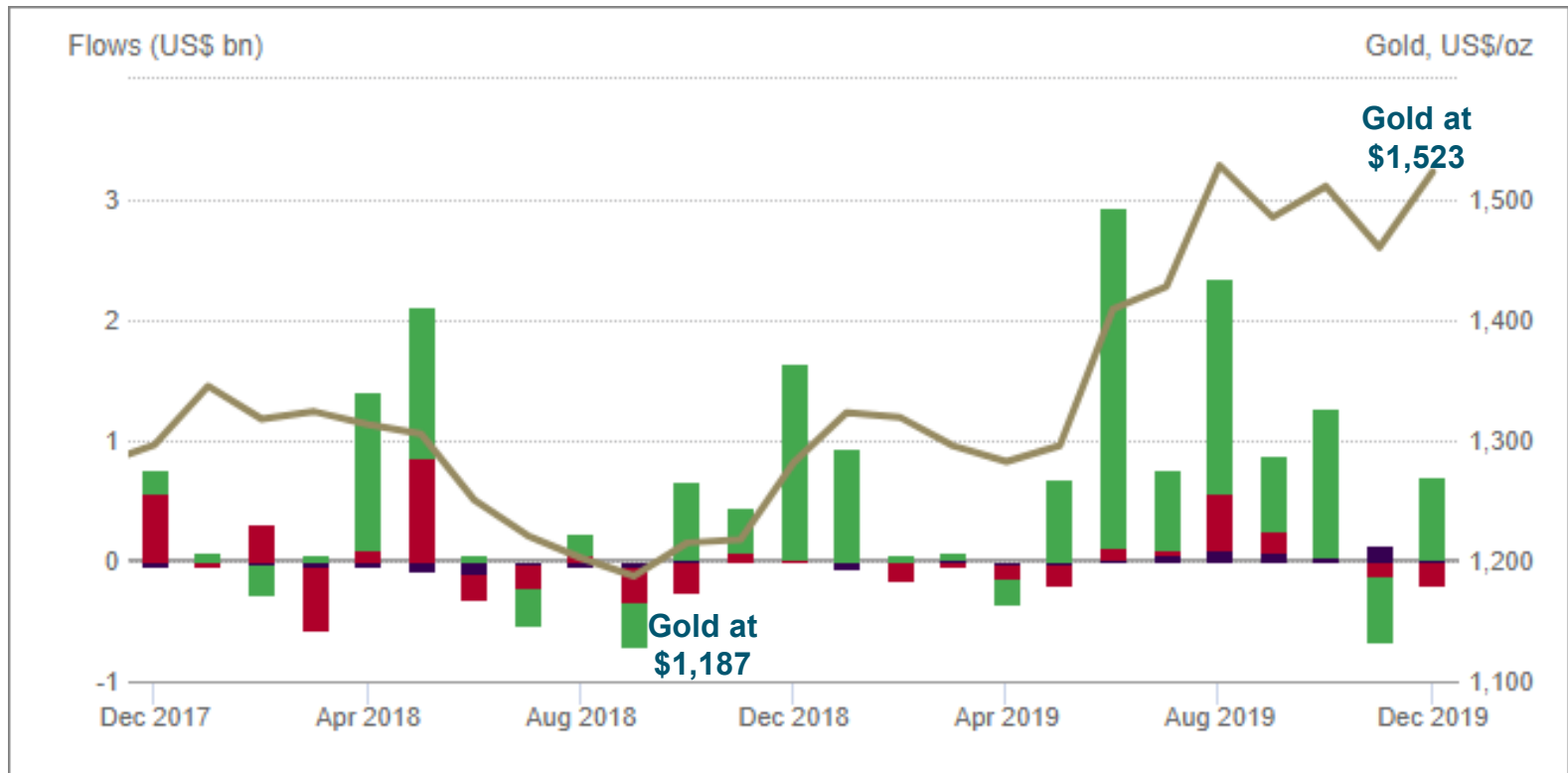


Source: Bloomberg. Data as of 12/31/2019.

Gold-Backed ETFs Reach All-Time High

- Investors are returning to gold on a global basis
- Gold-backed ETFs grew 14% in 2019, and reached all-time highs of ~2,900T

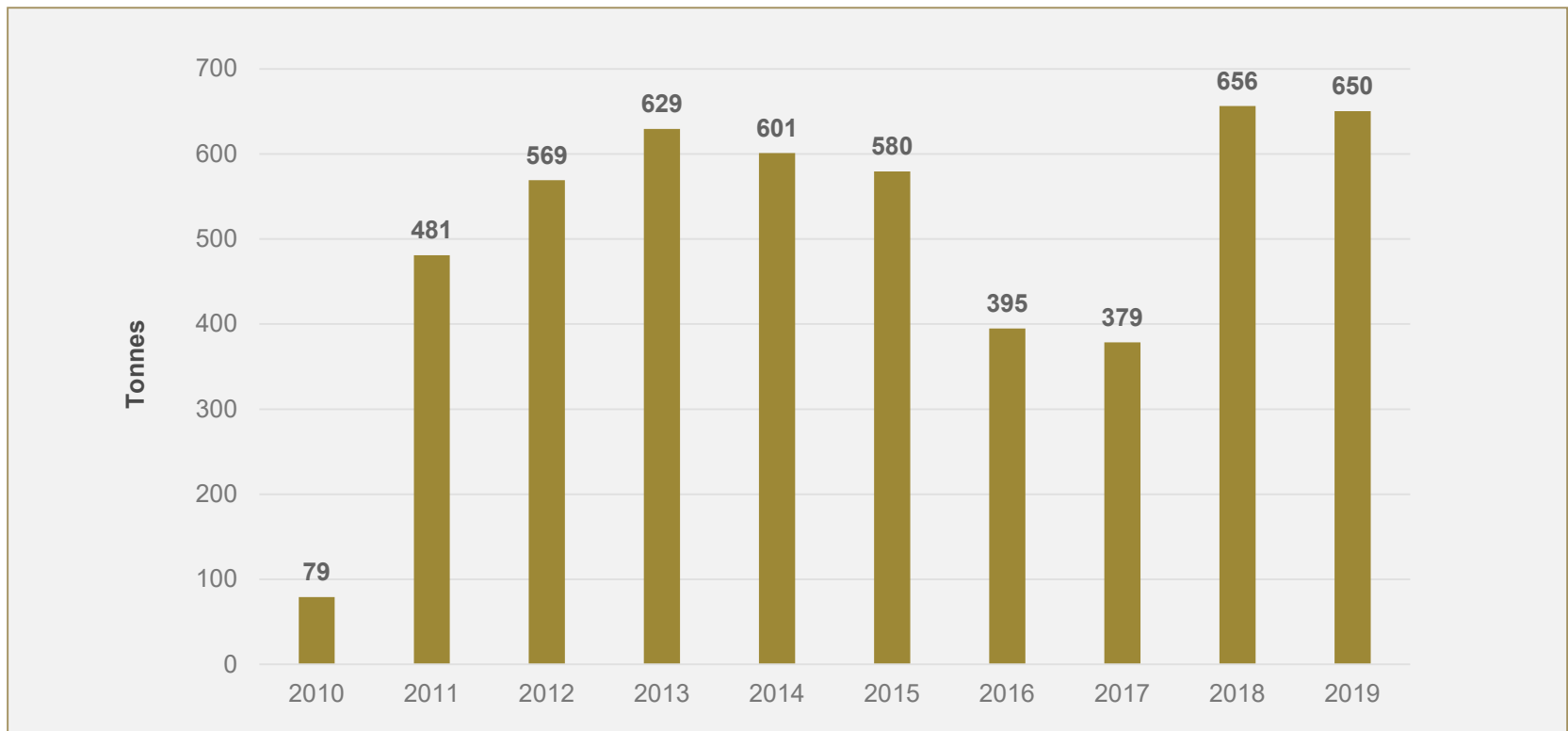
ETF Flows



Source: World Gold Council. This data set uses publicly available data. The main source is Bloomberg but is supplemented by data from the respective ETF providers, ICE Benchmark Administration and the Shanghai Gold Exchange. As at January 31, 2020.

Central Banks Purchased 650T of Gold in 2019

- Central banks were net buyers of gold for a tenth consecutive year
- Global reserves grew by 650T in 2019 – the second highest annual total
- Central Banks are buying 20% of global mine output



Source: World Gold Council. Data as of 1/31/2020.

Gold Equities As a Tactical Opportunity

Doug Groh, Senior Portfolio Manager,
Sprott Asset Management LP

Gold Equities Investment Thesis

Mining Stocks are “Episodically” Undervalued

- Since the cycle peak in April 2011, gold mining companies have declined more than 70%⁽¹⁾
- In similar periods, mining stocks rebounded and significantly outperformed the broad market and other sectors (see next slide)

Favorable Market Dynamics for Gold Companies

- A rising gold price and stronger company balance sheets support M&A activity
- Gold sector running out of global reserves
- Significant valuation gap between Senior and Junior gold companies
- Cheaper to buy than develop reserves
- A new merger cycle has commenced and is likely to accelerate over next several years

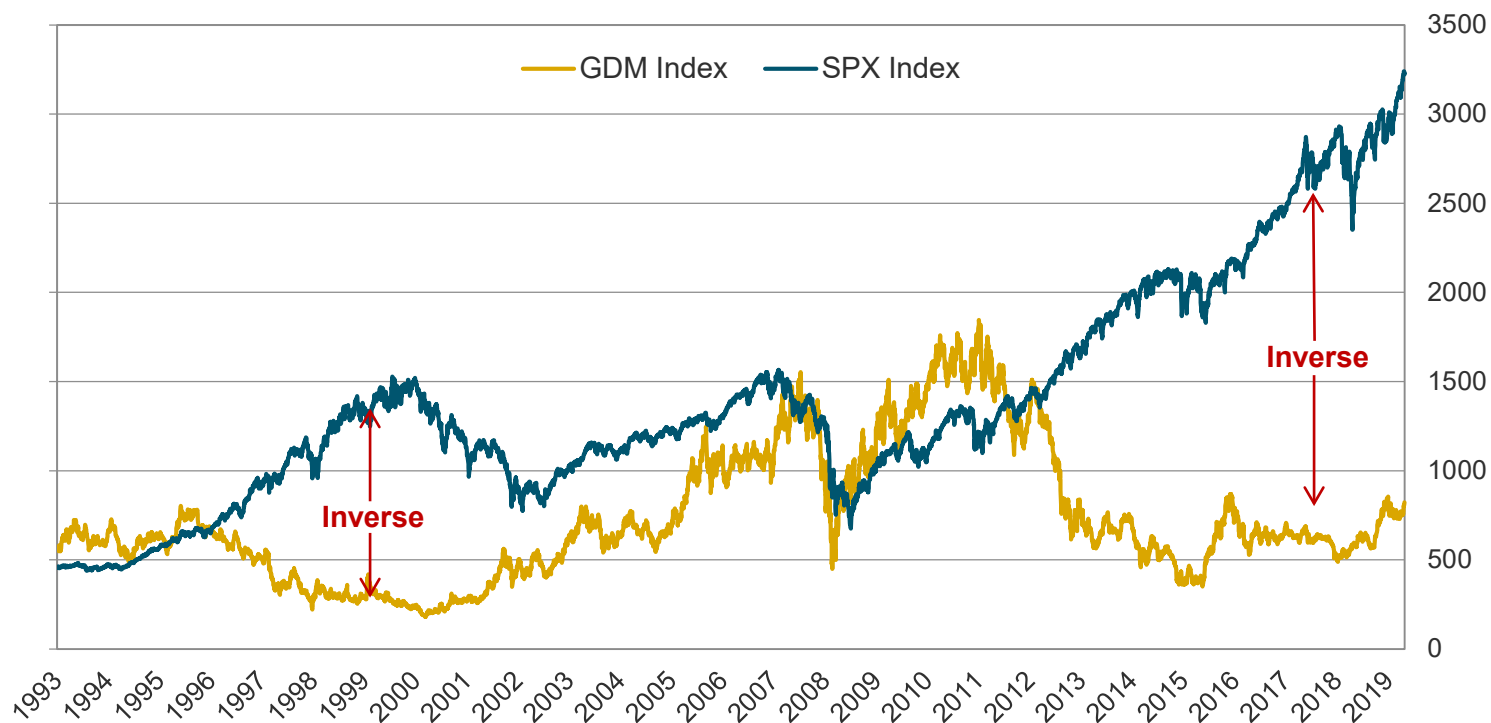
Opinion subject to change without notice.

⁽¹⁾ As measured by the 70.21% decline in the VanEck Vectors Junior Gold Miners ETF (GDXJ) for the period from 4/8/2011 through 12/31/2019; VanEck Vectors Gold Miners ETF (GDX) declined 51.36% during the same period.

Gold Equities Dislocation from S&P 500

History demonstrates that gold mining equities have the ability to generate portfolio alpha during significant corrections in U.S. equities. As shown below, since 1996 there have been only two periods of extended inverse performance between the GDM Index and the S&P 500 Index⁽¹⁾: 1996-through-2002 and 2012-through-the-present. In the first period, gold shares slumped as the internet bubble hit full frenzy through March 2000. Then, as the S&P 500 fell 52%, gold stocks tripled.

GDM Index versus S&P 500 Index⁽¹⁾ (9/17/1993-12/31/2019)



Source: Bloomberg.

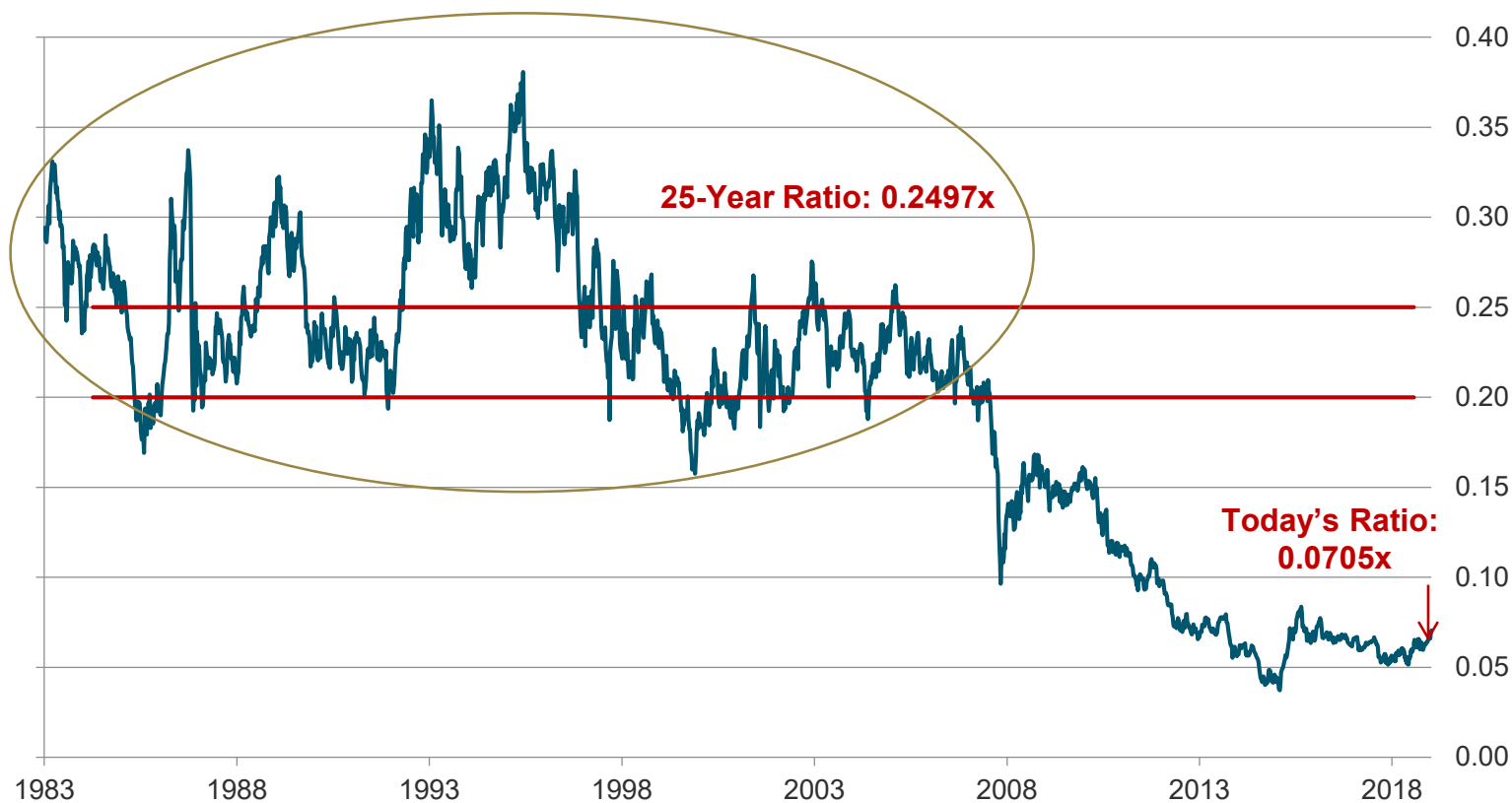
Past performance is no guarantee of future results.

⁽¹⁾ The NYSE® Arca Gold Miners™ Index (GDM) is a rules-based index designed to measure the performance of highly capitalized companies in the Gold Mining industry; the inception of the Index is 9/17/1993. The Standard and Poor's 500 Index (SPX) is a capitalization-weighted index of 500 stocks.

Gold Equities Undervalued Relative to Bullion

Since 2008, the relative valuation of gold equities to gold bullion has fallen 75% from the prior 25-year average. The ratio of the XAU Index to spot gold averaged 0.2497x for a quarter century through 2008. As of 12/31/2019, the ratio was 0.0705x.

Ratio of XAU Index to Spot Gold (12/23/1983-12/31/2019)



Source: Bloomberg. 12/23/1983 represents the inception of the XAU.

What are the Catalysts for Gold Stocks?

A Rising Gold Price Should

- Translate into stronger operating results for miners, which has yet to be priced into the stocks
- Fuel a new M&A cycle as miners look to replace reserves

M&A Cycle is Expected to Last Several Years

- Significant valuation gap between senior and junior gold companies creates a unique arbitrage—cheaper to buy smaller peers than develop reserves
- Stronger company balance sheets will support M&A activity
- Company management teams have been “up-graded” and institutional investors are exerting greater influence on companies

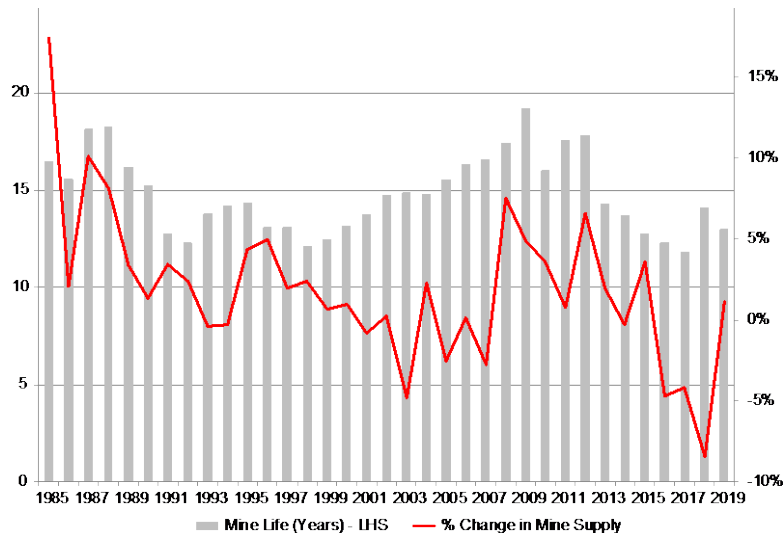
Opinion subject to change without notice.

Gold Supply Continues to Decline

Declining gold supply can drive gold prices higher and support M&A

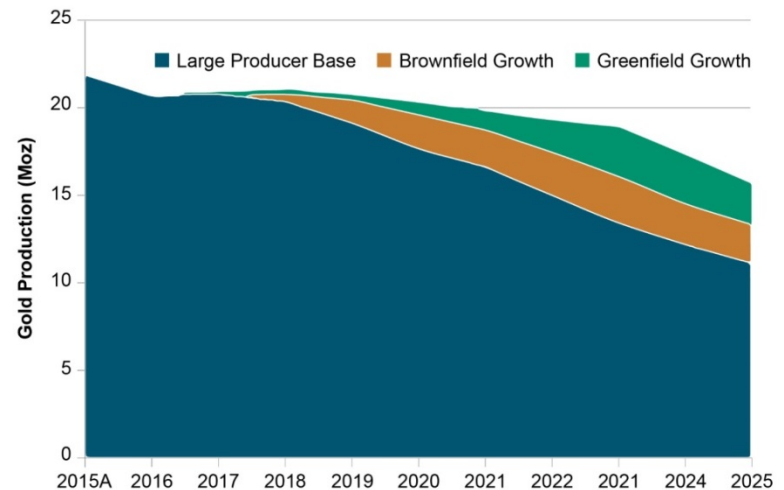
- Mine lives in the gold sector are at the lowest levels in more than 30 years
- Major gold discoveries have declined significantly

Average Mine Life versus Change in Supply
1985-2019



Source: Scotiabank GBM.

Annual Gold Production
2003-2024



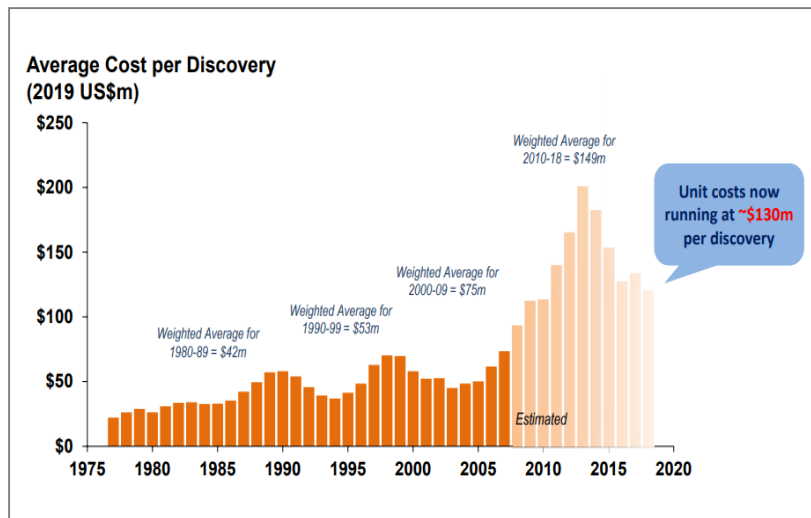
Source: BMO Capital Markets.

Outlook and opinion subject to change without notice.

Cost per Ounce to Buy vs. “Build”

- There is a 35% discount for buying ounces in the market (M&A) compared to discovering new ounces
- Buying reserves eliminates the time and uncertainty associated with exploration

**Trend in Unit Discovery Cost: Gold World
(1975-2018)**



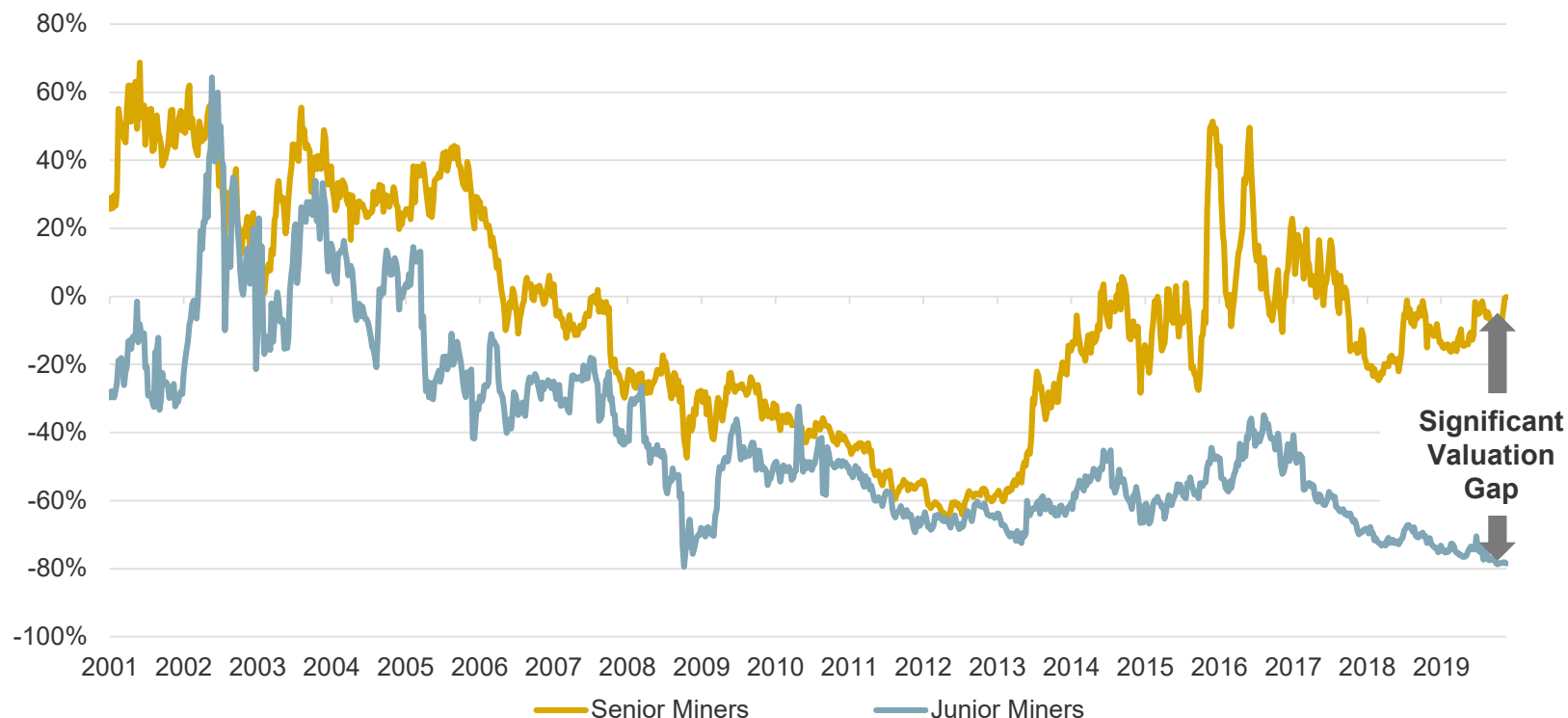
**Enterprise Value per Ounce of Resource:
North American Gold Developers**



Source: MinEx Consulting Discoveries are for Primary gold deposits >0.1Moz AU; Scotiabank as of 1/31/2020.

Valuation Gap: Senior vs. Junior Gold Miners

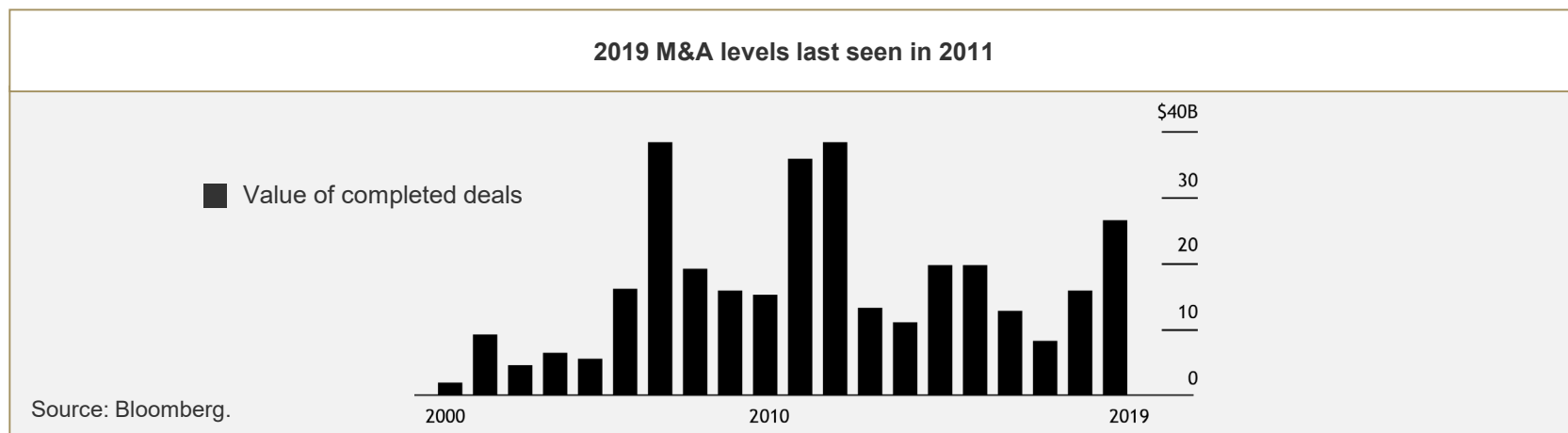
The valuation gap between North American junior and senior gold miners is extreme



Source: Bloomberg. As of 11/22/2019.

Gold Equities: A New M&A Cycle Has Begun

- In 2019, large-cap miners led the wave of M&A activity in the gold sector
- In 2020, this activity is expected to shift to the small- to mid-cap miners



Sample Transactions

 BARRICK acquires  RANDGOLD <small>RESOURCES</small>	 NEWMONT acquires  GOLDCORP	 St Barbara acquires  ATLANTIC GOLD	 Evolution MINING acquires Red Lake Gold complex from  NEWMONT	 KIRKLAND LAKE GOLD acquires DETOUR GOLD	 Saracen acquires  BARRICK 50% interest in Kalgoorlie superpit	 ziJin acquires  CONTINENTAL GOLD
Sept. 2018	Jan. 2019	May 2019	Nov. 2019	Nov. 2019	Nov. 2019	Dec. 2019

Outlook: Gold & Gold Stocks

The Right Conditions are in Place to Fuel the Gold Bull Market

- The next major test for gold is \$1,600; once achieved, \$1,800 is within reach
- Massive global and sovereign debt coupled with shrinking global GDP rates
- Interest rates are trending lower around the world
- Technical analysis and past gold rallies indicate that this bull market is just beginning
- Central banks continue to amass record quantities of gold as a reserve asset
- Investor interest in gold and gold stocks will broaden, particularly if geopolitical risks increase

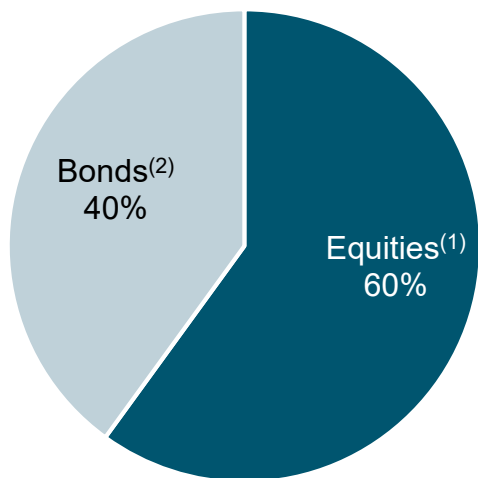
Gold Stocks will Rally with the Price of Gold

- With a higher gold price, company earnings are expected to accelerate
- The M&A cycle will continue with the next wave involving small- and mid-cap companies

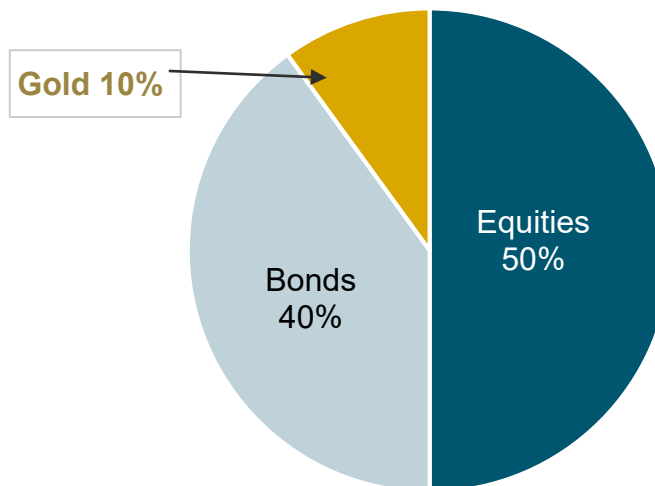
Gold Portfolio Allocation

A 5%-10% Portfolio Allocation to Gold

With a traditional 60/40 portfolio, equities⁽¹⁾ represents **98%** of the total portfolio risk.



Adding 10% gold bullion to a portfolio, reduces the equity risk contribution from **98%** to **83%**.



⁽¹⁾ **International Equities Benchmark:** The MSCI ACWI Index is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world.

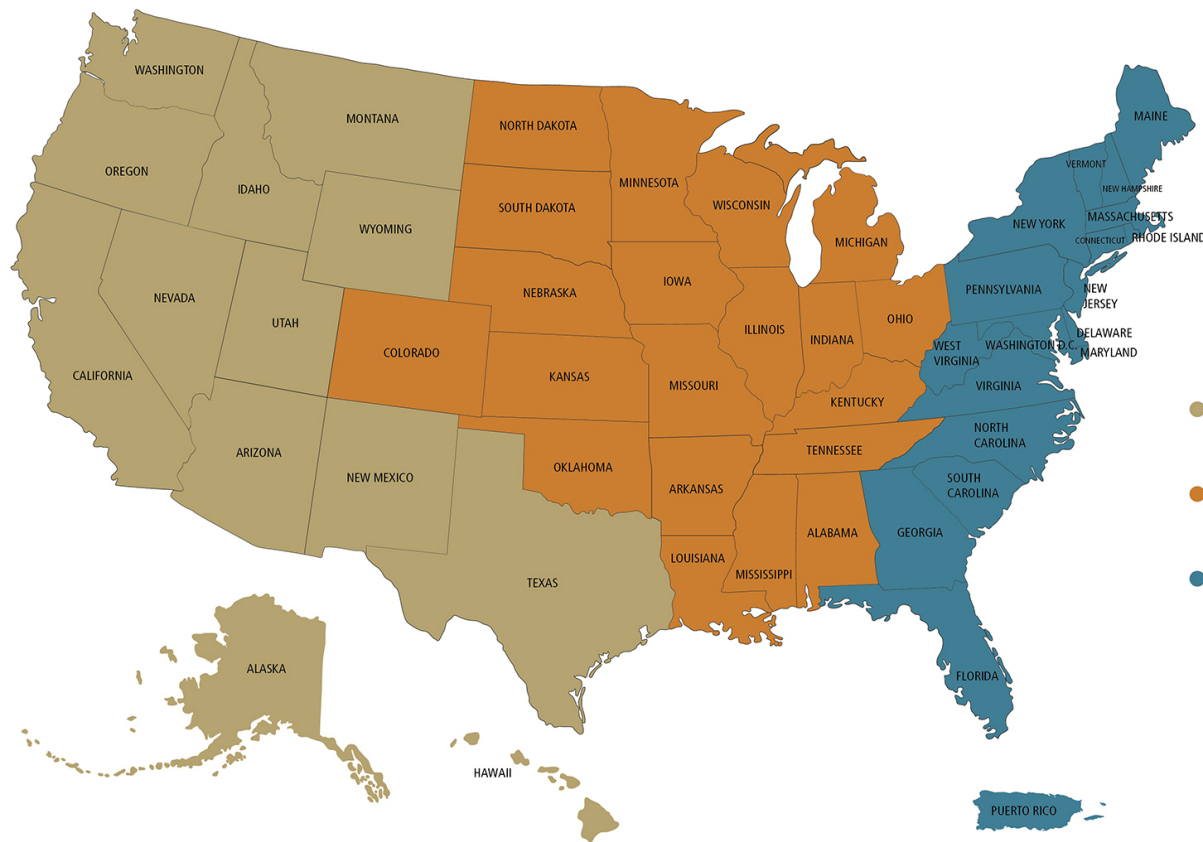
⁽²⁾ **Bonds Benchmark:** The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.

Sprott's Gold Investment Strategies

Sprott offers a range of investment options

Physical Precious Metals	Active Gold Equity with Physical Gold	Passive Gold Equity
<ul style="list-style-type: none">• Sprott Physical Gold Trust (NYSE Arca: PHYS)• Sprott Physical Gold and Silver Trust (NYSE Arca: CEF)• Fully allocated metals• Stored at the Royal Canadian Mint• Redeemable for metals• Potential tax-advantage	<ul style="list-style-type: none">• Sprott Gold Equity Fund SGDLX• Invests in gold stocks across the market-cap spectrum• Up to 20% in physical gold to reduce volatility	<ul style="list-style-type: none">• Sprott Gold Miners ETF (NYSE Arca: SGDM)• Invests in primarily large- and mid-cap gold companies• Sprott Junior Gold Miners ETF (NYSE Arca: SGDJ)• Invests in primarily small-cap gold companies

Regional and National Sales Coverage



Ed Coyne (USA & Europe)
Senior Managing Director, Global Sales
646.599.0859 | ecoyne@sprottusa.com

Public Funds

- **Matthew Harrison (Western Region)**
Senior Investment Consultant
1.888.622.1813 | mmharrison@sprott.com
- **Julia Hathaway (Central Region)**
Senior Investment Consultant
1.888.708.0237 | jhathaway@sprottusa.com
- **Sergio Lujan (Eastern Region & Canada)**
Senior Investment Consultant
1.888.622.1813 | slujan@sprott.com

Important Disclosure

This content is intended solely for the use of Sprott Asset Management USA, Inc. for use with investors and interested parties. Investments, commentary and statements are unique and may not be reflective of investments and commentary in other strategies managed by Sprott Asset Management USA, Inc., Sprott Asset Management LP, Sprott Inc., or any other Sprott entity or affiliate. Opinions expressed in this presentation are those of the presenter and may vary widely from opinions of other Sprott affiliated Portfolio Managers or investment professionals.

The intended use of this material is for information purposes only and is not intended to be an offer or solicitation for the sale of any financial product or service or a recommendation or determination that any investment strategy is suitable for a specific investor. Investors should seek financial advice regarding the suitability of any investment strategy based on the objectives of the investor, financial situation, investment horizon, and their particular needs. This information is not intended to provide financial, tax, legal, accounting or other professional advice since such advice always requires consideration of individual circumstances. The investments discussed herein are not insured by the FDIC or any other governmental agency, are subject to risks, including a possible loss of the principal amount invested.

Sprott Physical Bullion Trusts

Sprott Asset Management LP is the investment manager to the Sprott Physical Bullion Trusts (the “Trusts”). Important information about the Trusts, including the investment objectives and strategies, purchase options, applicable management fees, and expenses, is contained in the prospectus. Please read the document carefully before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. This communication does not constitute an offer to sell or solicitation to purchase securities of the Trusts.

The risks associated with investing in a Trust depend on the securities and assets in which the Trust invests, based upon the Trust's particular objectives. There is no assurance that any Trust will achieve its investment objective, and its net asset value, yield and investment return will fluctuate from time to time with market conditions. There is no guarantee that the full amount of your original investment in a Trust will be returned to you. The Trusts are not insured by any government deposit insurer. Please read a Trust's prospectus before investing. The information contained herein does not constitute an offer or solicitation to anyone in the United States or in any other jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. The information provided is general in nature and is provided with the understanding that it may not be relied upon as, nor considered to be, the rendering of tax, legal, accounting or professional advice. Readers should consult with their own accountants and/or lawyers for advice on the specific circumstances before taking any action.

Sprott Gold Equity Fund

Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the [fund prospectus](#) which should be considered carefully before investing. [Click here](#) to obtain the prospectus or call 888.622.1813.

Sprott Gold Equity Fund invests in gold and other precious metals, which involves additional and special risks, such as the possibility for substantial price fluctuations over a short period of time; the market for gold/precious metals is relatively limited; the sources of gold/precious metals are concentrated in countries that have the potential for instability; and the market for gold/precious metals is unregulated. The Fund may also invest in foreign securities, which are subject to special risks including: differences in accounting methods; the value of foreign currencies may decline relative to the U.S. dollar; a foreign government may expropriate the Fund's assets; and political, social or economic instability in a foreign country in which the Fund invests may cause the value of the Fund's investments to decline. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund.

Important Disclosure

Sprott ETFs

An investor should consider the investment objectives, risks, charges and expenses carefully before investing. To obtain a Statutory Prospectus, which contains this and other information please contact your financial professional, visit sprottets.com or call 888.622.1813. Read the Statutory Prospectus carefully before investing. Sprott Gold Miners ETF and Sprott Junior Gold Miners ETF shares are not individually redeemable. Investors buy and sell shares of the Sprott Gold Miners ETF on a secondary market. Only market makers or “authorized participants” may trade directly with the Fund, typically in blocks of 50,000 shares. The Fund is not suitable for all investors. There are risks involved with investing in ETFs including the loss of money. The Fund is considered non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a diversified fund.

Micro-cap stocks involve substantially greater risks of loss and price fluctuations because their earnings and revenues tend to be less predictable. These companies may be newly formed or in the early stages of development, with limited product lines, markets or financial resources and may lack management depth. The Fund will be concentrated in the gold and silver mining industry. As a result, the Fund will be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the gold and silver mining industry. Also, gold and silver mining companies are highly dependent on the price of gold and silver bullion. These prices may fluctuate substantially over short periods of time so the Fund’s Share price may be more volatile than other types of investments.

Funds that emphasize investments in small/mid-cap companies will generally experience greater price volatility. Funds investing in foreign and emerging markets will also generally experience greater price volatility. There are risks involved with investing in ETFs including the loss of money. Diversification does not eliminate the risk of experiencing investment losses. ETFs are considered to have continuous liquidity because they allow for an individual to trade throughout the day. ALPS Portfolio Solutions Distributor, Inc. is the Distributor for the Sprott Gold Miners ETF and the Sprott Junior Gold Miners ETF. The underlying index for the Sprott Gold Miners ETF is rebalanced on a quarterly basis and a higher portfolio turnover will cause the Fund to incur additional transaction costs. The underlying index for the Sprott Junior Gold Miners ETF is rebalanced on a semi-annual basis and a higher turnover will cause the Fund to incur additional transaction costs. The US Dollar Index (DXY) is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies.

Generally, natural resources investments are more volatile on a daily basis and have higher headline risk than other sectors as they tend to be more sensitive to economic data, political and regulatory events as well as underlying commodity prices. Natural resource investments are influenced by the price of underlying commodities like oil, gas, metals, coal, etc.; several of which trade on various exchanges and have price fluctuations based on short-term dynamics partly driven by demand/supply and also by investment flows. Natural resource investments tend to react more sensitively to global events and economic data than other sectors, whether it is a natural disaster like an earthquake, political upheaval in the Middle East or release of employment data in the U.S. Past performance is no guarantee of future returns. Sprott Asset Management USA, Inc., affiliates, family, friends, employees, associates, and others may hold positions in the securities it recommends to clients, and may sell the same at any time.

© 2020 Sprott Inc. All rights reserved.

Sprott Inc. | Royal Bank Plaza, South Tower | 200 Bay Street Suite 2600 | Toronto, Ontario M5J 2J1 Canada | Telephone: 888.622.1813