

Silver Fundamentals Shine Bright

Webcast: Tuesday, February 23, 2021

Sprott

Featured Speakers



John Ciampaglia, CFA, Chief Executive Officer, Sprott Asset Management

John Ciampaglia has more than 25 years of investment industry experience and serves as Chief Executive Officer of Sprott Asset Management and as Senior Managing Director of Sprott Inc. Previously, he was the Chief Operating Officer of Sprott Asset Management and Executive Vice President of Sprott Inc. Before joining Sprott in 2010, he was a Senior Executive at Invesco Canada and held the position of Senior Vice President, Product Development, responsible for strategic initiatives and for overseeing the product development function across multiple product lines and distribution channels. Prior to joining Invesco Canada, he spent more than four years at TD Asset Management, where he held progressively senior product management and research roles. Mr. Ciampaglia earned a Bachelor of Arts in Economics from York University, is a CFA charterholder and a Fellow of the Canadian Securities Institute.



Maria Smirnova, MBA, CFA, Senior Portfolio Manager, Sprott Asset Management

Maria joined Sprott Asset Management LP as a Research Associate in May 2005, and was appointed Associate Portfolio Manager in February 2010, Portfolio Manager in March 2014 and Senior Portfolio Manager in May 2017. Maria is part of the precious metals team and manages Ninepoint Silver Equities Class and Ninepoint Gold and Precious Minerals Fund. Maria has more than 20 years of experience in the financial services industry; she began her career at Excel Funds Management as Operations Manager, and subsequently worked in Product Development at Fidelity Investments. Maria graduated with distinction from the University of Toronto with a Bachelor of Commerce degree and has been a CFA charterholder since 2002. She graduated as a Bregman Scholar from the University of Toronto's MBA program in 2005.



Ed Coyne, Senior Managing Director, Global Sales, Sprott Inc.

Ed Coyne joined Sprott in January 2016 and has more than 25 years of investment management and sales experience. Previously, he 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, Mr. Coyne worked with Zweig Mutual Funds and Neuberger Berman as a Regional Sales Director. He 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. Mr. Coyne worked in the firm's key account sales division servicing institutional clients. Mr. Coyne earned his Bachelor of Science in Architectural Studies from the University of Missouri. He also holds a Series 7 license, administered by Financial Industry Regulatory Authority (FINRA).

A Global Leader in Precious Metals Investments

Sprott

US\$16.3B in AUM¹

Sprott (SII) is publicly listed on the NYSE and TSX

Exchange Listed Products	Managed Equities	Lending	Brokerage
~\$11.5B AUM	~\$2.8B AUM	~\$0.9B AUM	
<ul style="list-style-type: none">Physical Bullion Trusts (NYSE Arca Listed)Gold Mining Equity ETFs (NYSE Arca Listed)	<ul style="list-style-type: none">Flagship U.S. mutual fund is Sprott Gold Equity Fund (SGDLX)Closed-End Value Strategy (NASDAQ Listed)	<ul style="list-style-type: none">Bespoke credit investments to mining and resource companiesCohesive team of credit and financing expertsLong dated streams and royalties	<ul style="list-style-type: none">Capital raising and advisory services to natural resource companiesWealth management services for individual investors in the U.S. and Canada

¹ Sprott AUM as of September 30, 2020.

Webcast Outline

John Ciampaglia

- Silver had a breakout year in 2020, rising more than 47%
- Silver is benefiting from being both a monetary and industrial metal
- Demand for silver coins, bars and ETFs is surging among retail investors

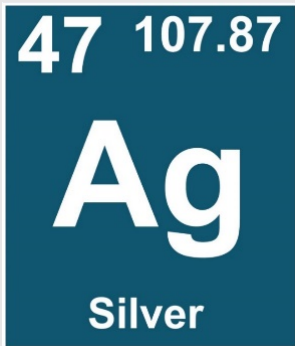
Maria Smirnova

- The macroeconomic environment is supportive of silver
- The post-COVID-19 road to recovery will not be V-shaped
- Liquidity injections and fiscal stimuli will continue
- Central banks have frozen interest rates at ultra-low levels
- Mining equities will benefit from higher metals prices

Ed Coyne

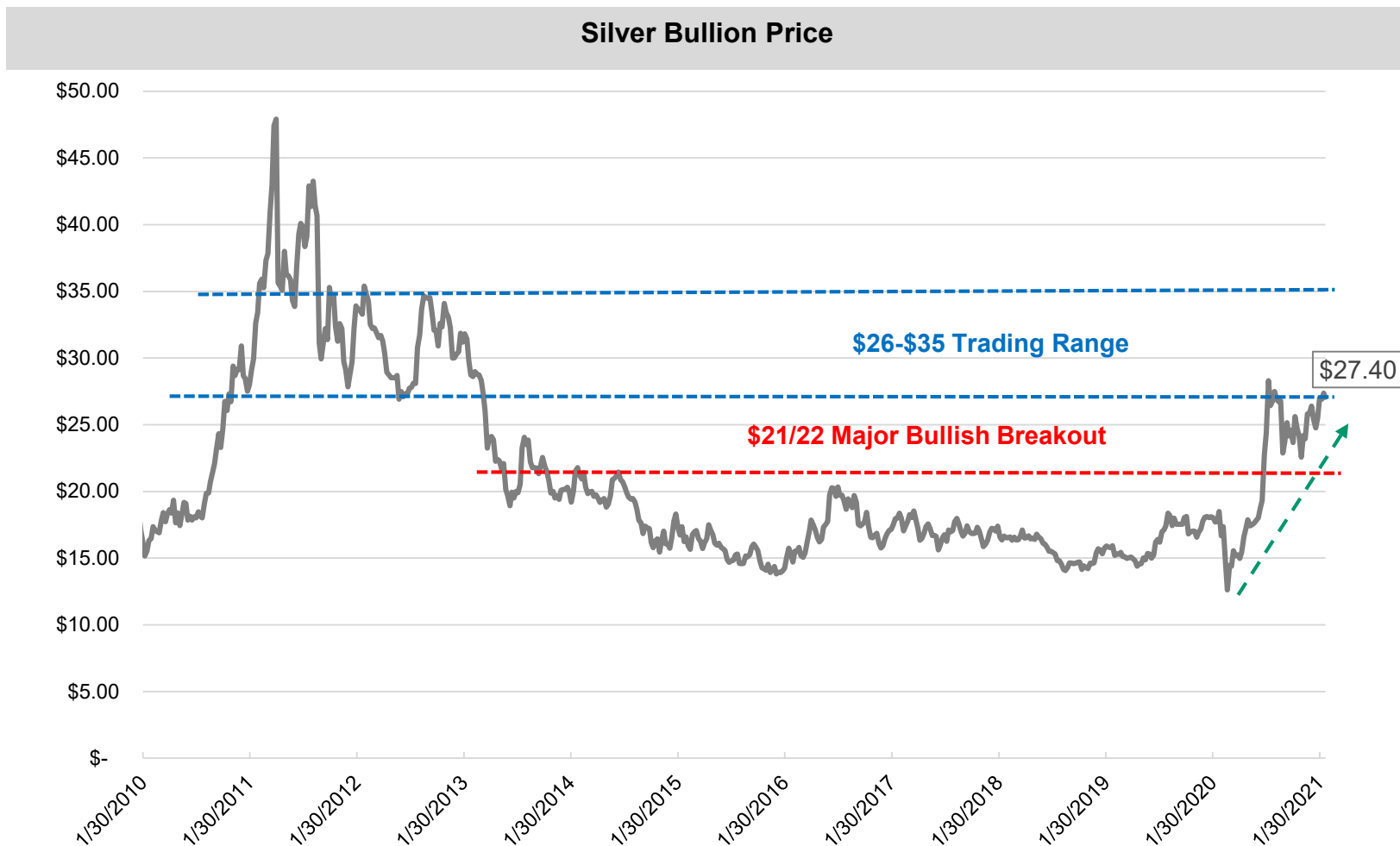
- Silver and other precious metals are a portfolio alternative when bonds provide little return and no downside protection

Outlook is subject to change without notice.



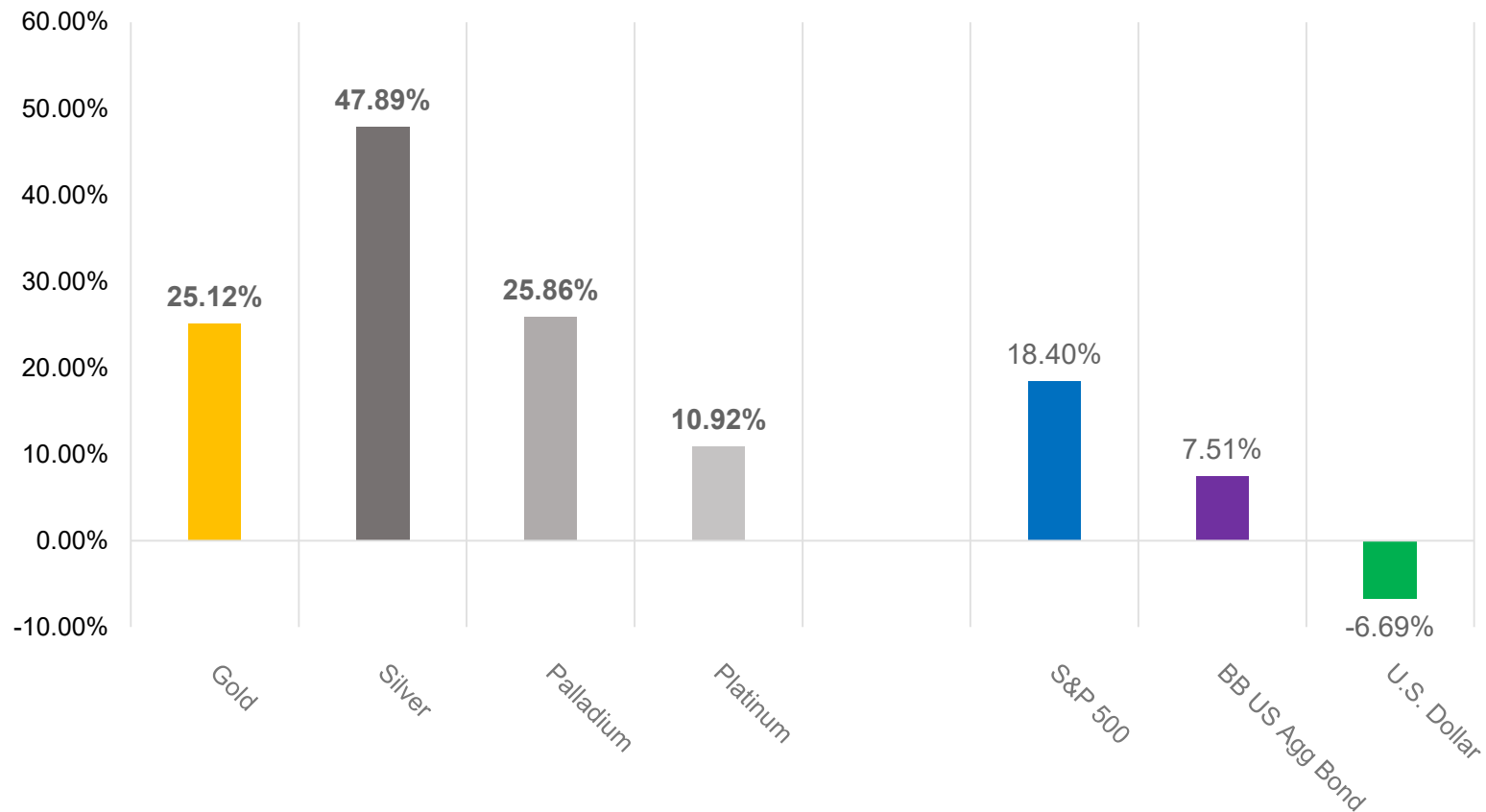
Silver's Breakout – John Ciampaglia

Silver Took Off in May 2020



Source: Bloomberg, data as of 2/19/2021.

Silver: The Precious Metals Winner in 2020



Source: Bloomberg. Data as of 12/31/2020. Gold is measured by GOLDS Comdty; silver is measured by Bloomberg XAG Curncy U.S. dollar spot rate; palladium is measured Bloomberg XPD Curncy U.S. dollar spot rate; platinum is measured by Bloomberg XPT Curncy U.S. dollar spot rate; S&P 500 TR is measured by the SPX; US Agg Bond Index is measured by the Bloomberg Barclays US Agg Total Return Value Unhedged USD (LBUSTRUU Index); and the U.S. Dollar is measured by DXY Curncy. You cannot invest directly in an index. Past performance is no guarantee of future results.

Investors are Fueling Demand for Coin & Bar Sales

- Demand for coins and bars is surging among retail investors
- Sales of silver bullion rose **54%** in 2020, while gold demand grew **157%** (U.S., Australia and Canada)

Year	2019	2020		2019	2020	
Metal	Gold (Oz)	Gold (Oz)	YoY % Change	Silver (Oz)	Silver (Oz)	YoY % Change
U.S. Mint U.S.Coins	213,500	1,086,000	409%	14,863,500	30,089,500	102%
Perth Mint Australia Coins & Bars	389,463	778,797	100%	11,573,602	16,452,490	42%
Royal Canadian Mint Canada Bullion*	483,000	926,267	92%	22,800,000	29,300,000	29%
Total	1,085,963	2,791,064	157%	49,237,102	75,841,990	54%

*2020 numbers are derived by annualizing Q1 to Q3 sales of 694,700 oz and 22m oz.

Source: <https://www.bullionstar.com/blogs/ronan-manly/2020-stellar-year-for-bullion-coin-sales-by-the-major-national-mints>

Silver Coins are Selling at a High Premium to Spot

- Heavy buying has continued in 2021, squeezing supplies that are already tight due to COVID-19 related production slowdowns
- Coin premiums have spiked
- Spot silver was **\$27.40 per ounce** as of Friday (2/19/2021), while the cost of a 1-ounce American Silver Eagle coin is **\$39.50**
 - Representing a **\$12.10 markup, or a 44% premium**
- Wholesale market is showing growing signs of physical tightness
- Silver futures in rare backwardation, spreads wider, local inventory shortages

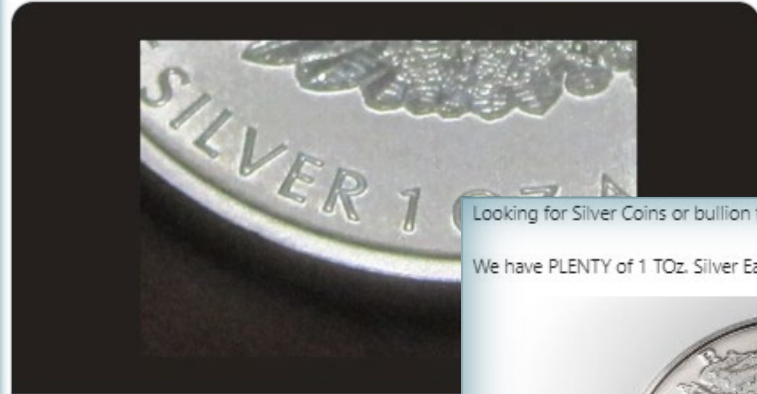


Sources: <https://www.reuters.com/article/us-usa-precious-coins-demand-idUSKBN2A22Y6>

<https://www.bnnbloomberg.ca/silver-coins-still-in-high-demand-even-with-drop-in-metal-price-1.1559233>

#Silver Heats Up on Social Media

One portfolio manager called [#silver](#) "the most attractive macro-economic asset in the world."

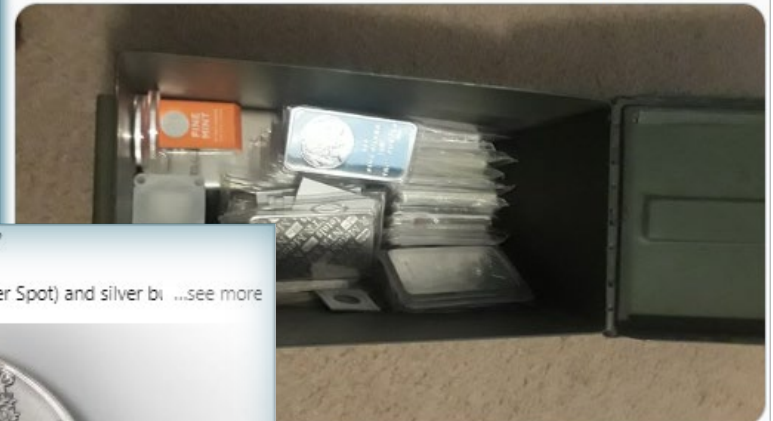


Looking for Silver Coins or bullion for investment?

We have PLENTY of 1 TOZ. Silver Eagles (\$9.00 over Spot) and silver bullion...see more



If Internet down and power off, will box still open? [#silversqueeze](#)

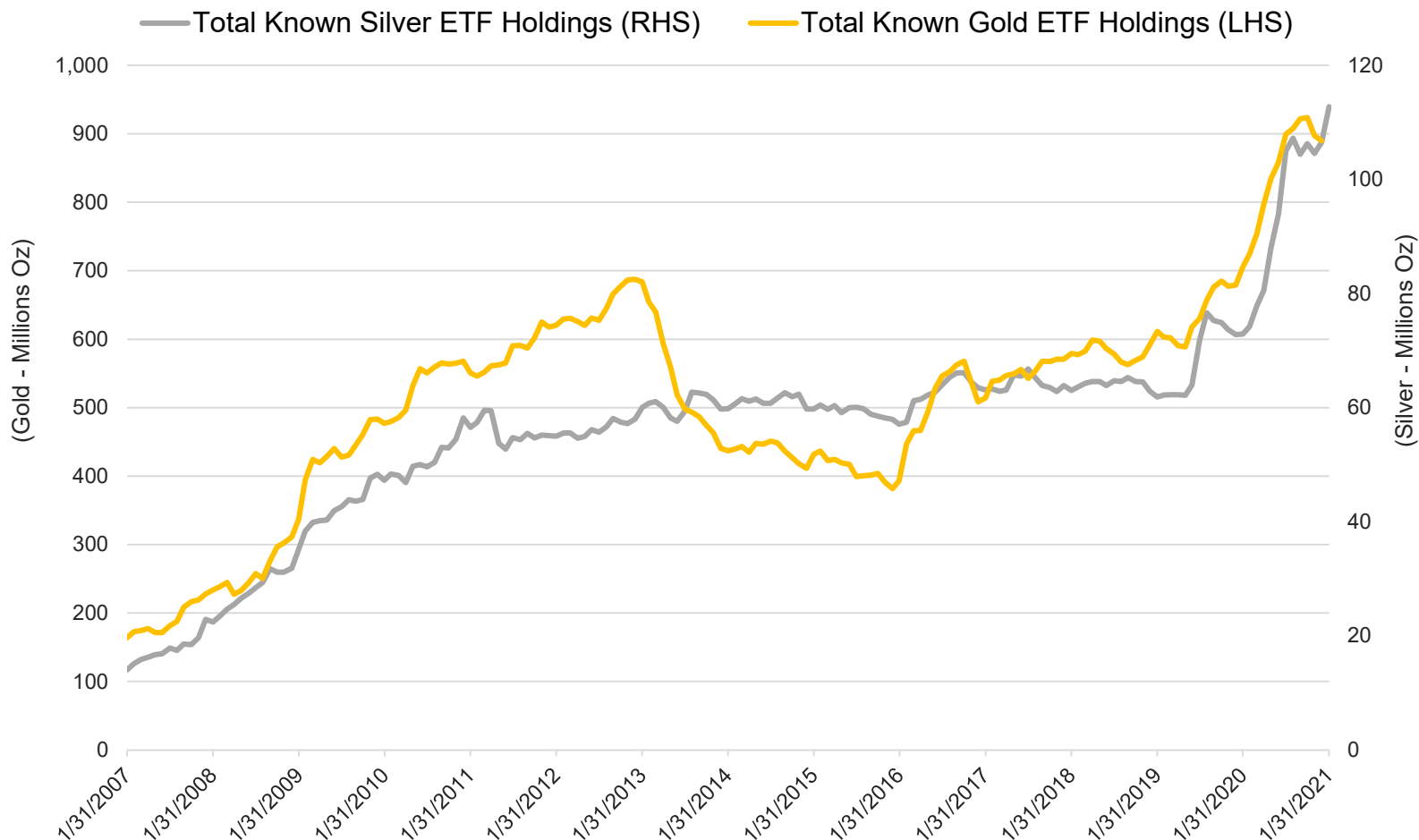


[VIDEO] Secretive Vaults Under London Store Silver and Gold
[#SilverPrice](#) [#GoldPrice](#) [#Metals](#)



Source: LinkedIn and Twitter.

Silver and Gold ETF Holdings at New Highs



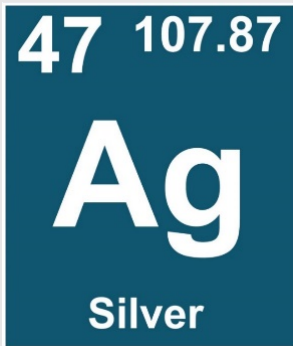
Source: Bloomberg, data as of 1/31/2021. Gold ETFs are measured by the Bloomberg ETFGTOTL Index; silver ETFs are measured by the Bloomberg ETSITOTL Index.

Silver Momentum Seen in Normalizing Gold-Silver Ratio

Silver's new momentum has significantly reduced the gold-to-silver ratio, moving it closer to its historical average of 65.8:1 (period of 1982-2021)

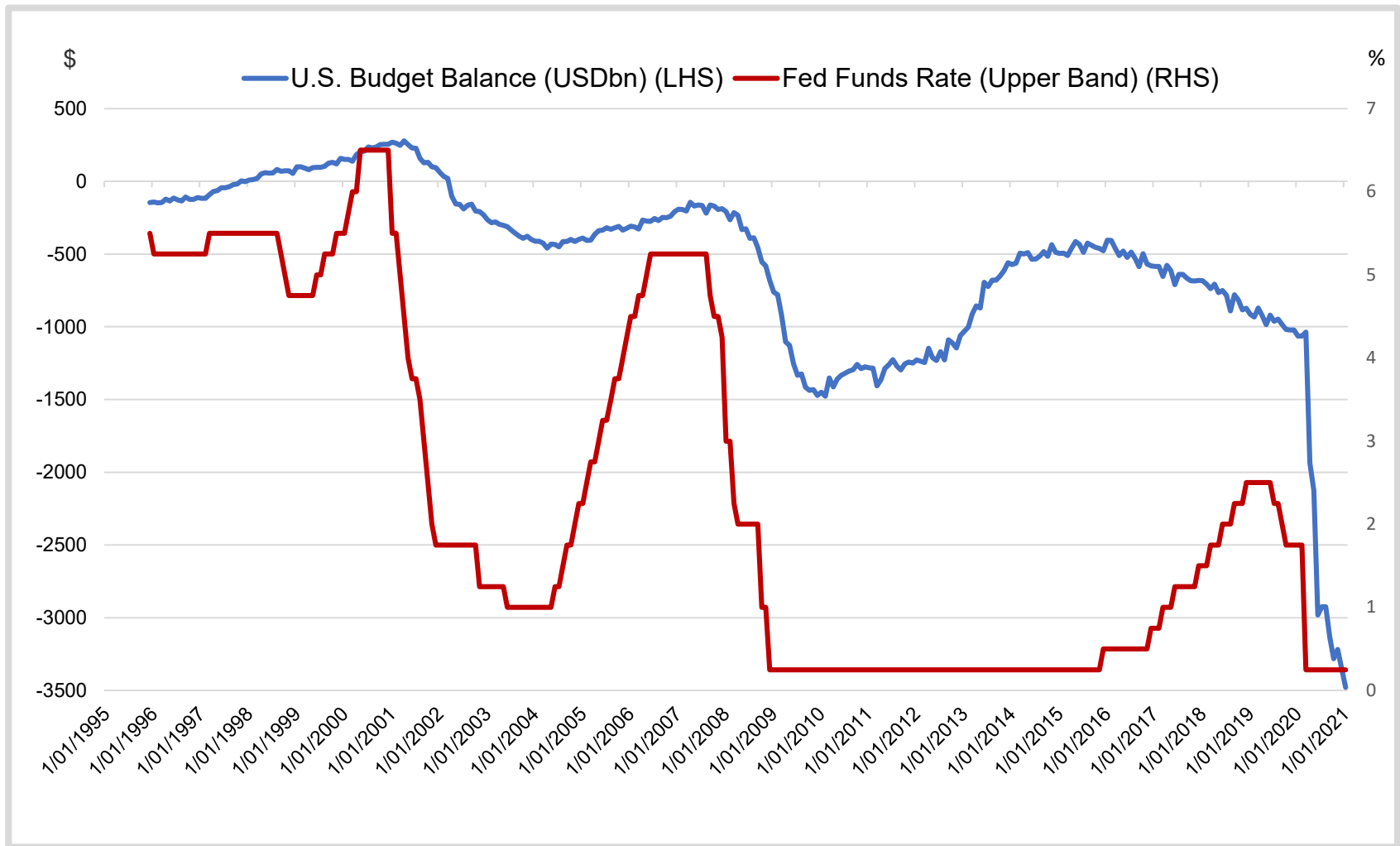


Source: Bloomberg, data as of 2/05/2021.



Silver Outlook – Maria Smirnova

U.S. Federal Budget Deficit and Fed Funds Target Rate



Source: Bloomberg. Data as 1/31/2021.

“Whatever It Takes”

Global Monetary And Fiscal Stimulus To Fight COVID-19 Impact Feb. 2020 to Jan. 2021

	Potential Central Bank Liquidity Injection		Potential Fiscal Stimulus		Central Bank Liquidity Injection and Fiscal Stimulus	
	\$ Tln	% GDP	\$ Tln	% GDP	\$ Tln	% GDP
U.S.**	\$6.21	29.0%	\$5.09	23.8%	\$11.30	52.7%
Eurozone	\$2.38	17.9%	\$4.27	32.0%	\$6.65	49.9%
Japan**	\$1.03	20.0%	\$2.79	54.1%	\$3.82	74.1%
U.K.	\$0.57	20.7%	\$0.59	21.6%	\$1.16	42.3%
China****	\$1.43	10.0%	\$1.22	8.4%	\$2.64	18.4%
Others*	\$0.94		\$2.85		\$3.79	
Total	\$12.56	14.5%	\$16.81	19.4%	\$29.37	33.9%

Source: Cornerstone Macro, data as of 1/22/2021.

* Includes: RoW, ADB, IMF, WB.

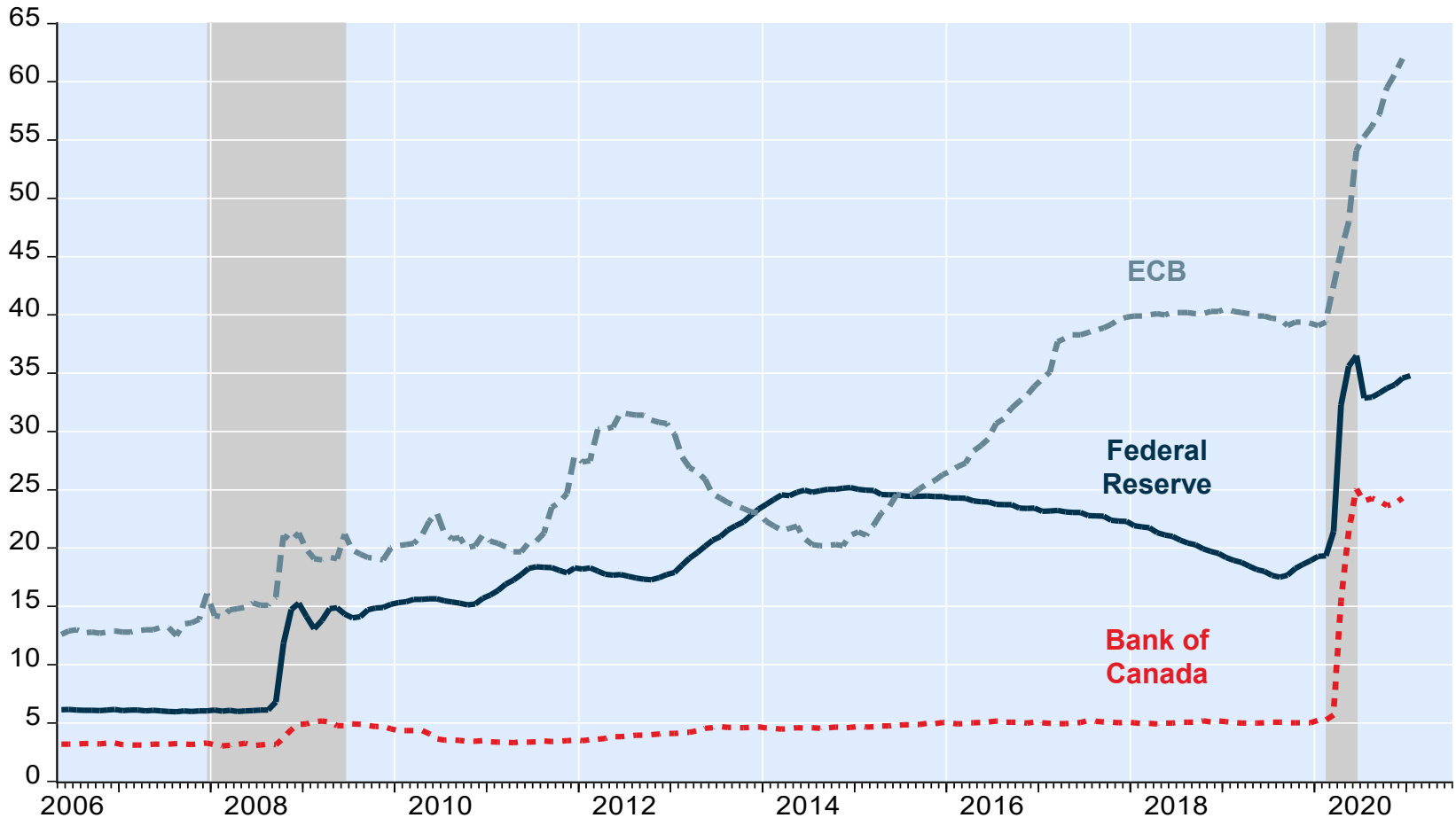
** “BOJ Vows to Buy as Many Bonds as Needed in Stimulus Move.” (BBG, 4/27) ”.

*** U.S.: Fed’s \$6.2 tln injection Incl the \$2.5 tln announced on Apr 9, and the \$3.7 facility.

**** China CB stimulus incl liq injections and other activities, e.g. re-lending, RRR, direct small biz lending, etc.

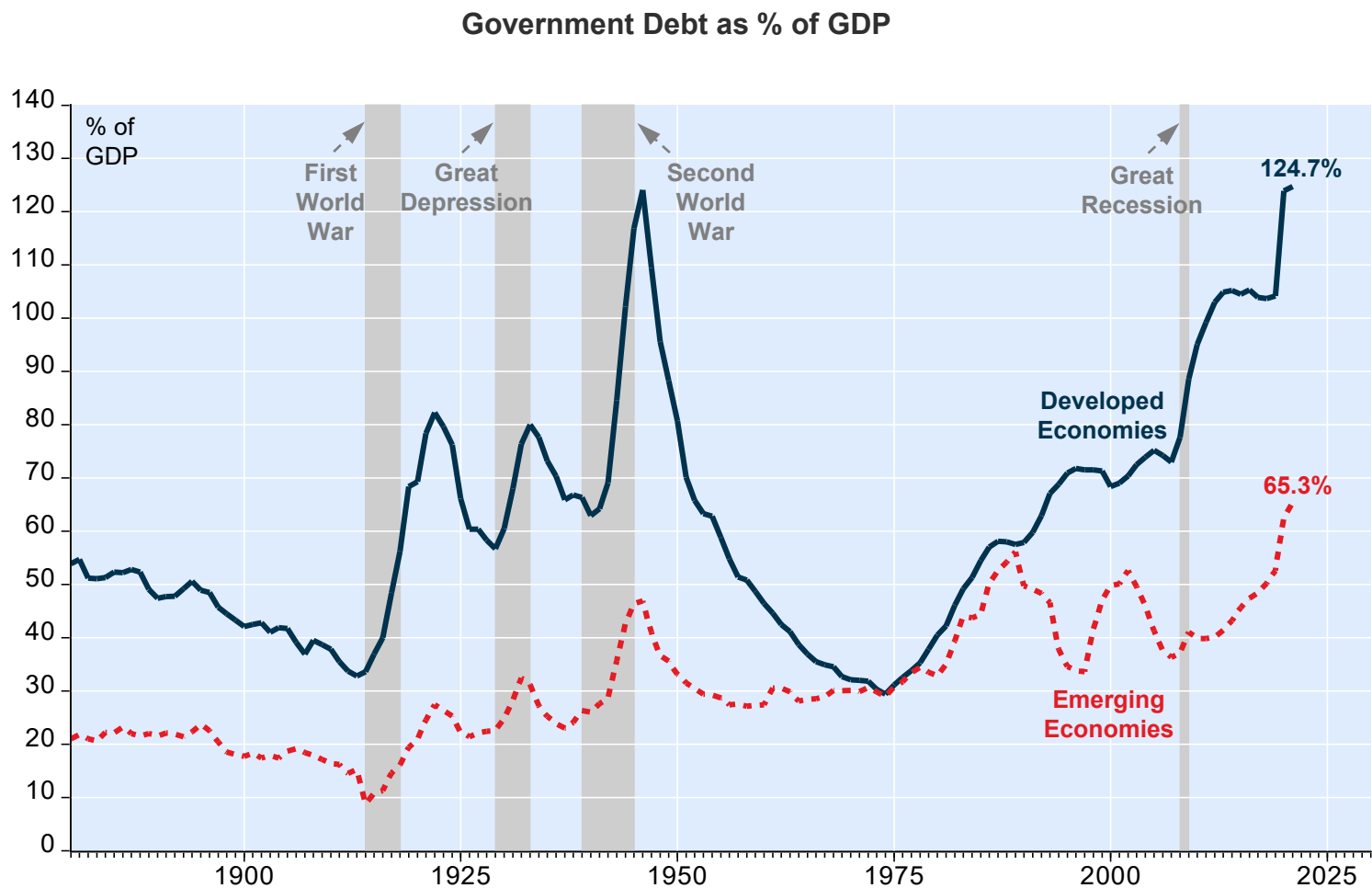
Central Banks are Replacing Traditional Buyers of Debt

Total Assets Held by the European Central Bank (ECB), U.S. Federal Reserve (Fed) and the Bank of Canada



Source: NBF Economics and Strategy (data via Refinitiv and Bank of Canada), data as of 1/22/2021.

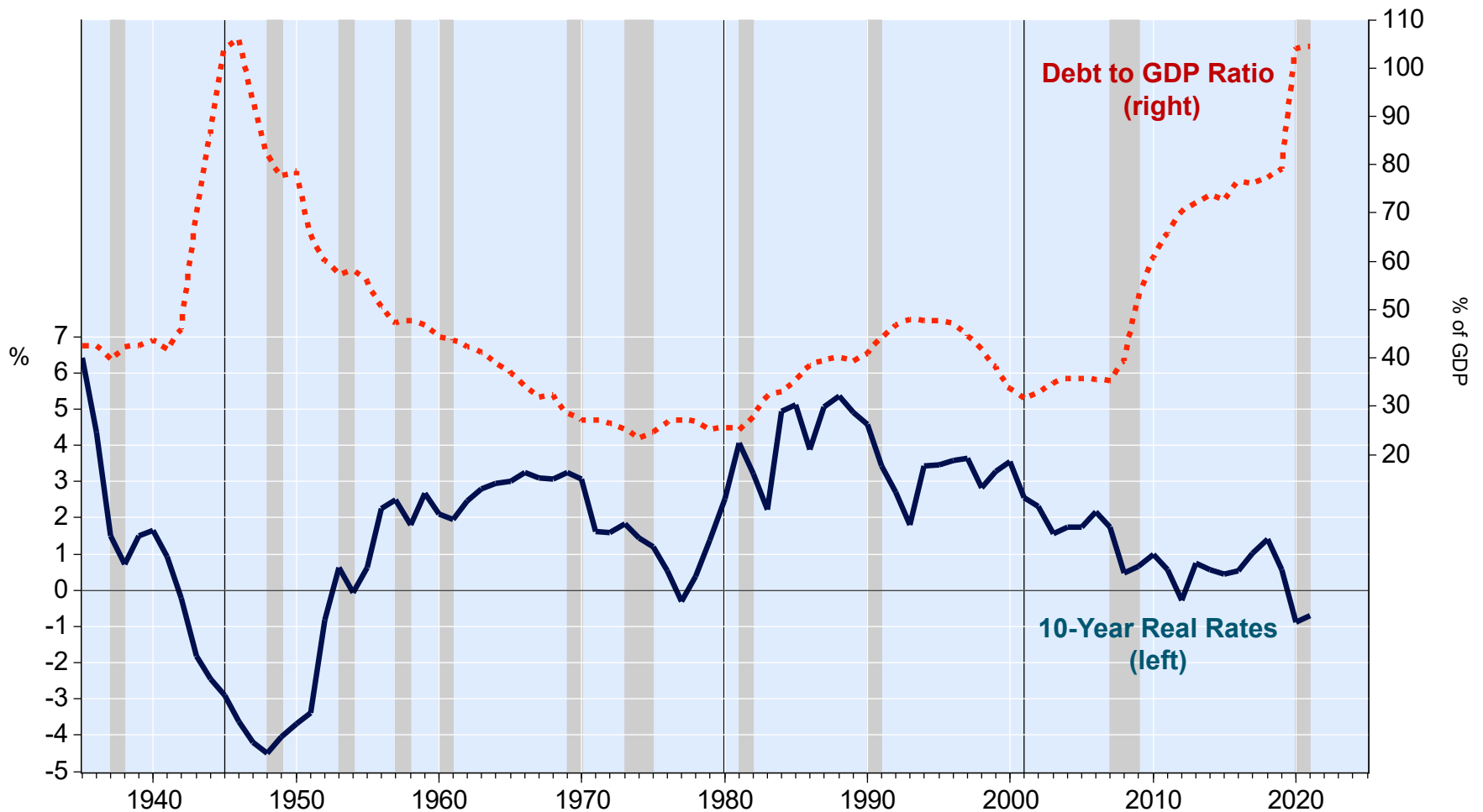
Global Government Debt at an All-Time High



Source: IMF; NBF Economics and Strategy, data as of 1/22/2021.

U.S. Wartime Accommodation

Debt-to-GDP Ratio and Real Interest Rates
(10-year treasury yield minus 5-year moving average inflation)



Source: NBF Economics and Strategy (data via Bloomberg), data as of 1/22/2021.

The Dovish Fed is Focused on Firing Up Inflation

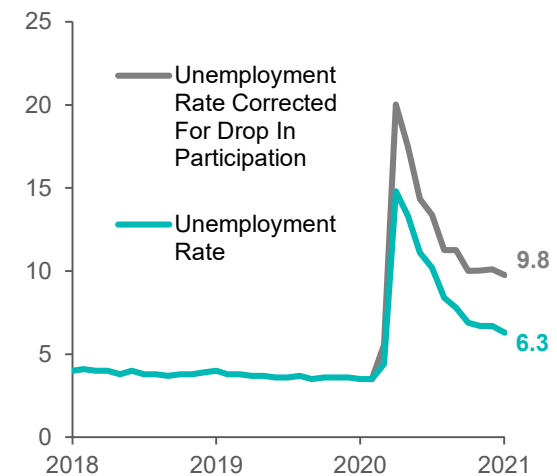
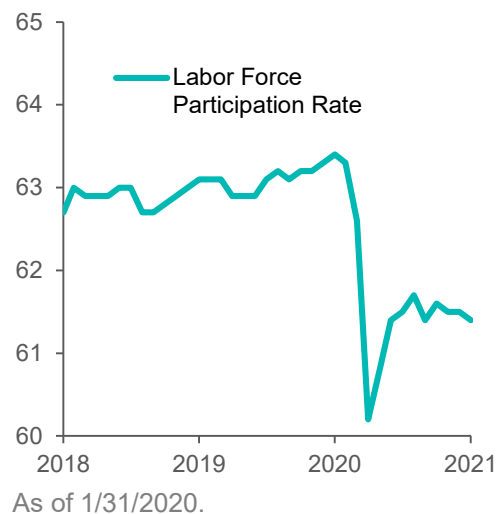
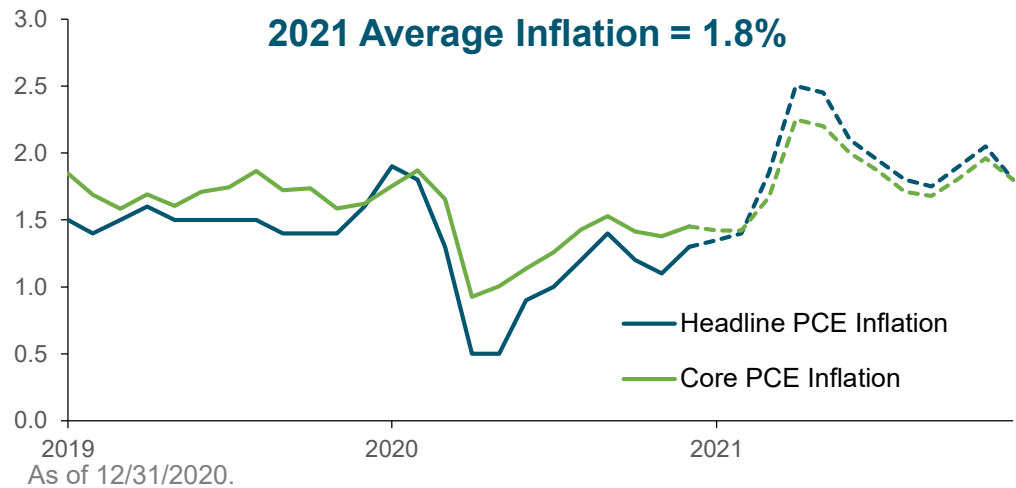
Fed has stated a dual policy goal:

- Higher than target inflation (>2%) or flexible average inflation targeting (FAIT)
- Maximum employment

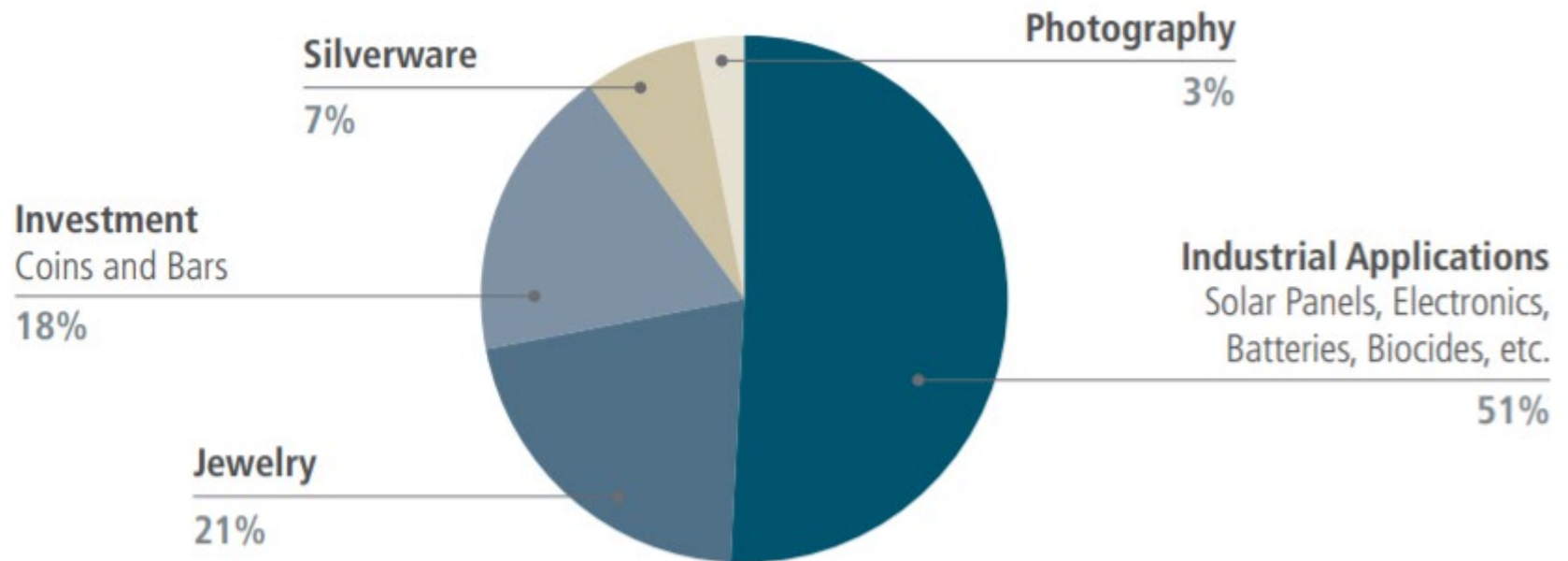
“When the time comes to raise interest rates, we will certainly do that. And that time, by the way, is no time soon.”

Jerome Powell
January 14, 2021

Source:: Cornerstone Macro.

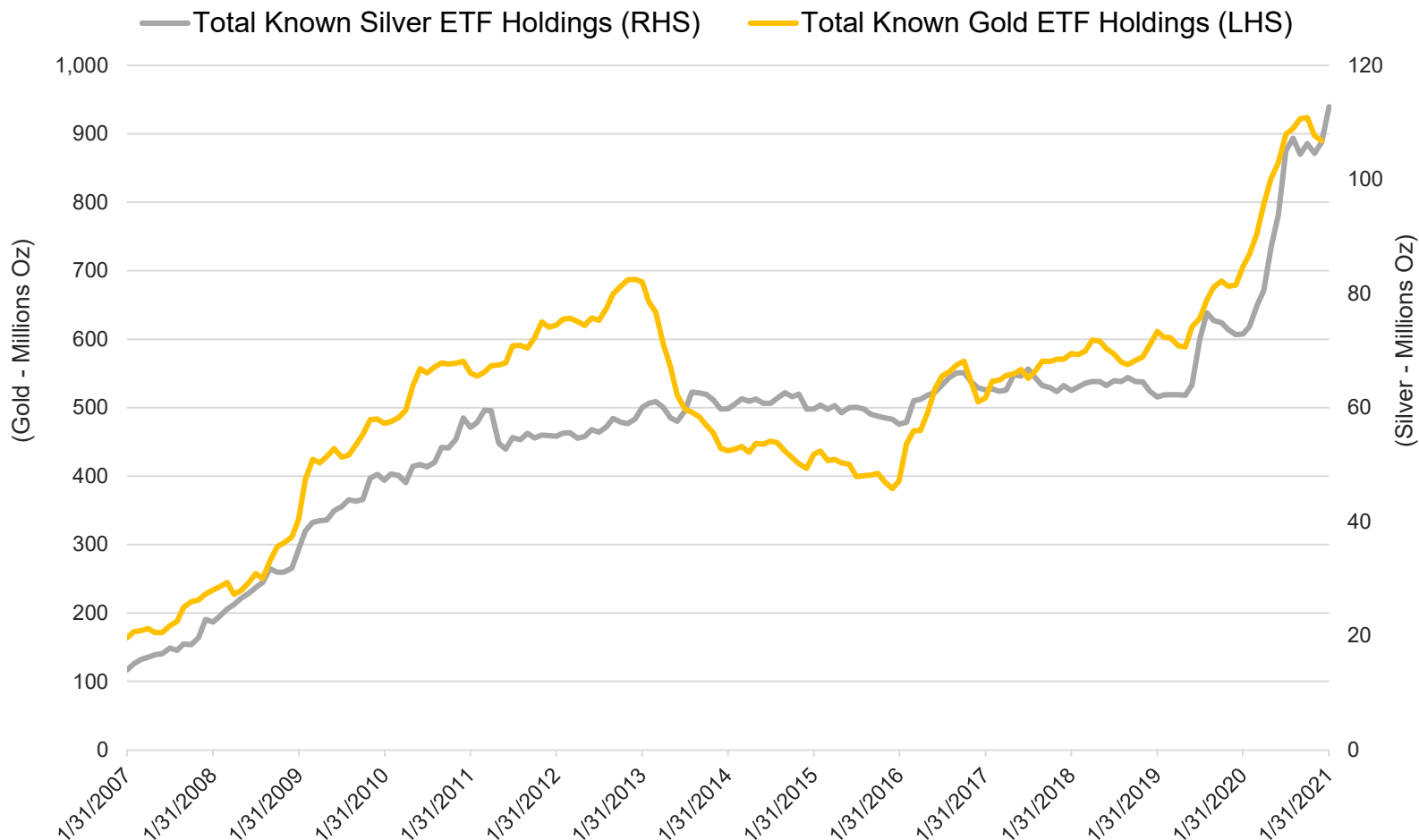


Silver Demand



Source: GFMS Definitive, Metals Focus, The Silver Institute, UBS. Data as of January 2020.

Investors are Betting on Gold and Silver



Source: Bloomberg, data as of 1/31/2021. Gold ETFs are measured by the Bloomberg ETFGTOTL Index; silver ETFs are measured by the Bloomberg ETSITOTL Index.

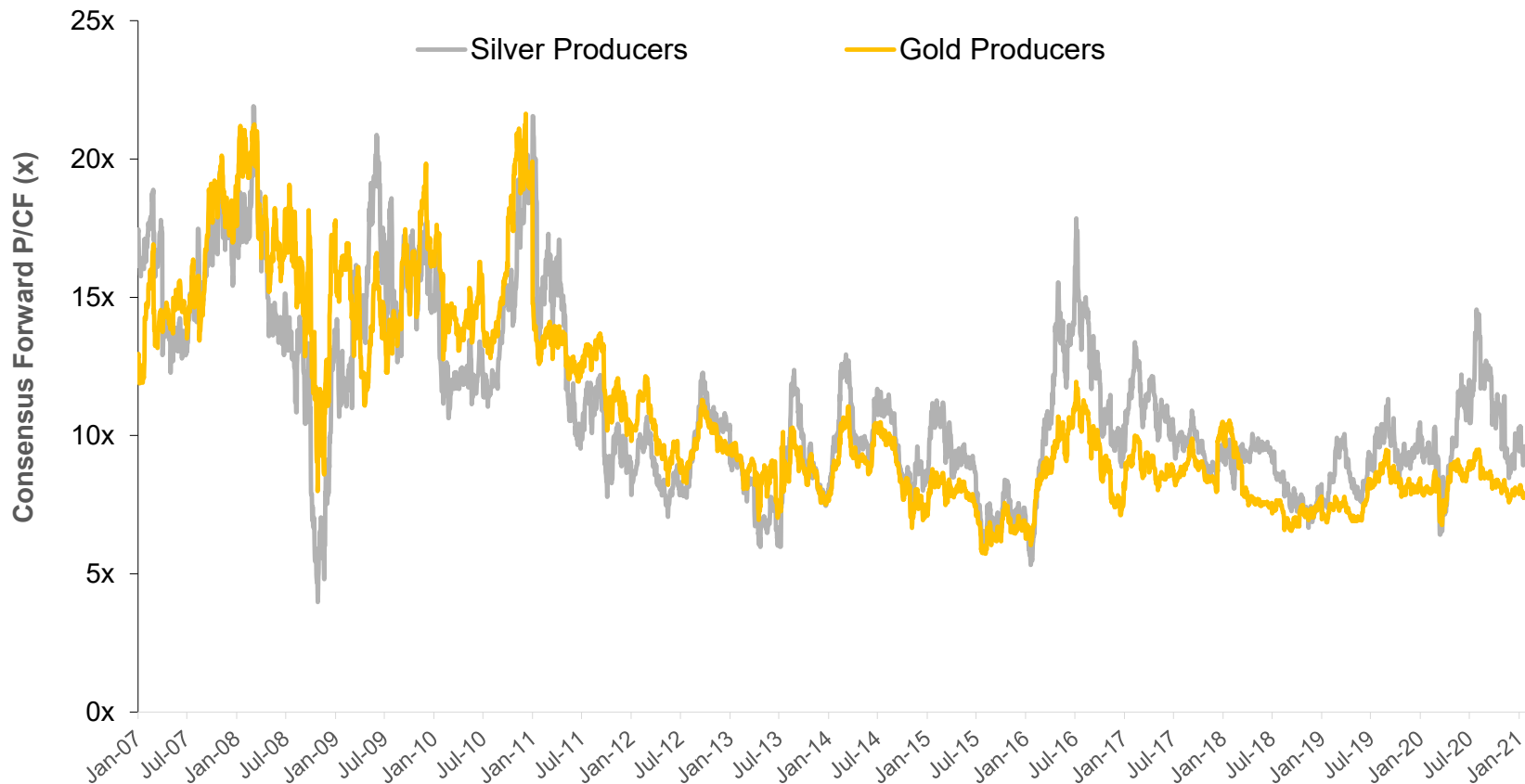
Silver is an “Every Day Green” Metal



Source: Ninepoint Partners.

Gold & Silver Company Valuations

Consensus Forward Looking Price-to-Cash Flow Multiples

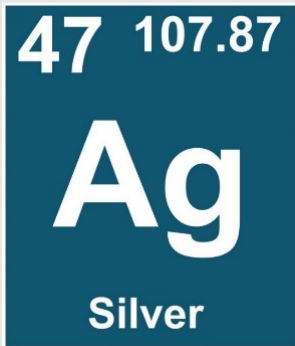


Source: Bloomberg; RBC Capital Markets, data as of 1/25/2021.

Sprott Silver Outlook

- Silver is a real asset which cannot be debased or devalued
- The current environment of expansionary monetary and fiscal policies worldwide aiming to stoke inflation, while keeping interest rates low, provides a supportive backdrop for a bull market in silver
- Investor interest in silver is broad, global and growing
- Silver is benefiting from the green energy revolution which will require a multi-year infrastructure buildout
- We believe the silver price should continue to climb higher
- The earnings and cash flow outlook for silver miners is highly favorable, especially when compared to most other equity sectors

Outlook is subject to change without notice.

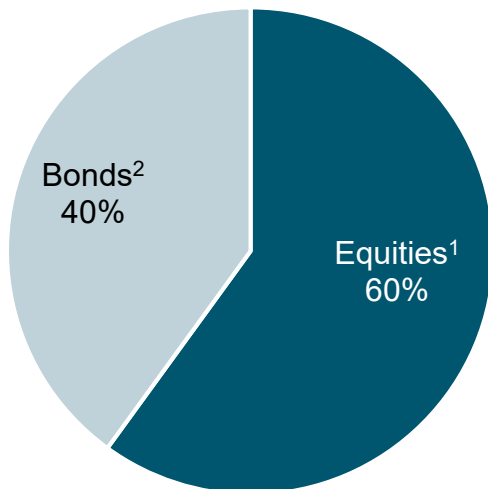


Portfolio Allocation – Ed Coyne

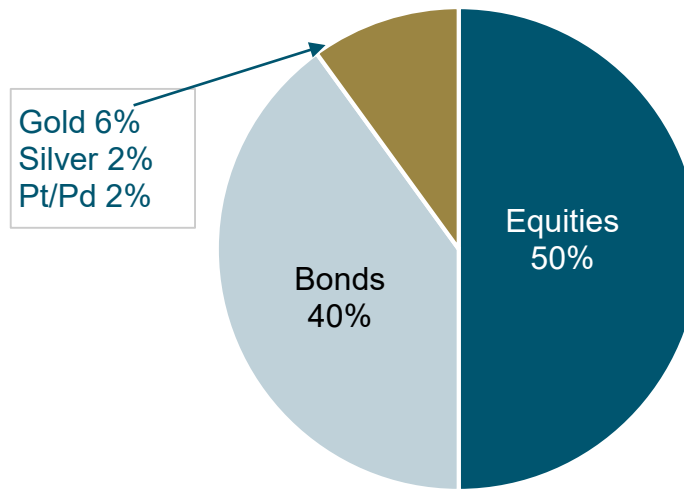
Precious Metals Portfolio Allocation

Sprott Recommends a 5%-10% Allocation to Precious Metals Gold, Silver, Platinum & Palladium

With a traditional 60/40 portfolio, equities¹ represents **98%** of the total portfolio risk.



Adding 10% precious metals to the portfolio, may reduce 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.

Raising the Bar in precious metals investing™



Sprott Physical
Silver Trust



Sprott Physical
Gold and Silver Trust



Sprott Physical
Gold Trust



Sprott Physical Platinum
and Palladium Trust



Sprott Gold Equity Fund



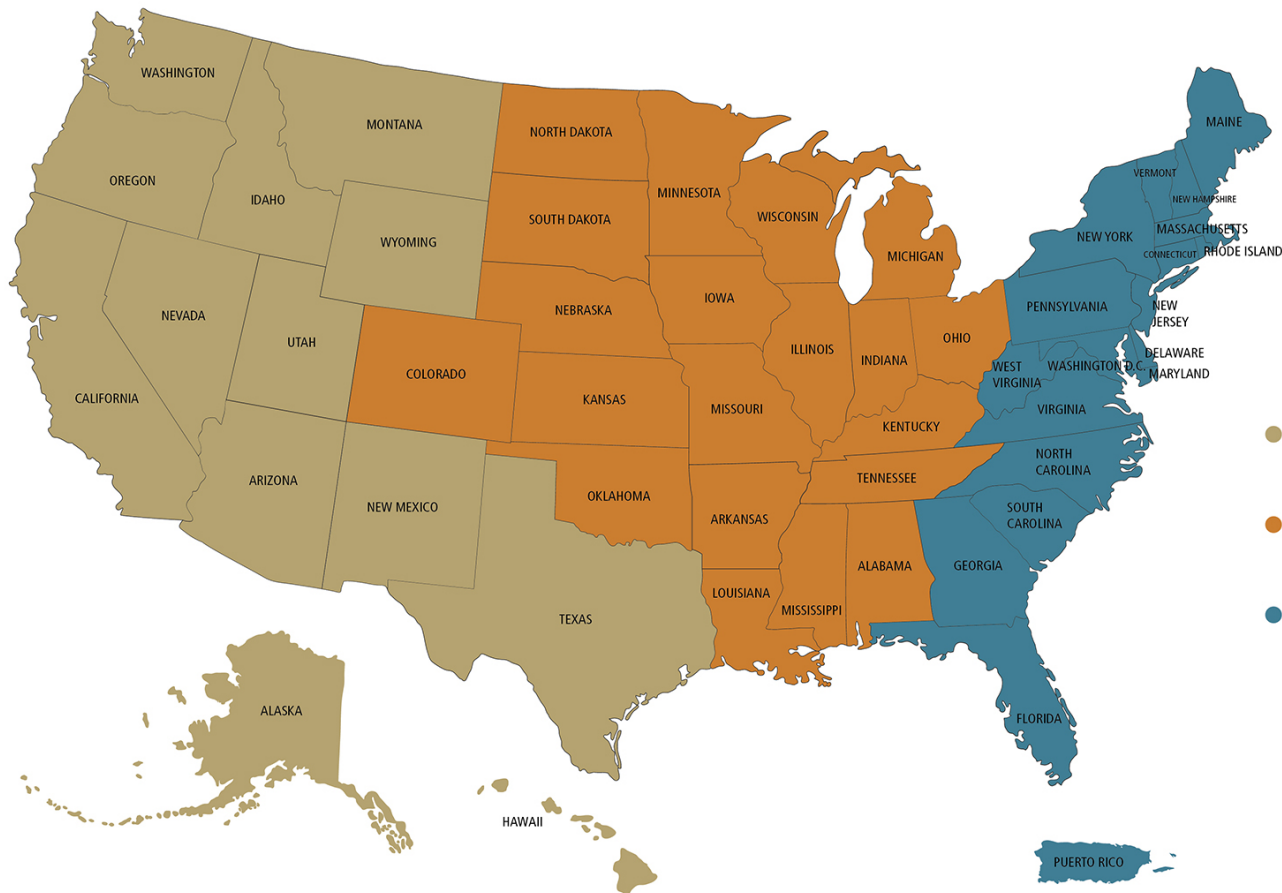
Sprott Gold Miners ETF



Sprott Junior Gold Miners ETF

Please see **Important Disclosures** on Slides 30-31, which contain links to the Fund's prospectuses.

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Important Disclosure

Past performance is no guarantee of future results. You cannot invest directly in an index.

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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 [prospectuses](#). 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.

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