



The Value of Gold and Gold Equities

September 30, 2022

A Global Leader in Precious Metals and Real Assets Investments

Sprott


US\$21.9B in AUM¹

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

Exchange Listed Products	Managed Equities	Private Strategies
\$16.9B AUM	\$2.7B AUM	\$1.6B AUM
<ul style="list-style-type: none">Physical Bullion Trusts (NYSE Arca/TSX Listed)Sprott ESG Gold ETF (NYSE Arca Listed)²Physical Uranium Trust (TSX Listed)Gold Mining Equity ETFs (NYSE Arca Listed)Uranium Mining Equity ETF (NYSE Arca Listed)	<ul style="list-style-type: none">Flagship U.S. mutual fund: 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 experts

¹Sprott AUM as of June 30, 2022.

²Launched July 19, 2022.



“It is dangerous to accept that government spending no matter how much and what for is the only solution and even more dangerous to believe that the shape of the recovery is only a function of the size of the stimulus package.”

“Central banks do not manage risk, they disguise it.”

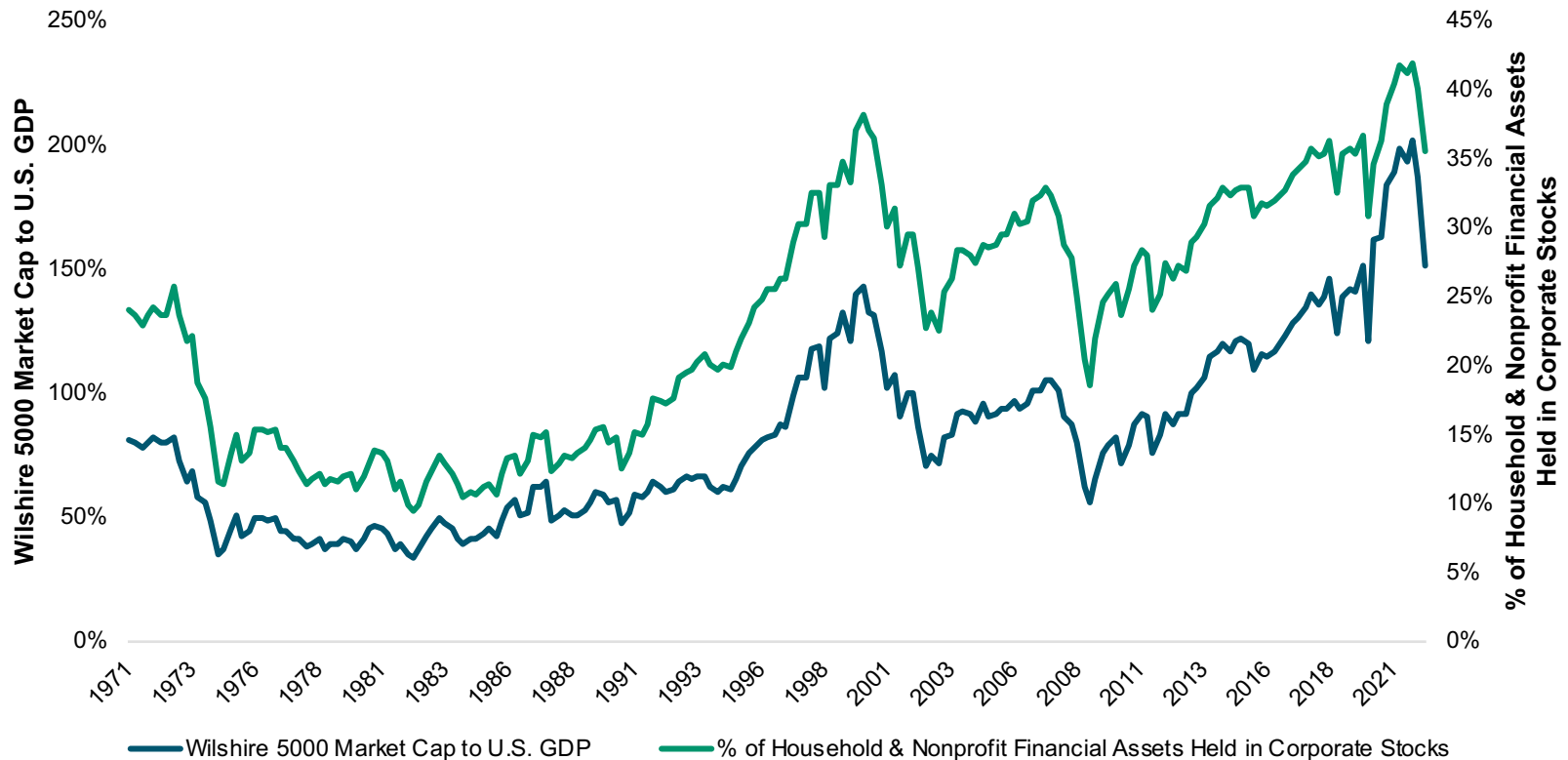
– Daniel Lacalle, Chief Economist and Investment Officer at Tressis Gestión

Source: April 18, 2021, <https://www.dlacalle.com/en/the-us-recovery-is-not-that-strong/>.

Stock Valuations and Equity Ownership Are Near All-Time Highs

- Stock valuations are at multi-decade highs and households have never held more equities, posing a potentially dangerous combination

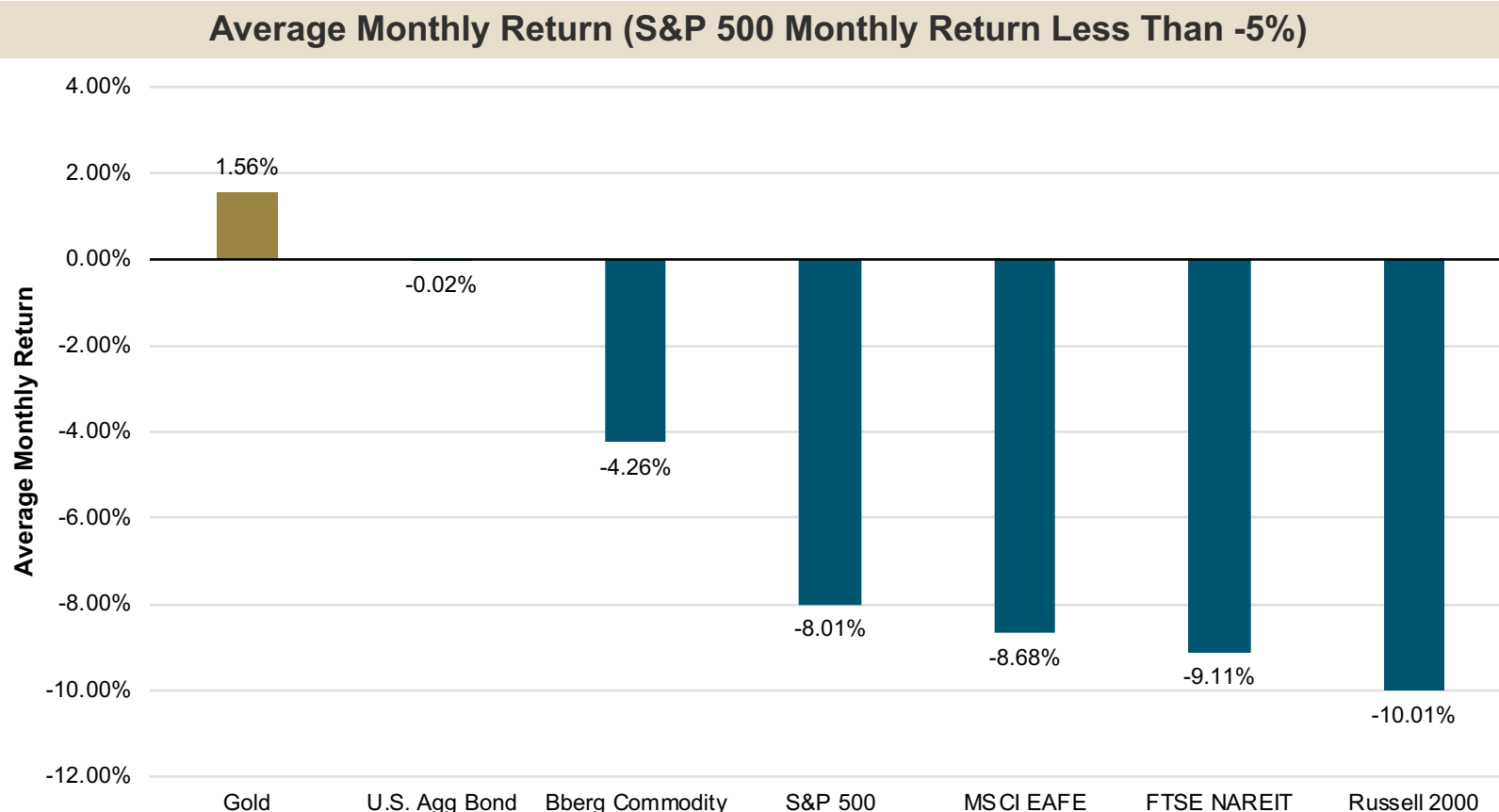
Wilshire 5000 Market Cap to U.S. GDP vs. % of Household & Nonprofit Financial Assets Held in Stocks
1971-Q3 2022



Source: FRED Database & Yahoo Finance. Wilshire 5000 Market Cap as of 9/30/2022. U.S. GDP and % of Household & Nonprofit Organizations Financial Assets Held in Corporate Stocks as of Q2 2022, latest available data. The Wilshire 5000 is the broadest stock market index of publicly-traded American companies. U.S. GDP represents nominal seasonally-adjusted GDP.

Gold Has Historically Offered Downside Equity Protection

- Gold's average monthly return has been +1.56% when stocks have sold off more than -5%, besting other asset classes

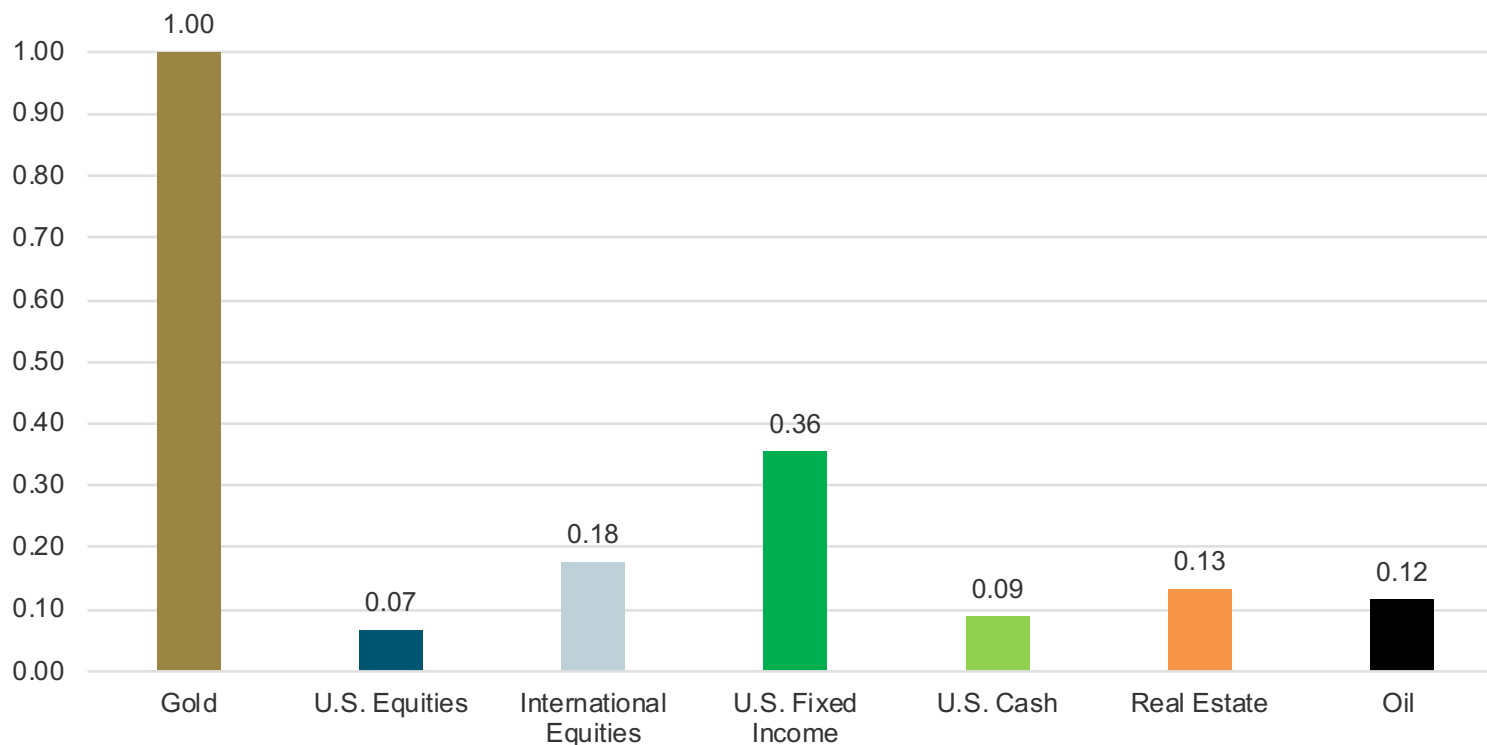


Source: Bloomberg as of 9/30/2022 (reflects the past 20 years). Gold measured by GOLDS COMDTY Index, U.S. Agg Bond measured by LBUSTRUU Index, Bberg Commodity measured by BCOM TR Index, S&P 500 measured by SPX Index, FTSE NAREIT measured by FNER Index, MSCI EAFE measured by MXEA Index and Russell 2000 measured by RTY Index.

Gold Provides Low Correlation

- Gold has provided a low correlation to other asset classes and may have diversification benefits in broader portfolios

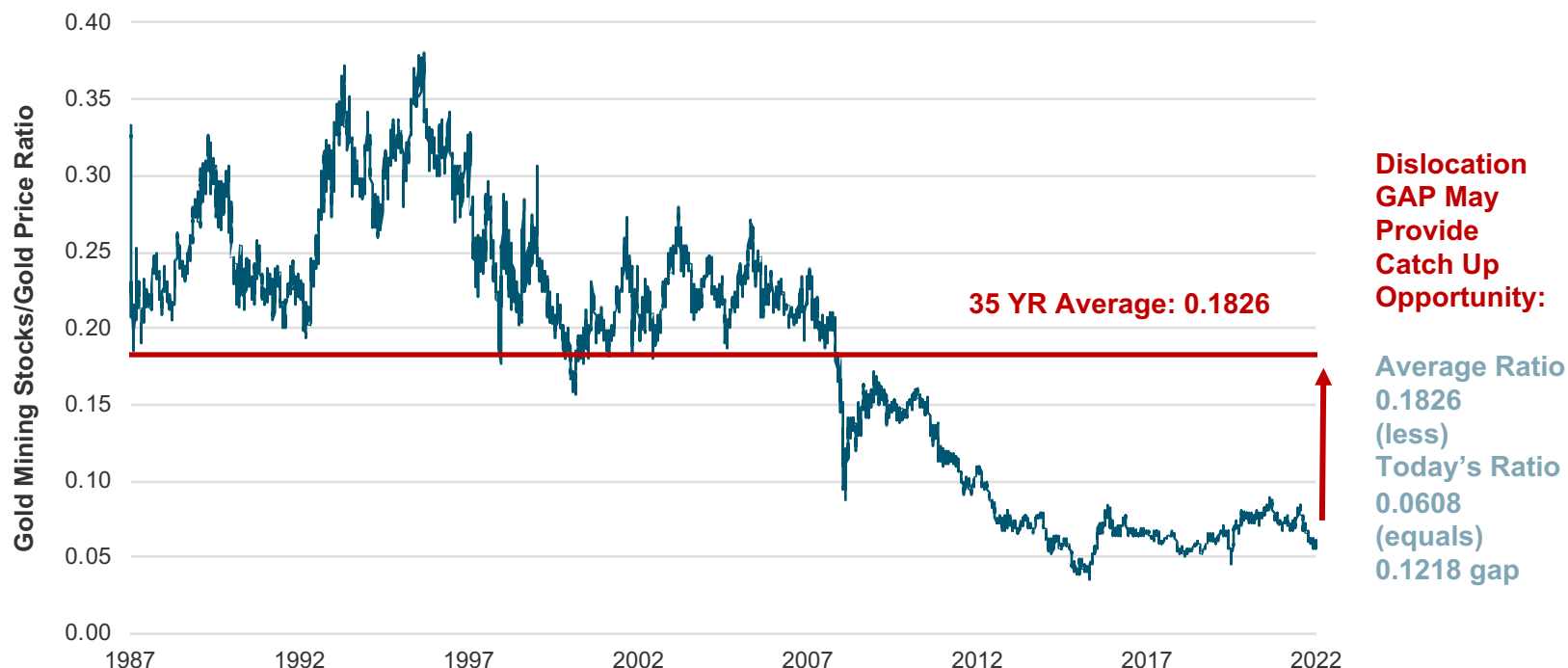
Correlation versus Gold (Past 20 Years)



Source: Bloomberg. Period from 9/30/2002-9/30/2022. Gold is measured by GOLDS Comdty; U.S. Equities by the S&P 500 Index; International Equities by the MSCI EAFE Index; U.S. Fixed Income by the Bloomberg Barclays US Aggregate Bond Index; U.S. Cash by the S&P US Treasury Bill 0-3 Month Index; Real Estate by the Dow Jones US Select REIT Index; and Oil by the S&P GSCI Crude Oil Total Return CME Index.

Gold Miners Offering Deep Value versus Gold Bullion

- There has historically been a strong correlation between the price of gold and gold mining stocks, although they are not always in sync
- Gold mining equities are now near a 35-year low vs. gold. The ratio of miners to gold would need to increase 200% from its current level to return to the 35-year average ratio



Source: Bloomberg as of 9/30/2022 (reflects past 35 years). Gold is measured by the GOLDS Comdty Spot Price and gold equities by the Philadelphia (PHLX) Stock Exchange Gold and Silver Sector Index (XAU). The Philadelphia (PHLX) Stock Exchange Gold and Silver Index (XAU) is used versus the Philadelphia (PHLX) Stock Exchange Gold and Silver Sector Total Return Index (XXAU) for its longer historical track record. You cannot invest directly in an index. **Past performance is no guarantee of future results.**

Gold Miners Present Attractive Relative Value and Fundamentals

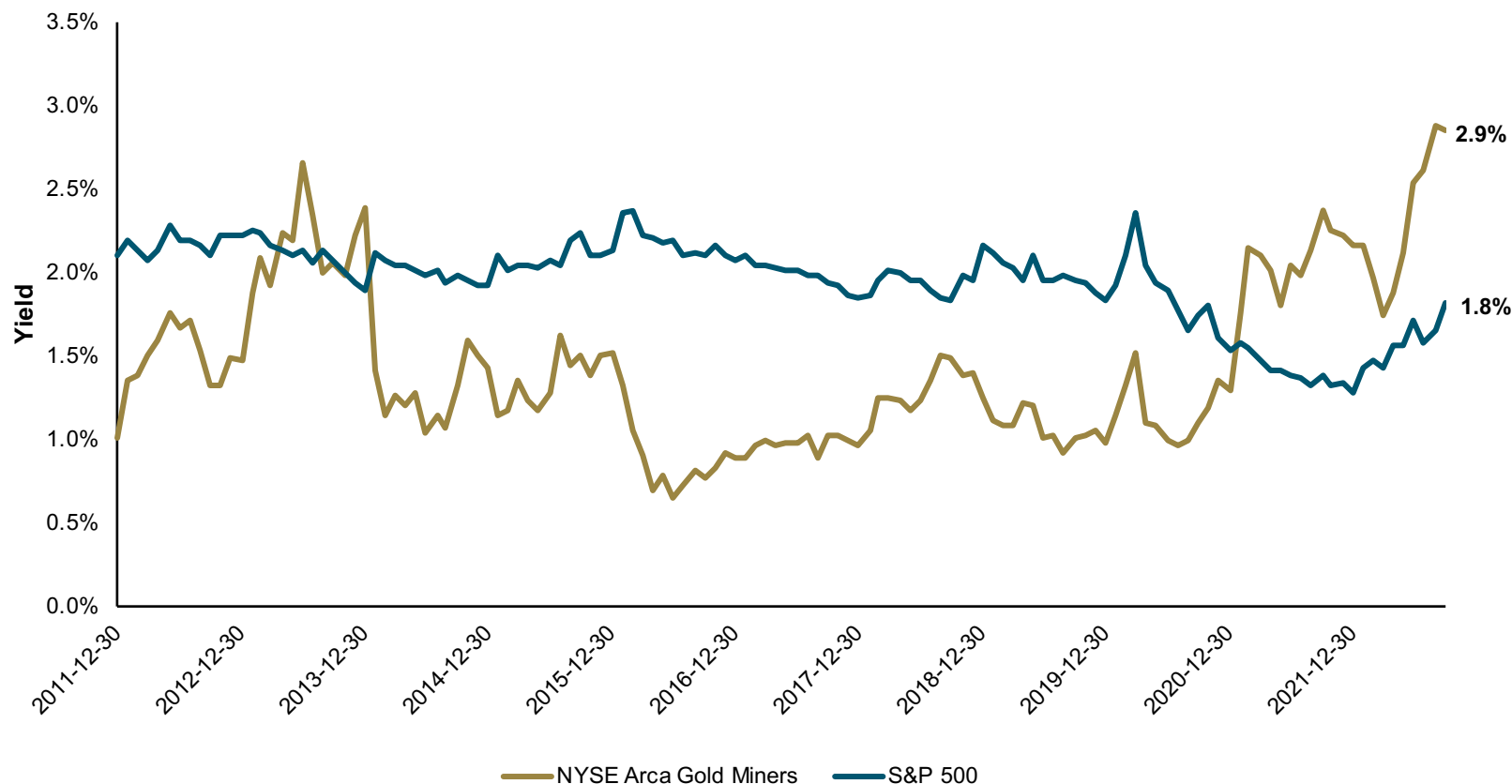
- Gold mining equities are trading multiples lower than the S&P 500 and with superior profitability and lower leverage

	Gold Miners (GDM)	S&P 500	Comments
EV/EBITDA	6.04x	11.13x	GDM ~half as expensive
Dividend Yield	2.85%	1.82%	GDM ~1/2th higher
Profit Margin	13.94%	12.99%	GDM ~7% greater
Net Debt/EBITDA	0.27	1.26	GDM fractions of debt
Total Debt/Total Assets	13.71%	24.51%	GDM less levered

Source: Bloomberg as of 9/30/2022. Gold Miners (GDM) represents the NYSE Arca Gold Miners Index (GDM INDEX). S&P 500 is measured by the SPX Index. You cannot invest directly in an index. **Past performance is no guarantee of future results.**

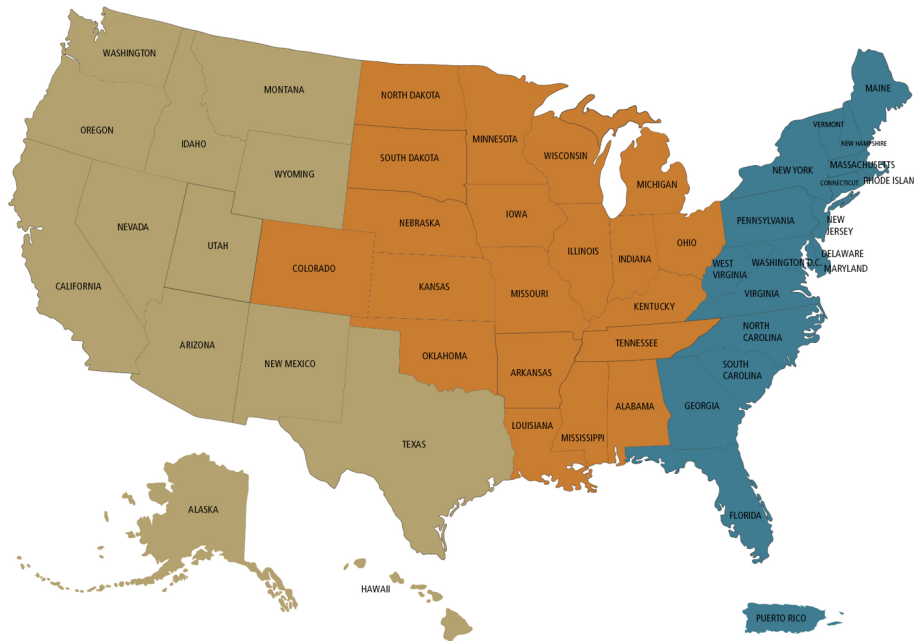
Gold Miners Out-Yielding Stocks

- Gold miners' dividend yield is currently 1.1% greater than the S&P 500 after historically under yielding the S&P 500



Source: Bloomberg as of 9/30/2022. NYSE Arca Gold Miners Index measured by GDM Index; S&P 500 measured by SPX Index. Yield reflects Dividend Yield for NYSE Arca Gold Miners and S&P 500 and Yield-to-Maturity for Bloomberg U.S. Aggregate Bond Index. You cannot invest directly in an index. **Past performance is no guarantee of future results.**

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