



November 10, 2011  
Third Quarter Financial Results

## Forward-looking Statements

This presentation contains "forward-looking statements" which reflect the current expectations of the Company. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements including, without limitation, those listed under the heading "Risk Factors" in the Company's annual information form dated March 25, 2011. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this presentation. Although the forward-looking statements contained in this presentation are based upon what the Company believes to be reasonable assumptions, the Company cannot assure investors that actual results, performance or achievements will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this presentation and the Company does not assume any obligation to update or revise them to reflect new events or circumstances.

## Speakers

### **Peter Grosskopf**

Chief Executive Officer

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### **Steve Rostowsky**

Chief Financial Officer

## Financial Highlights

- AUM of \$9.9 billion as at September 30, 2011
- Net sales of \$655 million
- \$40.4 million in management fees
- \$17.4 million in EBITDA, \$0.10 per share
- \$18.3 million in Base EBITDA, \$0.11 per share
- Net income of \$10.4 million, \$0.06 per share
- Declared \$0.03 third quarter dividend

## Recent Highlights

- Expanded fixed income franchise with launch of Sprott Strategic Fixed Income Fund
- Completed \$306 million PHYS follow-on offering
- Launched Sprott Corporate Class
- Continued to add experienced professionals
  - Paul Meehl, CEO of GRIL
  - J.D. Rothstein, SVP and National Sales Manager of SAM
- Restructured incentive-based compensation plan
- Committed to the expansion of sales capabilities
  - Institutional, Sprott Private Wealth, Wholesale

## Sprott U.S. Managed Accounts Platform

- Four new managed accounts:
  - **Sprott Global Diversified Resource**, managed by Rick Rule
  - **Sprott Global Precious Metals**, managed by Rick Rule / Eric Sprott
  - **Sprott Global Energy**, managed by Rick Rule / by Eric Nuttall
  - **Sprott Global Resource Income**, managed by Jeff Howard
- Gives U.S. investors access to the investment expertise of Rick Rule, Eric Sprott and full Sprott investment team
- Builds on the success of physical bullion funds in U.S.

## AUM by Product Type

Product Type	September 30, 2011		September 30, 2010	
	\$(in millions)	% of AUM	\$(in millions)	% of AUM
Mutual Funds	2,592	26.2%	2,639	40.5%
Bullion Funds	3,186	32.2%	1,267	19.5%
Domestic Hedge Funds	1,736	17.6%	1,454	22.3%
Offshore Funds	690	7.0%	551	8.5%
Direct Management (Managed Companies)	643	6.5%	436	6.7%
Managed Accounts (Includes Flow Through LPs)	628	6.4%	166	2.5%
Fixed Term Limited Partnerships	406	4.1%	-	-
<b>Total</b>	<b>9,881</b>	<b>100%</b>	<b>6,513</b>	<b>100%</b>

## Total AUM

<i>\$ millions</i>	Q3-2011	Q3-2010
AUM, beginning of period	9,292	5,546
Net sales	655	354
Market value appreciation (depreciation) of portfolios	(66)	613
<b>AUM, end of period</b>	<b>9,881</b>	<b>6,513</b>

## Q3 AUM Changes

Product Type	September 30, 2011	
	Net Sales	Market value change
Mutual Funds	(19)	(326)
Bullion Funds	448	246
Domestic Hedge Funds	16	74
Offshore Funds	(36)	45
Direct Management (Managed Companies)	n/a	n/a
Managed Accounts (Includes Flow Through LPs)	246	(54)
Fixed Term Limited Partnerships	n/a	(51)
<b>Total</b>	<b>655</b>	<b>(66)</b>

## Revenue

<i>\$ millions</i>	Q3-2011	Q3-2010
Management fees	\$40.4	\$24.7
Crystallized performance fees	\$2.0	\$0.7
Commissions	\$3.4	\$0.3
Unrealized and realized gains (losses) on proprietary investments	\$(2.4)	\$2.9
Other income	\$0.9	\$0.5
<b>Total revenue</b>	<b>\$44.3</b>	<b>\$29.1</b>

## Summary Financial Information

<i>\$ millions except per share amounts</i>	Q3-2011	Q3-2010
Total revenue	\$44.3	\$29.1
Total expenses	\$30.3	\$15.8
EBITDA	\$17.4	\$13.7
EBITDA per share	\$0.10	\$0.09
Base EBITDA*	\$18.3	\$10.4
Base EBITDA per share	\$0.11	\$0.07
Net income	\$10.4	\$10.0
Earnings per share	\$0.06	\$0.07

\* Base EBITDA refers to EBITDA excluding performance fees and performance fee-related bonuses, and gains and losses on proprietary investments.

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## Building a Global Alternative Asset Manager

- Building a unique global platform
  - Publicly listed
  - Diversified by geography
  - Multiple sales channels
  - Multiple asset classes and types
- We will diversify the platform with key hires
  - Build exposure to more liquid fund categories while maintaining consistency with our market outlook
- Conditions are also opportune for M&A
  - Ability to add new managers and products

## Major Initiatives

### Organic growth through:

- International institutional sales
  - New global macro fund under development
- Growth of U.S. business
- New initiatives at Sprott Consulting
- Continued expansion of product shelf
- Hiring at Sprott Private Wealth

### External growth through:

- Possible acquisitions of product and private client asset managers
- Evaluation of global M&A opportunities to advance strategic priorities

## Outlook

- Remain committed to defensive positioning due to increasing risk of financial system shocks
- Our belief is that the opportunity has never been greater for precious metal shares to outperform
- Limited performance fees expected for 2011 – this can change quickly
- Looking for good opportunities in:
  - Energy producers
  - Agriculture and agricultural inputs
  - Selective GARP and defensive investments

## Sprott Inc. Priorities

1

Stay Focused  
on Performance

2

Leverage Our  
Platform

3

Expand  
Globally



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