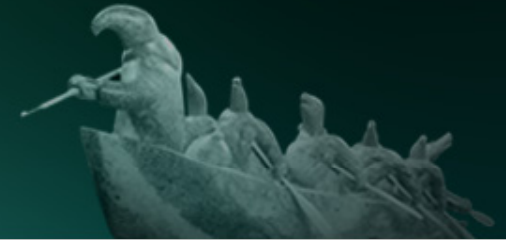




**Sprott** INC.

Q4 and Year End 2009  
Financial Results  
March 11, 2010

# 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 prospectus. 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 and Sprott Asset Management (SAM) believe to be reasonable assumptions, neither the Company nor SAM can 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 neither the Company nor SAM assumes any obligation to update or revise them to reflect new events or circumstances except as required by Canadian Securities laws.

# Speakers



## **Peter Hodson CFA**

Director, Sprott Inc.

Chairman and Portfolio Manager, Sprott Asset Management

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## **Steve Rostowsky CA, CFA**

Chief Financial Officer, Sprott Inc.

# Market Review



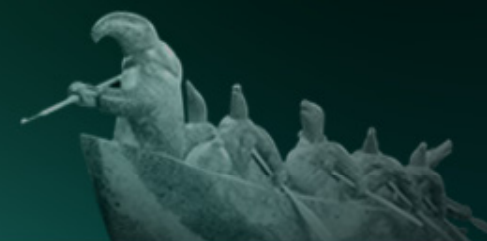
- Markets bounced back from financial crisis
- S&P TSX Composite Index up 30.7% on the year
- Recovery not based on economic fundamentals
- Gold hit new highs
- Undervalued stocks offered opportunities for alpha
- Small caps led the market recovery

# Fund performance



- Strong performance from mutual funds
  - All but two smallest funds outperformed benchmarks
- Benefited from exposure to gold and precious metals
- Hedge funds constrained by short positions

# Mutual Fund Performance



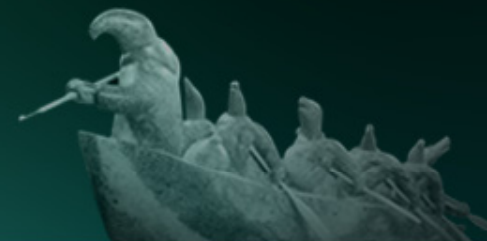
	<i>Series A, YTD as at December 31, 2009</i>			<i>Series A, Historical</i>		
	Actual	Benchmark		3YR	5YR	Inception
Canadian Equity Fund	36.0%	35.1%	S&P/TSX Composite Total Return Index	-4.5%	6.6%	19.8%
Gold & Precious Minerals Fund	113.8%	7.0%	S&P/TSX Global Gold Index	-3.4%	10.3%	22.3%
Energy Fund	76.1%	41.5%	S&P/TSX Capped Energy Total Return Index	-9.7%	2.2%	9.1%
Growth Fund	54.8%	35.1%	S&P/TSX Composite Total Return Index	-7.8%	-	-1.4%
Global Equity Fund	-6.9%	12.3%	MSCI World Index (CAD)	-	-	-17.8%
Small Cap Equity Fund	76.0%	62.4%	S&P/TSX Small Cap Total Return Index	-	-	-4.6%
All Cap Fund	18.7%	35.1%	S&P/TSX Composite Total Return Index	-	-	7.3%
Gold Bullion Fund* (launched on 17/03/09)	-	-	N/A	-	-	-

\* In accordance with NI 81-102, only Fund returns over a year are published.

Strong performance from gold, energy and small caps



# Hedge Fund Performance



<i>Class A, YTD as at December 31, 2009</i>		<i>Class A, Historical</i>		
		3YR	5 YR	Inception
<b>Canadian Hedge Funds</b>				
Hedge Fund L.P	2.4%	6.7%	11.2%	21.9%
Hedge Fund L.P. II	-0.6%	9.0%	11.8%	9.0%
Bull/Bear RSP Fund	0.3%	10.2%	13.1%	12.3%
Opportunities Hedge Fund L.P	6.4%	8.4%	15.1%	19.5%
Opportunities RSP Fund	6.3%	8.2%	–	10.3%
Small Cap Hedge Fund	78.0%	–	–	2.4%
<b>Offshore Funds*</b>				
Offshore Fund	20.0%	13.8%	16.4%	22.3%
Offshore II Fund	9.8%	–	–	8.9%
Capital, L.P.	20.0%	13.8%	16.3%	22.0%
Capital, L.P. II	9.9%	–	–	3.7%
Opportunities Offshore Fund Ltd.	4.9%	8.6%	–	8.3%
Opportunities Capital Fund, L.P.	4.6%	8.4%	–	8.1%

\*Returns shown are for reference series

\*\*YTD as of December 31, 2009

Scotia Capital Canadian Hedge Fund  
Asset Weighted Index 28.7%\*\*



# 2009 Highlights



- **Assets under management**
  - \$4.8 billion as at December 31, 2009
  
- **Completed corporate reorganization:**
  - Sprott Asset Management LP
  - Sprott Private Wealth LP
  - Sprott Consulting LP
  
- **Announced senior level appointments at Sprott Inc. and SAM**
  - Kevin Bambrough, President, Sprott Inc.
  - James Fox, President, Sprott Asset Management

# Assets Under Management



<i>\$ millions</i>	<b>Q4-09</b>	<b>Q4-08</b>	<b>2009</b>	<b>2008</b>
AUM, beginning of period	4,338	5,606	4,449	6,215
Net sales/(redemptions)	(68)	(585)	(571)	95
Market value appreciation/(depreciation) of portfolios	504	(572)	896	(1,861)
<b>AUM, end of period</b>	<b>4,774</b>	<b>4,449</b>	<b>4,774</b>	<b>4,449</b>

# Revenue



<i>\$ millions</i>	<b>Q4-09</b>	<b>Q4-08</b>	<b>2009</b>	<b>2008</b>
Management fees	23.1	21.7	88.0	124.0
Crystallized performance fees	10.6	42.4	13.0	47.9
Unrealized and realized gain/(loss) on proprietary investments	<b>1.4</b>	(7.4)	<b>5.0</b>	(11.7)
Other income	<b>0.6</b>	0.8	<b>1.5</b>	5.6
<b>Total revenue</b>	<b>35.7</b>	<b>57.7</b>	<b>107.5</b>	<b>165.8</b>

# Summary Financial Information



<i>\$ millions except per share amounts</i>	<b>Q4-09</b>	<b>Q4-08</b>	<b>2009</b>	<b>2008</b>
Total revenue	35.7	57.7	107.5	165.8
Total expenses	17.3	26.0	62.4	86.5
Base EBITDA*	9.6	8.1	33.7	57.1
Net income	13.3	20.4	31.8	52.1
Earnings per share	0.09	0.14	0.21	0.36

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

Variable cost structure ensures expenses are correlated with revenues



# Growth Initiatives: Sprott Asset Management



- **Named James Fox, President**
- **Increased focus on new product development**
  - Peter Loach, Executive VP, Product Development, SAM
  - Scott Colbourne, Senior Portfolio Manager, SAM
  - Eric Nuttall and David Tomljenovic promoted to PMs
- **New funds in 2010:**
  - Sprott 2010 Flow-Through Limited Partnership
  - Sprott Physical Gold Trust
  - More new products to come in 2010

Broadening product lineup



## Growth Initiatives: Sprott Private Wealth



- More than 2100 private client accounts
- Unique distribution channel for our fund products
- Named Mike Ricafort, Director of National Sales
- Manage “greater share of wallet”

Broader wealth management services



# Growth Initiatives – Sprott Consulting



- Sprott Consulting L.P.
  - In depth analysis to identify industry trends
  - Team approach
- Sprott Resource Corp. investee companies:
  - One Earth Farms
  - Orion Oil and Gas
  - Stonegate Agricom
  - Waseca Energy

Adds Private Equity component to revenue mix



# 2010 Outlook



- Continue to grow each line of business
- Diversify product offerings
- Leverage deep and broad investment team
- Focus on performance

Focused growth strategy





**Sprout** INC.

Q4 and Year End 2009

Q&A

March 11, 2010