



Sprott INC.

Q2 2009
Financial Results
August 6, 2009

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



Eric Sprott CA

President, CEO & Director, Sprott Inc.
Portfolio Manager, Sprott Asset Management

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Chief Financial Officer, Sprott Inc.

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Director, Sprott Inc.
Portfolio Manager, Sprott Asset Management

Market Review



- Rallies are not supported by the “real” economy
- Still bullish on gold and precious metals
- Strong performance from Small Caps
- Several larger funds positioned defensively

Mutual Fund Performance



<i>Series A, YTD as at June 30, 2009</i>				<i>Series A, Historical</i>			
	Actual	Benchmark		1 YR	3YR	5YR	Inception
Canadian Equity Fund	8.87%	17.56%	S&P/TSX Composite Total Return Index	-45.57%	-5.80%	6.78%	18.47%
Gold & Precious Minerals Fund	45.59%	0.99%	S&P/TSX Global Gold Index	-21.22%	-10.62%	3.08%	17.84%
Energy Fund	22.15%	24.32%	S&P/TSX Capped Energy Total Return Index	-68.38%	-16.61%	1.84%	2.51%
Growth Fund	18.25%	17.56%	S&P/TSX Composite Total Return Index	-54.38%	-11.50%	-	-8.97%
Global Equity Fund	-9.69%	2.60%	MSCI World Index (CAD)	-34.51%	-	-	-22.58%
Small Cap Equity Fund	28.19%	17.92%	S&P/TSX Small Cap Total Return Index	-43.65%	-	-	-20.61%
All Cap Fund* (launched on 18/09/08)	-	-	S&P/TSX Composite Total Return Index	-	-	-	-
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 recovery in gold and small caps



Hedge Fund Performance

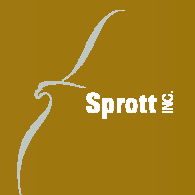


<i>Class A, YTD as at June 30, 2009</i>		<i>Class A, Historical</i>			
		1 YR	3YR	5 YR	Inception
Canadian Hedge Funds					
Hedge Fund L.P	-1.55%	-26.21%	8.21%	14.13%	22.76%
Hedge Fund L.P. II	-3.88%	-20.19%	10.65%	14.40%	9.21%
Bull/Bear RSP Fund	-3.18%	-17.35%	11.60%	15.61%	12.64%
Opportunities Hedge Fund L.P	1.53%	-7.64%	7.62%	20.75%	20.47%
Opportunities RSP Fund	1.47%	-7.76%	7.47%	—	10.43%
Small Cap Hedge Fund	33.67%	—	—	—	—
Offshore Funds*					
Offshore Fund	7.27%	-25.66%	11.56%	19.05%	22.12%
Offshore II Fund	0.44%	-25.66%	11.53%	19.92%	21.82%
Capital, L.P.	7.23%	-22.15%	—	—	6.08%
Capital, L.P. II	0.28%	-22.73%	—	—	-1.26%
Opportunities Offshore Fund Ltd.	0.99%	-7.65%	8.42%	—	8.38%
Opportunities Capital Fund, L.P.	0.80%	-7.96%	8.18%	—	8.14%

*Returns shown are for reference series

**YTD as of June 30, 2009

Scotia Capital Canadian Hedge Fund
Asset Weighted Index 12.10%**



Q2 2009 Highlights



- **Assets under management**
 - \$4.4 billion as at June 30, 2009

- **Net redemptions less than 1% of AUM in Q2**

- **Completed internal reorganization – 3 business lines:**
 - Sprott Asset Management LP
 - Sprott Private Wealth LP
 - Sprott Consulting LP

Assets Under Management



<i>\$ millions</i>	Q2-09	Q2-08	H1-09	H1-08
AUM, beginning of period	4,725	6,801	4,449	6,215
Net sales/(redemptions)	(43)	259	(251)	561
Market value appreciation of portfolios	(238)	666	246	950
AUM, end of period	4,444	7,726	4,444	7,726

Revenue



<i>\$ millions</i>	Q2-09	Q2-08	H1-09	H1-08
Management fees	21.7	36.6	44.3	69.4
Crystallized performance fees	0.4	4.0	2.2	4.3
Unrealized and realized gain on proprietary investments	0.8	(2.7)	2.9	5.4
Other income	0.2	1.6	0.3	3.5
Total revenue	23.1	39.5	49.7	82.6

Summary Financial Information



<i>\$ millions except per share amounts</i>	Q2-09	Q2-08	H1-09	H1-08
Total revenue	23.1	39.5	49.7	82.6
Total expenses	15.3	22.6	31.1	40.7
Base EBITDA*	7.6	17.2	15.7	33.8
Net income	5.6	11.4	13.0	28.1
Earnings per share	0.04	0.08	0.09	0.20

* Base EBITDA refers to EBITDA excluding performance fees and performance fee-related bonuses, gains and losses on proprietary investments, impairment of long term assets and the dilution loss related to the Sprott Molybdenum IPO, and retroactively accounting for the change in the bonus compensation arrangements that became effective upon completion of the Sprott Inc. IPO.

Variable cost structure ensures expenses are correlated with revenues

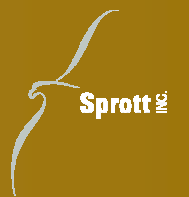


Outlook



- Outstanding growth opportunities
 - Sprott Asset Management LP
 - Sprott Private Wealth LP
 - Sprott Consulting LP
- Evaluating opportunities to diversify product lineup
- Deep and broad investment team
- Proven track record of superior performance

Focused growth strategy





Sprout INC.

Q2 2009

Q&A

August 6, 2009