



Sprout INC.

Q3 2008 Financial Results

October 30, 2008

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 release.

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 of Sprott Asset Management

Steve Rostowsky CA CFA

Chief Financial Officer

Market Review



- Systemic financial meltdown
- Long-term secular bear market continues...

Early Recognition of Investment Themes and Trends



“The Financial Sector is a Farce”

– October 2007

“Surreality Check...Dead Man Walking”

– November 2007

“Welcome to the 2008 Meltdown”

– January 2008

“Peak Oil: Alive and Well”

– April 2008

Source: Markets at a glance, Sprott Asset Management Inc.

Contrarians – willing to be different



Fund Performance

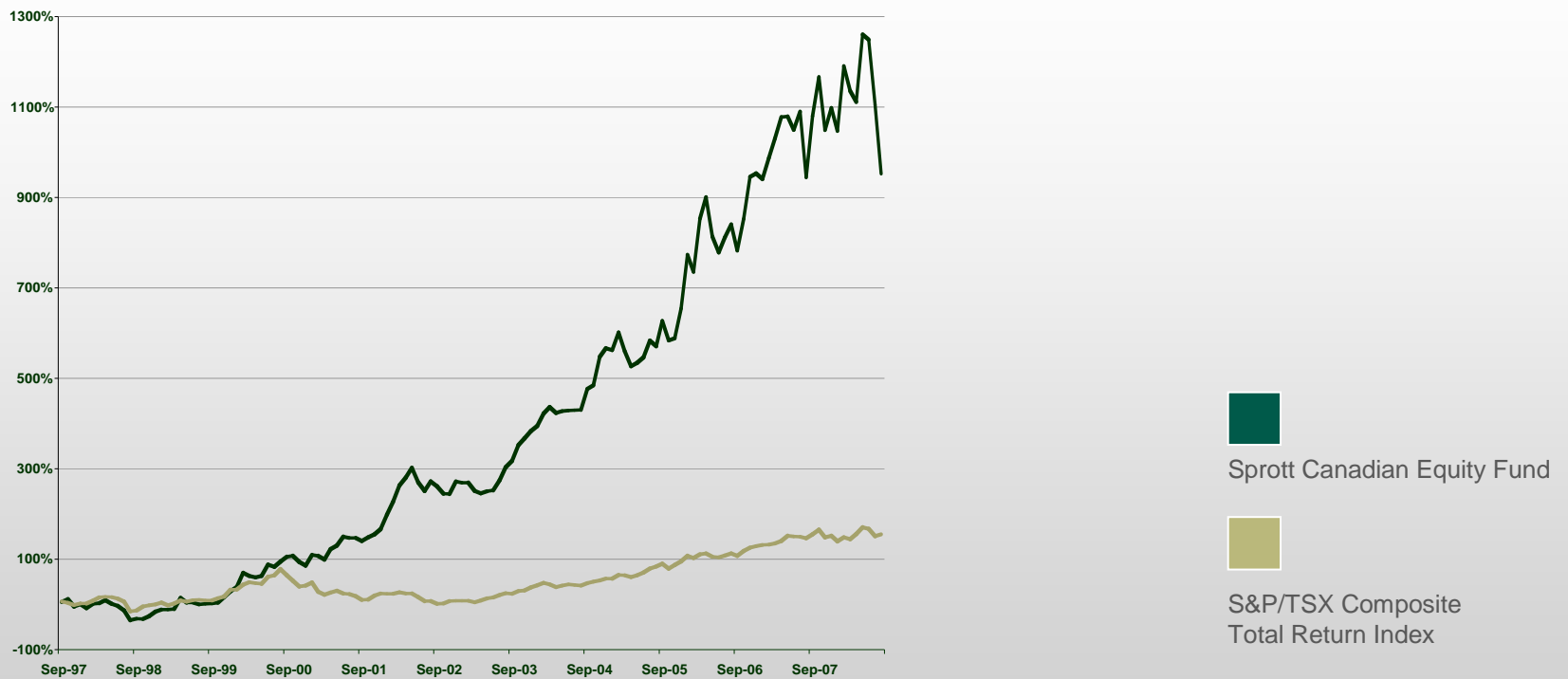


Product	YTD as of 09/30/08
Public Mutual Funds (Series A)	
Canadian Equity Fund	-29.17%
Gold and Precious Minerals Fund	-39.96%
Energy Fund	-29.89%
Growth Fund	-48.68%
Global Equity Fund	-24.67%
Small Cap Equity Fund	-26.05%
Canadian Hedge Funds	
Hedge Fund LP	-10.92%
Hedge Fund LP II	-3.74%
Bull Bear RSP Fund	-5.61%
Opportunities Hedge Fund LP	0.85%
Opportunities RSP	0.72%
Small Cap Hedge Fund	-25.14%
Global Market Neutral Fund	-4.04%
Offshore Funds	
Offshore Fund, Ltd.	-14.89%
Offshore Fund, Ltd. II	-5.87%
Capital LP	-14.87%
Capital LP II	-4.80%
Strategic Gold Offshore Fund, Ltd.	-53.72%
Strategic Gold LP	-53.70%
Opportunities Offshore Fund, Ltd.	0.49%
Opportunities Capital LP	0.29%

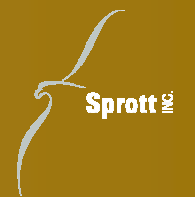
Long-term Performance



Total Return Since Inception (September 27, 1997-October 27, 2008)



Sprott Canadian Equity Fund



Historical Drawdowns



Peak	Trough	Peak to trough return	Returns one year after trough
Oct-97	Oct-98	-52.2%	68.2%
Apr-99	Aug-99	-17.1%	98.9%
Nov-00	Jan-01	-23.1%	54.6%
Jun-02	Jul-02	-22.4%	53.5%
Dec-04	May-05	-15.6%	58.8%
May-06	Jun-06	-24.4%	46.0%
Jul-07	Aug-07	-23.0%	0.7%
Average		-25.4%	54.4%

Q3 2008 Highlights



	Q3-08	Q3-07
AUM, end of period	5.6B	5.5B
Average AUM	6.7B	5.3B
Net sales	122M	255M

- Sprott All Cap Fund launched on September 18
- One of 3 lead managers for Star Hedge Managers Corp.

Positive net sales in the quarter



Assets Under Management



<i>\$ millions</i>	Q3-08	Q3-07	9M-08	9M-07	2007
AUM, beginning of period	7,726	5,151	6,215	4,239	4,239
Net sales	122	255	680	876*	1,350
Market value appreciation of portfolios	(2,242)	131	(1,289)	422	626
AUM, end of period	5,606	5,537	5,606	5,537	6,215

* Includes the initial public offering of Sprott Molybdenum Participation Corporation

Average AUM rose 25% year-over-year



Revenue



<i>\$ millions</i>	Q3-08	Q3-07	9M-08	9M-07
Management fees	32.9	27.7	102.3	76.8
Crystallized performance fees	1.3	1.1	5.6	1.5
Unrealized and realized gain (loss) on proprietary investments	(9.7)	(0.9)	(4.3)	(7.5)
Impairment of long term assets*	-	(6.4)	-	(7.5)
Other income	0.7	0.0	3.8	0.6
Interest income	0.3	0.1	0.8	0.5
Total revenue	25.4	21.6	108.1	64.3

* Investments in oil and gas properties distributed to SAM shareholders by way of a dividend-in-kind in April 2008

Revenue rose 18% year-over-year



Summary Financial Information



<i>\$ millions except per share amounts</i>	Q3-08	Q3-07	9M-08	9M-07
Total revenue	25.4	21.6	108.1	64.3
Total expenses	19.8	12.1	60.6	37.5
Base EBITDA*	15.2	13.9	49.0	36.8
Net income	3.7	3.5	31.8	14.6
Earnings per share	0.02	0.03	0.22	0.11

Eligible Q3 2008 dividend of \$0.025/share declared on October 28, 2008

- Record Date: November 10, 2008, Payment Date: November 28, 2008

* 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 Spratt Molybdenum IPO, and retroactively accounting for the change in the bonus compensation arrangements that became effective upon completion of the Spratt Inc. IPO.



Portfolio Positioning



- Defensive
- Focus on major themes
- Positioned to deal with liquidity
- No excessive leverage or exotic instruments

Growth Strategy



- Capitalizing on our brand
- Expanding our investment team
- Increased sales and marketing efforts
- Introduction of new products
- Sprott Molybdenum and Sprott Consulting L.P.

Early stages of penetration within the Canadian and global asset management industries





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