

MERGENT® INTERNATIONAL

NEW LISTING

April 24, 2018



This Supplemental News Report is published as required, is part of the annual MERGENT INTERNATIONAL and BANK & FINANCE Manuals and will be included in the bound April 2018 Monthly News Reports and is published on our Website.

SPROTT INC

Company Website: www.sprott.com

History: Incorporated in Canada on Feb. 13, 2008. On May 15, 2008, Co. acquired 100% of Sprott Asset Management Inc. On Feb. 14, 2011, Co. acquired Sprott U.S. Holdings Inc. On July 29, 2013, Co. acquired all of the issued and outstanding common shares of Sprott Resource Lending Corp. ("Sprott Resource"). Each Sprott Resource's shareholder received 0.5 of a Co.'s common share and C\$0.15 in cash for each Sprott Resource's common share held, implying an offer of C\$1.65 per share based on Co.'s closing price on the Toronto Stock Exchange on May 7, 2013.

On Jan. 16, 2018, Co. acquired the common shares of Central Fund of Canada Limited ("CFCL") and the right to administer and manage CFCL's assets, and that CFCL's class A shareholders are now unitholders of the newly-created Sprott Physical Gold and Silver Trust.

Business Summary: Sprott, through its partnerships, is a global asset manager providing investors with access to precious metals and real assets investment strategies. Co.'s investment products include physical bullion trusts, mining ETFs, and private equity and debt strategies. Co. also partners with natural resource companies to help meet their capital needs through Co.'s merchant banking and resource lending activities. Co. is organized into business units based on its products, services and geographical location and has seven reportable segments: Exchange Listed Products; Alternative Asset Management; Global Lending; Consulting; Merchant Banking and Advisory Services and Corporate.

Property: Co. maintains its registered and head office in Toronto, Ontario.

Subsidiaries

Sprott Asset Management LP
Sprott Private Wealth LP
Sprott Consulting LP
Sprott Asia LP
Sprott Korea Corporation (Korea (South))
Sprott U.S. Holdings (United States)
Rule Investments Inc. (United States)
Sprott Global Resource Investments Ltd. (United States)
Sprott Asset Management USA Inc. (United States)
Resource Capital Investment Corporation (United States)
Sprott Resource Lending Corp.
Toscana Energy Corporation
Sprott Genpar Ltd.
Sprott Inc. 2011 Employee Profit Sharing Plan Trust

Officers

Jack C. Lee, Chairman
Eric S. Sprott, Chairman Emeritus
Peter F. Grosskopf, Chief Executive Officer
Kevin Hibbert, Chief Financial Officer
Arthur Einav, Senior Managing Director; General Counsel
John Ciampaglia, Senior Managing Director
Steve Yuzpe, Senior Managing Director

Directors

Jack C. Lee, Chairman; Director
Eric S. Sprott, Chairman Emeritus
Ronald R. Dewhurst, Director

Peter F. Grosskopf, Director
Sharon Ranson, Director
Rick Rule, Director
Rosemary Zigrossi, Director

Auditors: KPMG LLP

Legal Counsel: Baker & McKenzie LLP

Transfer Agent & Registrar: TMX Equity Transfer Services, Toronto, Ontario, Canada

Annual Meeting: In May

Shareholder Relations: Glen Williams, Managing Director, Investor Tel: 416 943 4394

No. of Employees: Jan. 29, 2018, 124

Address: Royal Bank Plaza, South Tower 200 Bay Street Suite 2600, Toronto, Ontario M5J 2J1, Canada

Tel: 416 943 8099

Fax: 416 977 9555

Web: www.sprott.com

Email: ir@sprott.com

Consolidated Income Statement, Years Ended Dec. 31 (Can\$000):

	2017	2016	2015
		(revised)	(revised)
Management fees	64,981	84,320	75,335
Performance fees	4,676	21,407	8,925
Commissions	29,190	13,835	7,008
Interest income	15,593	14,162	18,714
Gains (losses) on proprietary investments	(5,189)	27,894	(9,820)
Gains (losses) on long-term investments	3,639	...	...
Other income	31,321	5,569	25,845
Total revenue	144,211	167,187	126,007
Compensation	(49,566)	(49,174)	(38,102)
Stock-based compensation expenses	(6,692)	(6,387)	(1,976)
Trailer fees	(6,548)	(12,618)	(12,547)
Sub-advisor fees	(2,610)	(13,891)	(8,876)
Placement & referral fees	(6,311)	(4,528)	(404)
Loan loss provisions (recoveries)	4,942	259	(9,217)
Selling, general & administrative	(23,698)	(29,485)	(27,036)
Amortization of intangibles	(5,600)	(6,501)	(5,550)
Impairment of intangibles . . . . .	...	(3,006)	(12,073)
Impairment of goodwill . . . . .	...	...	(31,709)
Amortization of property & equipment	(827)	(920)	(846)

Other expenses	(3,995)	(3,093)	(8,649)
Total expenses	(100,905)	(129,344)	(156,985)
Income (loss) before income taxes for the year	43,306	37,843	(30,978)
Provision (recovery) for income taxes	(5,774)	(6,305)	(8,653)
Net income (loss) for the year	37,532	31,538	(39,631)
Weighted average shares outstanding - basic	239,062	243,361	245,252
Weighted average shares outstanding - diluted	246,205	247,528	245,252
Year end shares outstanding	234,099	243,190	243,997
Net earnings per share - basic	Can\$0.16	Can\$0.13	Can\$(0.16)
Net earnings per share - diluted	Can\$0.16	Can\$0.13	Can\$(0.16)
Dividends per share	0.12	...	...
Total number of employees	124	205	...

Reclassified to conform with 2016 presentation; As of January 29, 2018; As is

Consolidated Balance Sheet, Years Ended Dec. 31 (Can\$000):

	2017	2016
		(revised)
Assets:		
Cash & cash equivalents	156,120	123,955
Fees receivable	13,776	26,070
Loans receivable	17,218	11,631
Proprietary investments	64,564	147,545
Other assets	23,161	9,893
Income taxes recoverable	1,356	1,511
Total current assets	276,195	320,605
Loans receivable	31,455	56,047
Long-term investments	49,763	...
Other assets	1,448	2,957
Property & equipment, cost	12,702	17,008
Less: accumulated amortization	(7,403)	(10,697)
Property & equipment, net	5,299	6,311
Intangible assets	16,452	23,059
Goodwill	24,023	25,710
Deferred income taxes	5,214	5,335
Non-current assets	133,654	119,419
Total assets	409,849	440,024
Liabilities:		
Accounts payable & accrued liabilities	15,812	24,491
Compensation payable	10,667	13,258

Obligations related to securities sold short	24,993	29,810	(deficit)	(118,272)	(126,264)	tive officers of Co., as a group directly or indirectly, beneficially owned, or control or direct 92,867,411, representing 37.36% of Co.'s outstanding common share capital.
Note payable	9,900	...	Accumulated other comprehensive income	29,673	33,545	DIVIDENDS—
Income taxes payable	3,179	8,480	Total shareholders' equity	343,864	360,314	2008.....0.05 2009.....0.25 2010.....0.14
Total current liabilities	64,551	76,039	Total liabilities & shareholders' equity	409,849	440,024	2011.....0.84 2012-2017 ... 0.12 2018.....0.03
Deferred income taxes	1,434	3,671				OPTIONS—Dec. 31, 2017, outstanding, 6,975,000.
Total liabilities	65,985	79,710				PRIMARY EXCHANGE—Toronto (TSX): SII.
Common shares	392,556	411,231	Capital Stock: 1. Sprott Inc common; no par.			SECONDARY EXCHANGES—National Bulletin Board (NBB): SPOX F.
Capital stock	392,556	411,231	OUTSTANDING—Dec. 31, 2017, 234,098,634 shs; no par.			
Contributed surplus	39,907	41,802	OWNERSHIP—As of Dec. 31, 2016, the directors and execu-			
Retained earnings						

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