Sprott Inc. Announces 2016 Third Quarter Results

TORONTO, Nov. 11, 2016 (GLOBE NEWSWIRE) -- Sprott Inc. (TSX:SII) ("Sprott" or the "Company") today announced its financial results for the three months ended September 30, 2016.

2016 Financial Overview

- Assets Under Management ("AUM") were $10.1 billion as at September 30, 2016, compared to $7.4 billion as at September 30, 2015 and $9.8 billion as at June 30, 2016.
- Assets Under Administration ("AUA") were $3.0 billion, as at September 30, 2016, compared to $2.0 billion as at September 30, 2015 and $2.7 billion as at June 30, 2016.
- Total net revenues were $36.8 million, reflecting an increase of $14.7 million (66%) from the three months ended September 30, 2015.
- Total expenses were $27.0 million, reflecting a decrease of $42.1 million (61%) from the three months ended September 30, 2015.
- Net income was $12.5 million ($0.05 per share), reflecting an increase of $61.7 million from the three months ended September 30, 2015.
- Adjusted base EBITDA was $8.4 million ($0.03 per share), reflecting an increase of $6.0 million from the three months ended September 30, 2015.
- Investable capital stood at $311.9 million as at September 30, 2016, compared to $308.7 million as at September 30, 2015 and $303.6 million as at June 30, 2016.

Significant events for the three-months ended September 30, 2016 and Year-to-Date:

- Subject to obtaining all required approvals, including that of the Toronto Stock Exchange, Sprott intends to make a normal course issuer bid to purchase up to 5% of the issued and outstanding common shares of the Company

"Our market positioning was finally rewarded over the first nine months of 2016, contributing to our AUM increasing by approximately 36% to more than $10 billion," said Peter Grosskopf, CEO of Sprott. "The key drivers of this growth were strong performance and sales in our precious metal and energy strategies, the Central GoldTrust transaction, and the continued expansion of our specialty credit franchise."

"We are committed to remaining at the forefront of precious metals investing and recently completed a strategic investment in TradeWind Markets, a new venture with the goal of modernizing the trading, settlement and ownership of physical gold. TradeWind is a spinoff of IEX Group Inc.," added Mr. Grosskopf. "We have also invested in our US and international sales coverage to support our clients in our most significant growth markets."

Assets Under Management

$ (in millions)	**AUM Jun. 30, 2016**	**Net Sales / (Redemptions)**	**Net Market Value Change**	**AUM Sep. 30, 2016**
Exchange Listed Products [(1)]	4,830	36	77	4,943
Diversified Alternative Asset Management:				
Mutual Funds [(1)]	2,638	(56)	92	2,674
Alternative Investment Funds	1,107	37	29	1,173

Managed Accounts	71	19	1	91
Private Resources:				
Fixed Term Limited Partnerships	364	—	19	383
Managed Companies	662	—	19	681
Managed Accounts	129	—	15	144
Total Enterprise AUM	9,801	36	252	10,089

(1) Prior to 2016, the "Bullion Funds" category combined Physical Trusts as well as Bullion Mutual Funds. Bullion Mutual Funds are now part of the "Mutual Funds" category while the Physical Trusts have been combined with ETFs as part of the "Exchange Listed Products" category.

Dividends

On November 10, 2016, a dividend of $0.03 per common share was declared for the quarter ended September 30, 2016. The board of directors of the Company has approved the implementation of a dividend reinvestment plan, subject to final Toronto Stock Exchange approval being obtained.

Conference Call and Webcast

A conference call and webcast will be held today, November 11, 2016 at 10:00am ET to discuss the Company's financial results. To participate in the call, please dial (877) 930-8292 ten minutes prior to the scheduled start of the call and provide conference ID 61703716. A taped replay of the conference call will be available until Friday, November 18 by calling (855) 859-2056, reference number 14096858.

The conference call will be webcast live at www.sprottinc.com and http://edge.media-server.com/m/p/zr25iiqn

***Non-IFRS Financial Measures**

This press release includes financial terms (including AUM, AUA, EBITDA, adjusted base EBITDA and net sales) that the Company utilizes to assess the financial performance of its business that are not measures recognized under International Financial Reporting Standards (“IFRS”). These non-IFRS measures should not be considered alternatives to performance measures determined in accordance with IFRS and may not be comparable to similar measures presented by other issuers. For additional information regarding the Company's use of non-IFRS measures, including the calculation of these measures, please refer to the “Non-IFRS Financial Measures” section of the Company's Management's Discussion and Analysis and its financial statements available on the Company's website at www.sprottinc.com and on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements in this press release contain forward-looking information (collectively referred to herein as the “Forward-Looking Statements”) within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify Forward-Looking Statements. In particular, but without limiting the forgoing, this press release contains Forward-Looking Statements pertaining to: (i) continued expansion of our specialty credit franchise; (ii) commitment to remaining at the forefront of precious metals investing; and (iii) continued AUM growth and significant growth markets.

Although the Company believes that the Forward-Looking Statements are reasonable, they are not guarantees of future results, performance or achievements. A number of factors or assumptions have been used to develop the Forward-Looking Statements, including: (i) the impact of increasing competition in each business in which the Company operates will not be material; (ii) quality management will be available; (iii) the effects of regulation and tax laws of governmental agencies will be consistent with the current environment; and (iv) those assumptions disclosed herein under the heading “Significant Accounting Judgments and Estimates”. Actual results, performance or achievements could vary materially from those expressed or implied by the Forward-Looking Statements should assumptions underlying the Forward-Looking Statements prove incorrect or should one or more risks or other factors materialize, including: (i) difficult market conditions; (ii) poor investment performance; (iii) performance fee fluctuations; (iv) changes in the investment management industry; (v) risks related to regulatory compliance; (vi) failure to deal appropriately with conflicts of interest; (vii) failure to continue to retain and attract quality staff; (viii) competitive pressures; (ix) corporate growth may be difficult to sustain and may place significant demands on existing administrative, operational and financial resources; (x) failure to execute the Company's succession plan; (xi) foreign exchange risk relating to the relative value of the U.S. dollar; (xii) litigation risk; (xiii) employee errors or misconduct could result in regulatory sanctions or reputational harm; (xiv) failure to implement effective information security policies, procedures and capabilities; (xv) failure to develop effective business resiliency plans; (xvi) failure to obtain or maintain sufficient insurance coverage on favourable economic terms; (xvii) historical financial information is not necessarily indicative of future performance; (xviii) the market price of common shares of the Company may fluctuate widely and rapidly; (xix) risks relating to the Company's proprietary investments; (xx) risks relating to the Company's lending business; (xxi) those risks described under the heading "Risk Factors" in the Company's annual information form dated March 10, 2016; and (xxii) those risks described under the headings "Managing Risk - Financial" and "Managing Risk - Other" in the Company's MD&A for the period ended September 30, 2016. In addition, the payment of dividends is not guaranteed and the amount and timing of any dividends payable by the Company will be at the discretion of the Board of Directors of the Company and will be established on the basis of the Company's earnings, the satisfaction of solvency tests imposed by applicable corporate law for the declaration and payment of dividends, and other relevant factors. The Forward-Looking Statements speak only as of the date hereof, unless otherwise specifically noted, and the Company does not assume any obligation to publicly update any Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable Canadian securities laws.

About Sprott Inc.

Sprott Inc. is a global alternative asset manager with three primary lines of business: Exchange Listed Products, Diversified Alternative Asset Management and Private Resources. The Exchange Listed Products business platform houses the Company's closed-end physical trusts and exchange traded funds, both of which are actively traded on public securities exchanges. Sprott Asset Management LP ("SAM") is both the principal subsidiary and reportable segment through which these products are managed and distributed. The Diversified Alternative Asset Management business platform houses the Company's full suite of public mutual funds, alternative investment strategies and managed accounts and is also managed by SAM. The Private Resources business platform houses the Company's private resource-focused asset management activities. Primary activities include the management of: (1) U.S.-based fixed-term limited partnership vehicles, discretionary managed accounts and private placement activities; (2) direct and indirect resource lending activities via the Company's balance sheet and through limited partnership structures; and (3) private equity style and direct asset investments through managed companies. Specific reportable segments and principal subsidiaries in this line of business are; Global - which is made up of Resource Capital Investment Corporation, Sprott Asset Management USA Inc. and Sprott Global Resource Investments Ltd.; Lending - which is primarily Sprott Resource Lending Corp.; and Consulting - which includes Sprott Consulting LP, Sprott Toscana and Sprott Korea Corporation. Sprott Inc. is headquartered in Toronto, Canada, and is listed on the Toronto Stock Exchange under the symbol "SII". For more information on Sprott Inc., please visit www.sprottinc.com.

Investor contact information:

Glen Williams

Director of Communications

(416) 943-4394

gwilliams@sprott.com