



Sprott Inc. Announces 2017 Second Quarter Results

TORONTO, Aug. 11, 2017 -- Sprott Inc. (TSX:SII) ("Sprott" or the "Company") today announced its financial results for the three months ended June 30, 2017.

Financial Overview for the three-months ended June 30, 2017:

- Assets Under Management ("AUM") were \$9.3 billion as at June 30, 2017, compared to 9.7 billion as at March 31, 2017.
- Total net revenues were \$24.8 million, reflecting a decrease of \$18.9 million (43%) from the three months ended June 30, 2016.
- Total expenses (excluding commission expense, trailer fees and sub-advisor fees) were \$26.1 million, reflecting an increase of \$2.4 million (10%) from the three months ended June 30, 2016.
- Net loss was \$3.6 million (\$0.01 per share), reflecting a decrease of \$20.6 million from the three months ended June 30, 2016.
- Adjusted base EBITDA was \$8.8 million (\$0.04 per share), reflecting an increase of \$3.0 million from the three months ended June 30, 2016.
- Investable capital stood at \$274.8 million as at June 30, 2017, compared to \$309.0 million as at December 31, 2016.

Significant events for the three-months ended June 30, 2017 and YTD:

- Finalized sale of Canadian retail asset management contracts.
- Named Jack Lee, Chairman of Board of Directors.
- Completed marketed offering of a portion of Eric Sprott's share position and repurchased 5 million shares for cancellation.
- Closed Sprott Private Resource Lending LP with US\$560 million in commitments.

"During the first half of 2017, we took a significant step to refocus Sprott by entering into an agreement for the sale of our Canadian retail platform," said Peter Grosskopf, CEO of Sprott. "We are now a streamlined organization focused on delivering superior investment returns and building the leading global asset manager in our core natural resource areas. This transaction further strengthens our balance sheet and positions us to optimize shareholder returns while pursuing the addition of new strategies in synergistic areas."

"We are pleased with the early results from our merchant banking business, which has participated in approximately \$700 million in equity financings this year, generating more than \$5 million in net commissions," added Mr. Grosskopf. "We also closed our Private Resource Lending LP during the quarter with more than US\$560 million in commitments which will become performance fee earning AUM as the capital is deployed. This business has enabled us to develop strong working relationships with many US and global institutional investors and endowments. Going forward, we intend to build on these relationships with the continued growth of this business, as well as the potential introduction of related private equity partnerships."

Assets Under Management

	AUM Mar 31, 2017	Net Sales / (Redemptions)	Net Market Value Change	Transfers / Acquisitions / (Divestitures)	AUM June 30, 2017
\$ (in millions)					
Exchange Listed Products	4,758	98	(265)	—	4,591
Alternative Asset Management: ⁽¹⁾					
Mutual Funds	2,411	(89)	(116)	—	2,206
Alternative Investment Funds	1,021	40	4	—	1,065
Managed Accounts	97	(40)	(4)	—	53
Private Resource Investments:					
Private Resource Lending Funds	53	20	—	—	73

Fixed-term limited partnerships	346	—	(22)	—	324
Managed Companies	708	—	(4)	—	704
Managed Accounts	298	—	(8)	—	290
Total Enterprise AUM	9,692	29	(415)	—	9,306

⁽¹⁾ On April 10, the Company announced the agreement to sell its Canadian diversified funds business to a management group for \$46 million. As part of the transaction, the Company sold approximately \$2.9 billion of its Alternative Asset Management AUM, of which \$783 million will continue to be sub-advised by SAM.

Dividends

On August 10, 2017, a dividend of \$0.03 per common share was declared for the quarter ended June 30, 2017.

Conference Call and Webcast

A conference call and webcast will be held today, August 11, 2017 at 9:00am ET to discuss the Company's financial results. To participate in the call, please dial (855) 458-4215 ten minutes prior to the scheduled start of the call and provide conference ID 65806999. A taped replay of the conference call will be available until Friday, August 18, 2017 by calling (855) 859-2056, reference number 65806999. The conference call will be webcast live at www.sprott.com and <http://edge.media-server.com/m/p/jnf8qhzv>

*Non-IFRS Financial Measures

This press release includes financial terms (including AUM, 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 foregoing, this press release contains Forward-Looking Statements pertaining to: (i) expectations regarding Sprott's agreement to sell its Canadian diversified funds business and a majority of its Canadian private client assets to a management led group; (ii) delivering superior investment returns and building the leading global asset manager in our core natural resource areas; (iii) optimization of shareholder returns while pursuing the addition of new strategies in synergistic areas; (iv) Private Resource Lending LP commitments becoming performance fee earning AUM as the capital is deployed; (v) the intention to build on relationships with many US and global institutional investors and endowments with the continued growth of the lending business, as well as the potential introduction of related private equity partnerships; and (vi) the declaration, payment and designation of dividends. 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 under the heading "Significant Accounting Judgments and Estimates" in the Company's MD&A for the period ended June 30, 2017. 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 1, 2017; 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 June 30, 2017. 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

Sprott is an alternative asset manager and a global leader in precious metal and real asset investments. Through its subsidiaries in Canada, the US and Asia, the Corporation is dedicated to providing investors with best-in-class investment strategies that include Exchange Listed Products, Alternative Asset Management and Private Resource Investments. The Corporation also operates Merchant Banking and Brokerage businesses in both Canada and the US. Sprott is based in Toronto with offices in New York, Carlsbad and Vancouver and its common shares are listed on the Toronto Stock Exchange under the symbol (TSX:SII). For more information, please visit www.sprott.com.

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