Management's Discussion and Analysis

Three and nine months ended September 30, 2022

Forward looking statements

Certain statements in this Management's Discussion & Analysis ("MD&A"), and in particular the "Outlook" section, contain forward-looking information and forward-looking statements (collectively referred to herein as the "Forward-Looking Statements") within the meaning of applicable Canadian and U.S. 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 MD&A contains Forward-Looking Statements pertaining to: (i) Our belief that energy transition is an increasingly important investment theme for Sprott, which we believe will be a growth engine for business going forward; (ii) our view of the macro-economic effects related to inflation and liquidity in the market; (iii) our conviction that we are well positioned for the next decade with creative products well suited for the current market uncertainties, as well as the expected opportunities, especially energy transition; (iv) our anticipation of good operating results for the remainder of the year; and (v) the declaration, payment and designation of dividends and confidence that our business will support the dividend level without impacting our ability to fund future growth initiatives.

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; (iv) the impact of COVID-19; and (v) those assumptions disclosed herein under the heading "Critical Accounting Estimates, Judgments and Changes in Accounting Policies". 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) failure to continue to retain and attract quality staff; (iv) employee errors or misconduct resulting in regulatory sanctions or reputational harm; (v) performance fee fluctuations; (vi) a business segment or another counterparty failing to pay its financial obligation; (vii) failure of the Company to meet its demand for cash or fund obligations as they come due; (viii) changes in the investment management industry; (ix) failure to implement effective information security policies, procedures and capabilities; (x) lack of investment opportunities; (xi) risks related to regulatory compliance; (xii) failure to manage risks appropriately; (xiii) failure to deal appropriately with conflicts of interest; (xiv) competitive pressures; (xv) corporate growth which may be difficult to sustain and may place significant demands on existing administrative, operational and financial resources; (xvi) failure to comply with privacy laws; (xvii) failure to successfully implement succession planning; (xviii) foreign exchange risk relating to the relative value of the U.S. dollar; (xix) litigation risk; (xx) failure to develop effective business resiliency plans; (xxi) failure to obtain or maintain sufficient insurance coverage on favourable economic terms; (xxii) historical financial information being not necessarily indicative of future performance; (xxiii) the market price of common shares of the Company may fluctuate widely and rapidly; (xxiv) risks relating to the Company’s investment products; (xxv) risks relating to the Company's proprietary investments; (xxvi) risks relating to the Company's lending business; (xxvii) risks relating to the Company’s brokerage business; (xxviii) those risks described under the heading "Risk Factors" in the Company’s annual information form dated February 24, 2022; and (xxix) those risks described under the headings "Managing Financial Risk" and "Managing Non-Financial Risk" in this MD&A. 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 securities laws.

Management's discussion and analysis

This MD&A of financial condition and results of operations, dated November 3, 2022, presents an analysis of the consolidated financial condition of the Company and its subsidiaries as at September 30, 2022, compared with December 31, 2021, and the consolidated results of operations for the three and nine months ended September 30, 2022, compared with the three and nine months ended September 30, 2021. The board of directors approved this MD&A on November 3, 2022. All note references in this MD&A are to the notes to the Company's September 30, 2022 interim condensed consolidated financial statements ("interim financial statements"), unless otherwise noted. The Company was incorporated under the Business Corporations Act (Ontario) on February 13, 2008.

Presentation of financial information

The interim financial statements, including the required comparative information, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") in effect as at September 30, 2022, specifically, IAS 34 *Interim Financial Reporting*. Financial results, including related historical comparatives contained in this MD&A, unless otherwise specified herein, are based on the interim financial statements. While the Company’s functional currency is the Canadian dollar, its presentation currency is the U.S. dollar. Accordingly, all dollar references in this MD&A are in U.S. dollars, unless otherwise specified. The use of the term "prior period" refers to the three and nine months ended September 30, 2021.

Key performance indicators and non-IFRS and other financial measures

The Company measures the success of its business using a number of key performance indicators that are not measurements in accordance with IFRS and should not be considered as an alternative to net income (loss) or any other measure of performance under IFRS. Non-IFRS financial measures do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Our key performance indicators and non-IFRS and other financial measures are discussed below. For quantitative reconciliations of non-IFRS financial measures to their most directly comparable IFRS financial measures please see page 10 of this MD&A.

Assets under management

Assets under management ("AUM") refers to the total net assets managed by the Company through its various investment product offerings and managed accounts.

Net inflows

Net inflows (consisting of net sales, capital calls and fee earning capital commitments) result in changes to AUM and are described individually below:

Net sales

Fund sales (net of redemptions), including 'at-the-market' transactions and secondary offerings of our physical trusts and new 'creations' of ETF units, are a key performance indicator as new assets being managed will lead to higher management fees and can potentially lead to increased carried interest and performance fee generation (as applicable) given that AUM is also the basis upon which carried interest and performance fees are calculated.

Capital calls and fee earning capital commitments

Capital calls into our private strategies LPs are a key source of AUM creation, and ultimately, earnings for the Company. Once capital is called into our private strategies LPs, it is included within the AUM of the Company as it will now earn a management fee. It is possible for some forms of committed capital to earn a commitment fee despite being uncalled, in which case, it will also be included in AUM at that time. Conversely, once loans in our private strategies LPs are repaid, capital may be returned to investors in the form of a distribution, thereby reducing our AUM ("capital distributions").

Net fees

Management fees, net of trailer, sub-advisor, fund expenses and direct payouts, and carried interest and performance fees, net of carried interest and performance fee payouts (internal and external), are key revenue indicators as they represent the net revenue contribution after directly associated costs that we generate from our AUM.

Net commissions

Commissions, net of commission expenses (internal and external), arise primarily from transaction-based service offerings of our brokerage segment and purchases and sales of uranium in our exchange listed products segment.

Net compensation

Net compensation excludes commission expenses paid to employees, other direct payouts to employees, carried interest and performance fee payouts to employees, which are all presented net of their related revenues in this MD&A, and severance, new hire accruals and other which are non-recurring.

Total shareholder return

Total shareholder return is the financial gain (loss) that results from a change in the Company's share price, plus any dividends paid over the period.

Return on capital employed

Return on capital employed is calculated as adjusted base EBITDA, plus gain (loss) on investments divided by total capital stock plus outstanding loan facility.

EBITDA, adjusted EBITDA, adjusted base EBITDA and operating margin

EBITDA in its most basic form is defined as earnings before interest expense, income taxes, depreciation and amortization. EBITDA is a measure commonly used in the investment industry by management, investors and investment analysts in understanding and comparing results by factoring out the impact of different financing methods, capital structures, amortization techniques and income tax rates between companies in the same industry. While other companies, investors or investment analysts may not utilize the same method of calculating EBITDA (or adjustments thereto), the Company believes its adjusted base EBITDA metric, in particular, results in a better comparison of the Company's underlying operations against its peers and a better indicator of recurring results from operations as compared to other non-IFRS financial measures.

Neither EBITDA, adjusted EBITDA or adjusted base EBITDA have standardized meaning under IFRS. Consequently, they should not be considered in isolation, nor should they be used in substitute for measures of performance prepared in accordance with IFRS.

The following table outlines how our EBITDA, Adjusted EBITDA and Adjusted base EBITDA measures are determined:

	3 months ended		9 months ended	
(in thousands $)	Sep. 30, 2022	Sep. 30, 2021	Sep. 30, 2022	Sep. 30, 2021
Net income for the period	3,071	8,718	10,301	23,014
Adjustments:				
Interest expense	884	312	1,847	922
Provision for income taxes	721	2,550	5,075	8,651
Depreciation and amortization	710	1,134	2,645	3,416
EBITDA	5,386	12,714	19,868	36,003
Other adjustments:				
(Gain) loss on investments [1]	(45)	(310)	9,312	1,840
Amortization of stock based compensation	3,633	452	10,911	1,248
Other expenses [2]	7,863	3,857	13,369	9,913
Adjusted EBITDA	16,837	16,713	53,460	49,004
Other adjustments:				
Carried interest and performance fees	—	—	(2,046)	(7,937)
Carried interest and performance fee payouts - internal	—	—	1,029	4,706
Carried interest and performance fee payouts - external	—	—	476	595
Adjusted base EBITDA	16,837	16,713	52,919	46,368
Operating margin [3]	55 %	52 %	55 %	52 %

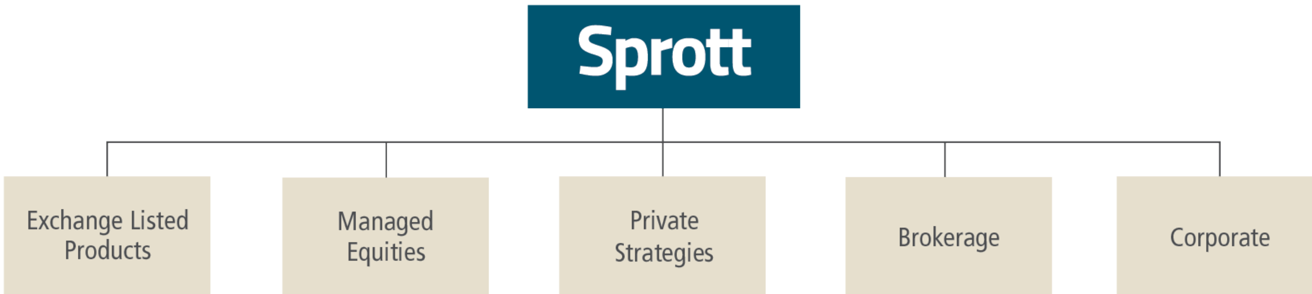
[1] This adjustment removes the income effects of certain gains or losses on short-term investments, co-investments, and digital gold strategies to ensure the reporting objectives of our EBITDA metric as described above are met.

[2] In addition to the items outlined in Note 5 of the interim financial statements, this reconciliation line also includes $1.3 million severance, new hire accruals and other for the three months ended September 30, 2022 (three months ended September 30, 2021 - $0.2 million) and $4 million for the nine months ended September 30, 2022 (nine months ended September 30, 2021 - $0.5 million). This reconciliation line excludes income (loss) attributable to non-controlling interest of $(0.8) million for the three months ended September 30, 2022 (three months ended September 30, 2021 - $0.2 million) and $(0.9) million for the nine months ended September 30, 2022 (nine months ended September 30, 2021 - $0.3 million).

[3] Calculated as adjusted base EBITDA inclusive of depreciation and amortization. This figure is then divided by revenues before gains (losses) on investments, net of direct costs as applicable.

Business overview

Our reportable operating segments are as follows:



Exchange listed products

- The Company's closed-end physical trusts and exchange traded funds ("ETFs").

Managed equities

- The Company's alternative investment strategies managed in-house and on a sub-advised basis. In the first quarter of the year, the Company completed the restructuring of its U.S.-based discretionary accounts operations which led to the conversion of those client assets from administrated brokerage assets to actively managed AUM. Consequently, these operations were reclassified to form part of the managed equities segment.

Private strategies

- The Company's lending and streaming activities occur through limited partnership vehicles ("private strategies LPs"). In the first quarter of the year, the Company renamed the Lending segment to"Private strategies" in order to reflect the successful growth of its streaming funds alongside its traditional lending partnership vehicles.

Brokerage

- The Company's regulated broker-dealer activities (equity origination, corporate advisory, sales and trading). In the first quarter of the year, the Company completed the restructuring of its U.S.-based discretionary accounts operations which led to the conversion of those client assets from administrated brokerage assets to actively managed AUM. Consequently, these operations were reclassified to form part of the managed equities segment.

Corporate

- Provides the Company's operating segments with capital, balance sheet management and other shared services.

All other segments

- Contains all non-reportable segments as per IFRS 8, *Operating Segments* ("IFRS 8"). See Note 11 of the interim financial statements for further details.

For a detailed account of the underlying principal subsidiaries within our reportable business segments, refer to the Company's Annual Information Form and Note 2 of the audited annual financial statements.

Outlook

Despite ongoing challenges encountered across most global markets and asset classes, our operating results remain solid and we continue to anticipate good operating results for the remainder of the year.

Results of operations

Summary financial information

(In thousands $)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Summary income statements								
Management fees	29,158	30,620	27,172	27,783	28,612	25,062	22,452	22,032
Trailer, sub-advisor and fund expenses	(1,278)	(1,258)	(853)	(872)	(637)	(552)	(599)	(583)
Direct payouts	(1,121)	(1,272)	(1,384)	(1,367)	(1,892)	(1,198)	(890)	(695)
Carried interest and performance fees	—	—	2,046	4,298	—	—	7,937	10,075
Carried interest and performance fee payouts - internal	—	—	(1,029)	(2,516)	—	(126)	(4,580)	(5,529)
Carried interest and performance fee payouts - external [1]	—	—	(476)	(790)	—	—	(595)	—
Net fees	26,759	28,090	25,476	26,536	26,083	23,186	23,725	25,300
Commissions	6,101	6,458	13,077	14,153	11,273	7,377	12,463	6,761
Commission expense - internal	(2,385)	(2,034)	(3,134)	(4,128)	(3,089)	(3,036)	(5,289)	(2,093)
Commission expense - external [1]	(476)	(978)	(3,310)	(3,016)	(2,382)	(49)	(253)	(98)
Net commissions	3,240	3,446	6,633	7,009	5,802	4,292	6,921	4,570
Finance income	933	1,186	1,433	788	567	932	1,248	1,629
Gain (loss) on investments	45	(7,884)	(1,473)	(43)	310	2,502	(4,652)	(3,089)
Other income	(227)	170	208	313	529	438	303	949
Total net revenues	30,750	25,008	32,277	34,603	33,291	31,350	27,545	29,359
Compensation	18,934	19,364	21,789	20,632	18,001	15,452	22,636	20,193
Direct payouts	(1,121)	(1,272)	(1,384)	(1,367)	(1,892)	(1,198)	(890)	(695)
Carried interest and performance fee payouts - internal	—	—	(1,029)	(2,516)	—	(126)	(4,580)	(5,529)
Commission expense - internal	(2,385)	(2,034)	(3,134)	(4,128)	(3,089)	(3,036)	(5,289)	(2,093)
Severance, new hire accruals and other	(1,349)	(2,113)	(514)	(187)	(207)	(293)	(44)	(65)
Net compensation	14,079	13,945	15,728	12,434	12,813	10,799	11,833	11,811
Severance, new hire accruals and other [2]	1,349	2,113	514	187	207	293	44	65
Selling, general and administrative	4,239	4,221	3,438	4,172	3,682	3,492	3,351	2,320
Interest expense	884	483	480	239	312	260	350	331
Depreciation and amortization	710	959	976	1,136	1,134	1,165	1,117	1,023
Other expenses	5,697	868	1,976	2,910	3,875	876	4,918	4,528
Total expenses	26,958	22,589	23,112	21,078	22,023	16,885	21,613	20,078
Net income	3,071	757	6,473	10,171	8,718	11,075	3,221	6,720
Net Income per share	0.12	0.03	0.26	0.41	0.35	0.44	0.13	0.27
Adjusted base EBITDA	16,837	17,909	18,173	17,705	16,713	15,050	14,605	14,751
Adjusted base EBITDA per share	0.67	0.71	0.73	0.71	0.67	0.60	0.59	0.60
Operating margin	55 %	55 %	57 %	55 %	52 %	52 %	51 %	51 %
Summary balance sheet								
Total assets	375,386	376,128	380,843	365,873	375,819	361,121	356,986	377,348
Total liabilities	103,972	89,264	83,584	74,654	84,231	64,081	67,015	86,365
Total AUM	21,044,252	21,944,675	23,679,354	20,443,088	19,016,313	18,550,106	17,073,078	17,390,389
Average AUM	21,420,015	23,388,568	21,646,082	20,229,119	19,090,702	18,343,846	17,188,205	16,719,815

[1] These amounts are included in the "Trailer, sub-advisor and fund expenses" line on the consolidated statements of operations.

[2] The majority of the 2022 amount is compensation and other transition payments to the former CEO that will be paid out over 3 years.

AUM summary

AUM was $21 billion as at September 30, 2022, down $0.9 billion (4%) from June 30, 2022 and up $0.6 billion (3%) from December 31, 2021. Our AUM was negatively impacted on both a three and nine months ended basis by market value depreciation across our fund products. However, on a nine months ended basis, our cumulative market value declines were more than offset by strong inflows to our physical trusts, private strategies and the onboarding of AUM on the closure of North Shore Global Uranium Mining ETF acquisition ("URNM acquisition"), adding $1 billion to our AUM in the second quarter.

3 months results						
(In millions $)	AUM Jun. 30, 2022	Net inflows [1]	Market value changes	Other [2]	AUM Sep. 30, 2022	Blended net management fee rate [3]
Exchange listed products						
- Physical trusts						
- Physical Gold Trust	5,691	12	(468)	—	5,235	0.35%
- Physical Gold and Silver Trust	3,826	(12)	(291)	—	3,523	0.40%
- Physical Silver Trust	3,267	75	(207)	—	3,135	0.45%
- Physical Uranium Trust	2,929	45	(131)	—	2,843	0.30%
- Physical Platinum & Palladium Trust	147	(7)	7	—	147	0.50%
- Exchange Traded Funds						
- Uranium ETFs	758	24	102	—	884	0.68%
- Gold ETFs	305	24	(43)	—	286	0.35%
	16,923	161	(1,031)	—	16,053	0.39%
Managed equities						
- Precious metals strategies	1,714	(48)	(162)	—	1,504	0.89%
- Other [4][5]	965	6	(68)	—	903	1.20%
	2,679	(42)	(230)	—	2,407	1.00%
Private strategies	1,611	382	(6)	(91)	1,896	0.75%
Non-core AUM [6]	732	—	(44)	—	688	0.51%
Total [7]	21,945	501	(1,311)	(91)	21,044	0.50%

9 months results						
(In millions $)	AUM Dec. 31, 2021	Net inflows [1]	Market value changes	Other [2]	AUM Sep. 30, 2022	Blended net management fee rate [3]
Exchange listed products						
- Physical trusts						
- Physical Gold Trust	5,008	821	(594)	—	5,235	0.35%
- Physical Gold and Silver Trust	4,094	(60)	(511)	—	3,523	0.40%
- Physical Silver Trust	3,600	257	(722)	—	3,135	0.45%
- Physical Uranium Trust	1,769	894	180	—	2,843	0.30%
- Physical Platinum & Palladium Trust	132	17	(2)	—	147	0.50%
- Exchange Traded Funds						
- Uranium ETFs	—	36	(194)	1,042	884	0.68%
- Gold ETFs	356	39	(109)	—	286	0.35%
	14,959	2,004	(1,952)	1,042	16,053	0.39%
Managed equities						
- Precious metals strategies	2,141	(55)	(582)	—	1,504	0.89%
- Other [4][5]	1,141	49	(287)	—	903	1.20%
	3,282	(6)	(869)	—	2,407	1.00%
Private strategies	1,426	692	(13)	(209)	1,896	0.75%
Non-core AUM [6]	776	—	(88)	—	688	0.51%
Total [7]	20,443	2,690	(2,922)	833	21,044	0.50%

(1) See 'Net inflows' in the key performance indicators and non-IFRS and other financial measures section of this MD&A.

(2) Includes new AUM from fund acquisitions and lost AUM from fund divestitures and capital distributions of our private strategies LPs.

(3) Management fee rate represents the weighted average fees for all funds in the category.

(4) Includes institutional managed accounts and high net worth discretionary managed accounts in the U.S.

(5) Prior year figures have been restated to conform with current year presentation. See the "Business overview" section of this MD&A.

(6) Previously called Other, this AUM is related to our legacy asset management business in Korea, which accounts for less than 1% of consolidated net income and EBITDA.

(7) No performance fees are earned on exchange listed products. Performance fees are earned on all precious metals strategies (other than bullion funds) and are based on returns above relevant benchmarks. Other managed equities strategies primarily earn performance fees on flow-through products. Private strategies LPs earn carried interest calculated as a pre-determined net profit over a preferred return.

Key revenue lines

Management, carried interest and performance fees

Management fees were $29.2 million in the quarter, up $0.5 million (2%) from the quarter ended September 30, 2021 and $87 million on a year-to-date basis, up $10.8 million (14%) from the nine months ended September 30, 2021. Carried interest and performance fees were nil in the quarter and $2 million on a year-to-date basis, down $5.9 million (74%) from the nine months ended September 30, 2021. Net fees were $26.8 million in the quarter, up $0.7 million (3%) from the quarter ended September 30, 2021 and $80.3 million on a year-to-date basis, up $7.3 million (10%) from the nine months ended September 30, 2021. Our revenue performance was primarily due to strong net inflows to our exchange listed products segment (primarily our physical uranium and gold trusts) and higher average AUM from the URNM acquisition. These increases were partially offset by lower average AUM in our managed equities segment and lower carried interest crystallization in our private strategies segment on a year-to-date basis.

Commission revenues

Commission revenues were $6.1 million in the quarter, down $5.2 million (46%) from the quarter ended September 30, 2021 and $25.6 million on a year-to-date basis, down $5.5 million (18%) from the nine months ended September 30, 2021. Net commissions were $3.2 million in the quarter, down $2.6 million (44%) from the quarter ended September 30, 2021 and $13.3 million on a year-to-date basis, down $3.7 million (22%) from the nine months ended September 30, 2021. Lower commissions were due to weaker mining equity origination activity in our brokerage segment and lower commissions earned in the quarter on the purchase of uranium in our exchange listed products segment.

Finance income

Finance income was $0.9 million in the quarter, up $0.4 million (65%) from the quarter ended September 30, 2021 and $3.6 million on a year-to-date basis, up $0.8 million (29%) from the nine months ended September 30, 2021. Our results were primarily driven by higher income generation in co-investment positions we hold in LPs managed in our private strategies segment.

Key expense lines

Compensation

Net compensation expense was $14.1 million in the quarter, up $1.3 million (10%) from the quarter ended September 30, 2021 and $43.8 million on a year-to-date basis, up $8.3 million (23%) from the nine months ended September 30, 2021. The increase was primarily due to higher long-term incentive plan ("LTIP") amortization and higher salaries on new hires that were partially offset by lower annual incentive compensation ("AIP").

Selling, general & administrative ("SG&A")

SG&A was $4.2 million in the quarter, up $0.6 million (15%) from the quarter ended September 30, 2021 and $11.9 million on a year-to-date basis, up $1.4 million (13%) from the nine months ended September 30, 2021. The increase was mainly due to higher marketing and technology costs.

Earnings

Net income was $3.1 million ($0.12 per share) in the quarter, down 65%, or $5.6 million ($0.23 per share) from the quarter ended September 30, 2021 and $10.3 million on a year-to-date basis ($0.41 per share), down 55%, or $12.7 million ($0.51 per share) from the nine months ended September 30, 2021. Our results were negatively impacted by FX translation losses and the settlement of a legacy legal claim. Our earnings were also impacted by net market value depreciation of our co-investments and digital gold strategies on a year-to-date basis.

Adjusted base EBITDA was $16.8 million ($0.67 per share) in the quarter, up 1%, or $0.1 million from the quarter ended September 30, 2021 and $52.9 million ($2.11 per share) on a year-to-date basis up 14%, or $6.6 million ($0.25 per share) from the nine months ended September 30, 2021. Our results benefited from strong net inflows into our physical trusts (primarily our physical uranium and gold trusts) and the URNM acquisition. These increases were only partially offset by weaker mining equity origination activity in our brokerage segment and lower AUM in our managed equities segment.

Additional revenues and expenses

Investment gains were nominal in the quarter and on a year-to-date basis investment losses were primarily from net market value depreciation of our co-investments and digital gold strategies.

Other income was lower due to a decrease in income attributable to non-controlling interests.

Amortization of intangibles was lower from the prior period due to the reclassification of a management contract from finite life to indefinite life in the first quarter. Depreciation of property and equipment was slightly lower from the prior period.

Other expenses were higher in the quarter and lower on a year-to-date basis. The increase in the quarter was primarily due to higher FX translation losses and costs pertaining to the settlement of a legacy legal claim. On a year-to-date basis these increases were more than offset by last year's payment of contingent consideration related to the Tocqueville acquisition.

Balance sheet

Total assets were $375.4 million, up $9.5 million from December 31, 2021. The increase was primarily due to the addition of an indefinite life fund management contract related to the URNM acquisition, increase in assets attributable to non-controlling interest and co-investments in the funds that were partially offset by FX translation losses in the period. Total liabilities were $104 million, up $29.3 million from December 31, 2021. The increase was primarily due to loan facility drawdown used to fund certain co-investments and the URNM acquisition in the second quarter as well as an increase in liabilities related to non-controlling interest. Total shareholder's equity was $271.4 million, down $19.8 million from December 31, 2021 as a result of FX translation losses in the period.

Reportable operating segments

Exchange listed products

	3 months ended		9 months ended	
(In thousands $)	Sep. 30, 2022	Sep. 30, 2021	Sep. 30, 2022	Sep. 30, 2021
Summary income statement				
Management fees	**16,856**	**13,719**	**50,065**	**38,956**
Trailer, sub-advisory and fund expenses	(883)	(91)	(2,014)	(244)
Net Fees	15,973	13,628	48,051	38,712
Commissions	**878**	**4,505**	**8,760**	**4,505**
Commission expense - internal	(35)	(539)	(656)	(539)
Commission expense - external	(447)	(2,357)	(4,401)	(2,357)
Net commissions [1]	396	1,609	3,703	1,609
Gain (loss) on investments	(631)	—	(631)	—
Other income	30	1	36	2
Total net revenues	15,768	15,238	51,159	40,323
Net compensation	2,814	1,663	9,029	4,880
Severance, new hire accruals and other	139	—	427	—
Selling, general and administrative	722	806	2,057	1,998
Interest expense	410	118	788	321
Depreciation and amortization	25	250	77	756
Other expenses	2,079	2,572	2,137	2,600
Total expenses	**6,189**	**5,409**	**14,515**	**10,555**
Income (loss) before income taxes	**9,579**	**9,829**	**36,644**	**29,768**
Adjusted base EBITDA	13,667	12,787	43,148	33,496
Operating margin	83 %	82 %	83 %	81 %
Total AUM	16,053,185	13,825,185	16,053,185	13,825,185
Average AUM	16,443,055	13,952,266	16,615,624	13,136,531

[1] See 'Net commissions' in the key performance indicators and non-IFRS and other financial measures section of this MD&A.

3 and 9 months ended

Income before income taxes was $9.6 million in the quarter, down $0.3 million (3%) from the quarter ended September 30, 2021 and was $36.6 million on a year-to-date basis, up $6.9 million (23%) from the nine months ended September 30, 2021. Adjusted base EBITDA was $13.7 million in the quarter, up $0.9 million (7%) from the quarter ended September 30, 2021 and was $43.1 million on a year-to-date basis, up $9.7 million (29%) from the nine months ended September 30, 2021. Our three and nine months ended results benefited from higher average AUM given strong inflows into our physical trusts (particularly our physical uranium and gold trusts) and the URNM acquisition in the second quarter. We also benefited from higher commissions earned on the purchase of uranium on a year-to-date basis.

Managed equities

	3 months ended		9 months ended	
(In thousands $)	Sep. 30, 2022	Sep. 30, 2021 [(1)]	Sep. 30, 2022	Sep. 30, 2021 [(1)]
Summary income statement				
Management fees	**6,890**	**8,470**	**24,191**	**25,399**
Trailer, sub-advisor and fund expenses	(371)	(464)	(1,303)	(1,137)
Direct payouts	(857)	(1,171)	(3,074)	(3,062)
Carried interest and performance fees	**—**	**—**	**19**	**708**
Carried interest and performance fee payouts - internal	—	—	(14)	(526)
Net fees	5,662	6,835	19,819	21,382
Gain (loss) on investments	(147)	(2,463)	(5,097)	(4,523)
Other income	97	164	473	785
Total net revenues	5,612	4,536	15,195	17,644
Net compensation	2,645	2,821	8,904	8,298
Severance, new hire accruals and other	67	—	214	30
Selling, general and administrative	1,250	1,076	3,930	3,414
Interest expense	443	123	960	416
Depreciation and amortization	75	86	231	261
Other expenses	397	61	1,054	4,712
Total expenses	**4,877**	**4,167**	**15,293**	**17,131**
Income (loss) before income taxes	**735**	**369**	**(98)**	**513**
Adjusted base EBITDA	2,085	3,113	8,087	10,468
Operating margin	37 %	46 %	41 %	49 %
Total AUM	2,406,862	3,079,658	2,406,862	3,079,658
Average AUM	2,559,687	3,281,824	3,031,804	3,327,864

(1) Prior year figures have been restated to conform with current year presentation. In the first quarter of the year, the Company completed the restructuring of its U.S.-based discretionary accounts operations which led to the conversion of those client assets from administrated brokerage assets to actively managed AUM. Consequently, these operations were reclassified to form part of the managed equities segment.

3 months ended

Income before income taxes was $0.7 million in the quarter, up $0.4 million (99%) from the quarter ended September 30, 2021. The increase was mainly due to lower losses on co-investments that were partially offset by lower management fees, higher FX translation loss and higher SG&A. Adjusted base EBITDA was $2.1 million in the quarter, down $1 million (33%) from the quarter ended September 30, 2021. The decrease was primarily due to lower management fees and higher SG&A.

9 months ended

Loss before income taxes was $0.1 million on a year-to-date basis, down $0.6 million from the nine months ended September 30, 2021. The decrease was mainly due to lower management fees, higher losses on co-investments, higher salaries and SG&A partially offset by lower other expenses. Adjusted base EBITDA was $8.1 million on a year-to-date basis, down $2.4 million (23%) from the nine months ended September 30, 2021. The decrease was mainly due to lower management fees and higher salaries and SG&A.

Private strategies [1]

(In thousands $)	3 months ended Sep. 30, 2022	3 months ended Sep. 30, 2021	9 months ended Sep. 30, 2022	9 months ended Sep. 30, 2021
Summary income statement				
Management fees	**4,311**	**5,867**	**9,843**	**9,817**
Trailer, sub-advisor and fund expenses	(24)	(21)	(72)	(84)
Direct payouts	(264)	(721)	(703)	(918)
Carried interest and performance fees	**—**	**—**	**2,027**	**7,229**
Carried interest and performance fee payouts - internal	—	—	(1,015)	(4,180)
Carried interest and performance fee payouts - external	—	—	(476)	(595)
Net fees	4,023	5,125	9,604	11,269
Finance income	890	526	3,475	2,674
Gain (loss) on investments	944	(374)	665	(2,096)
Other income	1	44	59	221
Total net revenues	5,858	5,321	13,803	12,068
Net compensation	2,159	2,174	5,411	4,847
Severance, new hire accruals and other	88	182	313	461
Selling, general and administrative	259	256	800	748
Interest expense	—	—	—	7
Depreciation and amortization	—	—	—	1
Other expenses	1,466	(585)	790	(191)
Total expenses	**3,972**	**2,027**	**7,314**	**5,873**
Income (loss) before income taxes	**1,886**	**3,294**	**6,489**	**6,195**
Adjusted base EBITDA	2,503	3,474	6,411	6,699
Operating margin	51 %	61 %	51 %	59 %
Total AUM	1,896,033	1,383,072	1,896,033	1,383,072
Average AUM	1,706,127	1,104,661	1,562,318	988,548

[1] In the first quarter of the year, the Company renamed the Lending segment to "Private strategies" in order to reflect the successful growth of its streaming funds alongside its traditional lending partnership vehicles.

3 months ended

Income before income taxes was $1.9 million in the quarter, down $1.4 million (43%) from the quarter ended September 30, 2021. The year-over-year decrease was primarily a result of higher commitment fees earned on the rebalancing of certain LPs last year and higher other expenses in the current quarter pertaining to the settlement of a legacy legal claim, partially offset by gains on our co-investments compared to losses in the prior period. Adjusted base EBITDA was $2.5 million in the quarter, down $1 million (28%) from the quarter ended September 30, 2021. The decrease was primarily from last year's commitment fees mentioned above.

9 months ended

Income before income taxes was $6.5 million on a year-to-date basis, up $0.3 million (5%) from the nine months ended September 30, 2021. The increase was primarily due to gains on co-investments compared to losses in the prior period and higher finance income partially offset by lower net carried interests, higher other expenses mentioned previously and higher compensation costs. Adjusted base EBITDA was $6.4 million on a year-to-date basis, down $0.3 million (4%) from the nine months ended September 30, 2021. The decrease was primarily due to higher salaries and AIP partially offset by higher finance income.

Brokerage

	3 months ended		9 months ended	
(In thousands $)	Sep. 30, 2022	Sep. 30, 2021 (1)	Sep. 30, 2022	Sep. 30, 2021 (1)
Summary income statement				
Commissions	**5,162**	**6,605**	**16,476**	**25,828**
Commission expense - internal	(2,350)	(2,550)	(6,897)	(10,846)
Commission expense - external	(29)	(25)	(363)	(327)
Net commissions	2,783	4,030	9,216	14,655
Finance income	43	16	77	48
Gain (loss) on investments	(252)	(963)	(1,104)	29
Other income	140	11	246	52
Total net revenues	2,714	3,094	8,435	14,784
Net compensation	1,400	1,563	4,107	5,315
Severance, new hire accruals and other	196	14	318	42
Selling, general and administrative	975	765	2,299	1,923
Interest expense	—	5	3	21
Depreciation and amortization	13	140	295	422
Other expenses	(26)	104	113	549
Total expenses	**2,558**	**2,591**	**7,135**	**8,272**
Income (loss) before income taxes	**156**	**503**	**1,300**	**6,512**
Adjusted base EBITDA	615	1,841	3,206	7,618
Operating margin	21 %	43 %	32 %	47 %

(1) Prior year figures have been restated to conform with current year presentation. In the first quarter of the year, the Company completed the restructuring of its U.S.-based discretionary accounts operations which led to the conversion of those client assets from administrated brokerage assets to actively managed AUM. Consequently, these operations were reclassified to form part of the managed equities segment.

3 and 9 months ended

Income before income taxes was $0.2 million in the quarter, down $0.3 million (69%) from the quarter ended September 30, 2021 and was $1.3 million on a year-to-date basis, down $5.2 million (80%) from the nine months ended September 30, 2021. Adjusted base EBITDA was $0.6 million in the quarter, down $1.2 million (67%) from the quarter ended September 30, 2021 and was $3.2 million on a year-to-date basis, down $4.4 million (58%) from the nine months ended September 30, 2021. Our three and nine months ended results were impacted by weaker mining equity origination activity in both our Canadian and U.S. broker dealers. Our results were also impacted by losses on certain equity holdings on a year-to-date basis.

Corporate

This segment is primarily a cost centre that provides capital, balance sheet management and shared services to the Company's subsidiaries.

	3 months ended		9 months ended	
(In thousands $)	Sep. 30, 2022	Sep. 30, 2021	Sep. 30, 2022	Sep. 30, 2021
Summary income statement				
Gain (loss) on investments	112	4,008	(3,506)	4,625
Other income	8	24	53	47
Total revenues	**120**	**4,032**	**(3,453)**	**4,672**
Net compensation	4,445	3,977	14,292	10,504
Severance, new hire accruals and other	852	—	2,697	—
Selling, general and administrative	734	526	1,899	1,605
Interest expense	31	62	96	153
Depreciation and amortization	445	619	1,369	1,854
Other expenses	2,222	1,541	4,545	1,109
Total expenses	**8,729**	**6,725**	**24,898**	**15,225**
Income (loss) before income taxes	**(8,609)**	**(2,693)**	**(28,351)**	**(10,553)**
Adjusted base EBITDA	(2,593)	(4,377)	(8,399)	(11,754)

3 and 9 months ended

- Investment loss on a year-to-date basis was primarily from market value depreciation of certain digital gold strategies.
- Net compensation was higher largely due to higher LTIP amortization, partially offset by lower AIP.
- Severance, new hire accruals and other primarily includes compensation and other transition payments to the former CEO that will be paid out over 3 years.
- Other expenses increased primarily due to FX translation movements.

Dividends

The following dividends were declared by the Company during the nine months ended September 30, 2022:

Record date	Payment Date	Cash dividend per share	Total dividend amount (in thousands $)
March 7, 2022 - Regular dividend Q4 2021	March 22, 2022	$0.25	6,467
May 5, 2022 - Regular dividend Q1 2022	May 31, 2022	$0.25	6,500
Aug 12, 2022 - Regular dividend Q2 2022	August 29, 2022	$0.25	6,484
Dividends [1]			19,451

[1] Subsequent to quarter-end, on November 3, 2022, a regular dividend of $0.25 per common share was declared for the quarter ended September 30, 2022. This dividend is payable on November 29, 2022 to shareholders of record at the close of business on November 14, 2022.

Capital stock

Including the 0.9 million unvested common shares currently held in the EPSP Trust (December 31, 2021 - 0.8 million), total capital stock issued and outstanding was 25.9 million (December 31, 2021 - 25.8 million). During the year, the Company issued 72,464 shares related to the URNM acquisition. This issuance was more than offset by the repurchase and cancellation of 81,538 shares through the normal course issuer bid.

Earnings per share for the current and prior periods have been calculated using the weighted average number of shares outstanding during the respective periods. Basic earnings per share was $0.12 for the quarter and $0.41 on a year-to-date basis compared to $0.35 and $0.92 in the prior periods, respectively. Diluted earnings per share was $0.12 in the quarter and $0.39 on a year-to-date basis compared to $0.34 and $0.89 in the prior periods, respectively. Diluted earnings per share reflects the dilutive effect of in-the-money stock options, unvested shares held in the EPSP Trust and outstanding restricted stock units.

A total of 12,500 stock options are outstanding pursuant to our stock option plan, all of which are exercisable.

Liquidity and capital resources

As at September 30, 2022, the Company had $55.2 million (December 31, 2021 - $29.8 million) outstanding on its credit facility, all of which is due on December 14, 2025. The increase was due to the loan facility drawdown used to fund the URNM acquisition and certain co-investments.

The Company has access to a credit facility of $120 million with a major Canadian schedule I chartered bank. Amounts under the facility may be borrowed through prime rate loans or bankers' acceptances. Amounts may also be borrowed in U.S. dollars through base rate loans. As at September 30, 2022, the Company was in compliance with all covenants, terms and conditions under the credit facility. Key terms under the credit facility are noted below:

Structure

- 5-year, $120 million revolver with "bullet maturity" December 14, 2025

Interest rate

- Prime rate + 0 bps or;
- Banker acceptance rate + 170 bps

Covenant terms

- Minimum AUM: 70% of AUM on November 13, 2020
- Debt to EBITDA less than or equal to 2.5:1
- EBITDA to interest expense more than or equal to 2.5:1

Commitments

The Company has commitments to make co-investments in private strategies LPs arising from our private strategies segment or commitments to make investments in the net investments portfolio of the Company. As at September 30, 2022, the Company had $8.1 million in co-investment commitments from the private strategies segment due within one year (December 31, 2021 - $7.7 million), and $1 million due after 12 months (December 31, 2021 - $Nil).

Critical accounting estimates, judgements and changes in accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions and estimates as they occur. The Company's significant accounting policies are described in Note 2 of the December 31, 2021 audited annual financial statements. Certain of these accounting policies require management to make key assumptions concerning the future and consider other sources of estimation uncertainty at the reporting date. These accounting estimates are considered critical because they require subjective and/or complex judgements that may have a material impact on the value of our assets, liabilities, revenues and expenses.

Critical accounting estimates

Impairment of goodwill and intangible assets

All indefinite life intangible assets and goodwill are assessed for impairment annually, however, finite life intangibles are only tested for impairment to the extent indicators of impairment exist at the time of a quarterly assessment. In the case of goodwill and indefinite life intangibles, this annual test for impairment augments the quarterly impairment indicator assessments. Values associated with goodwill and intangibles involve estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates, AUM and asset lives. These estimates require significant judgment regarding market growth rates, fund flow assumptions, expected margins and costs, which could affect the Company's future results if estimates of future performance and fair value change.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated balance sheets cannot be derived from active markets, they are determined using valuation techniques and models. Model inputs are taken from observable markets where possible, but where this is not feasible, unobservable inputs may be used. These unobservable inputs include, but are not limited to, projected cash flows, discount rates, comparable recent transactions, volatility of underlying securities in warrant valuations and extraction recovery rates of mining projects. The use of unobservable inputs can involve significant judgment and materially affect the reported fair value of financial instruments.

Contingent consideration

The URNM acquisition necessitated the recognition of contingent consideration for the amounts payable in cash under the terms of the purchase agreement. The consideration is subject to certain financial performance conditions based on the average AUM of the fund over the two-year period from closing of the transaction. The key judgements utilized in the estimation of the contingent consideration were fund flow assumptions.

Significant judgements

Investments in other entities

IFRS 10 *Consolidated Financial Statements* ("IFRS 10") and IAS 28 *Investments in Associates and Joint Ventures* ("IAS 28") provide for the use of judgment in determining whether an investee should be included within the consolidated financial statements of the Company and on what basis (subsidiary, joint venture, financial instrument or associate). Significant judgment is applied in evaluating facts and circumstances relevant to the Company and investee, including: (1) the extent of the Company's direct and indirect interest in the investee; (2) the level of compensation to be received from the investee for management and other services provided to it; (3) "kick out rights" available to other investors in the investee; and (4) other indicators of the extent of power that the Company has over the investee.

Managing financial risks

Market risk

The Company separates market risk into three categories: price risk, interest rate risk and foreign currency risk.

Price risk

Price risk arises from the possibility that changes in the price of the Company's on and off-balance sheet assets and liabilities will result in changes in carrying value or recoverable amounts. The Company's revenues are also exposed to price risk since management fees, carried interest and performance fees are correlated with AUM, which fluctuates with changes in the market values of the assets in the funds and managed accounts managed by the Company.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will adversely affect the value of, or cash flows from, financial instrument assets and liabilities. The Company's earnings, particularly through its private strategies segment, are exposed to volatility as a result of sudden changes in interest rates. Management takes into account a number of factors and is committed to several processes to ensure that this risk is appropriately managed.

Foreign currency risk

The Company enters into transactions that are denominated primarily in U.S. and Canadian dollars. Foreign currency risk arises from foreign exchange rate movements that could negatively impact either the carrying value of financial assets and liabilities or the related cash flows which are denominated in currencies other than the functional currency of the Company and its subsidiaries. The Company may employ certain hedging strategies to mitigate foreign currency risk.

Credit risk

Credit risk is the risk that a borrower will not honor its commitments and a loss to the Company may result. Credit risk generally arises in the Company's investments portfolio.

Investments

The Company incurs credit risk when entering into, settling and financing transactions with counterparties. Management takes into account a number of factors and is committed to several processes to ensure that this risk is appropriately managed.

Other

The majority of accounts receivable relate to management fees, carried interest and performance fees receivable from the funds and managed accounts managed by the Company. These receivables are short-term in nature and any credit risk associated with them is managed by dealing with counterparties that the Company believes to be creditworthy and by actively monitoring credit exposure and the financial health of the counterparties.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company's exposure to liquidity risk is minimal as it maintains sufficient levels of liquid assets to meet its obligations as they come due. Additionally, the Company has access to a $120 million committed line of credit with a major Canadian schedule I chartered bank. As part of its cash management program, the Company primarily invests in short-term debt securities issued by the Government of Canada with maturities of less than three months.

The Company's exposure to liquidity risk as it relates to our co-investments in private strategies LPs arises from fluctuations in cash flows from making capital calls and receiving capital distributions. The Company manages its co-investment liquidity risk through the ongoing monitoring of scheduled capital calls and distributions ("match funding") and through its broader treasury risk management program and enterprise capital budgeting.

Financial liabilities, including accounts payable and accrued liabilities and compensation payable, are short-term in nature and are generally due within a year.

The Company's management team is responsible for reviewing resources to ensure funds are readily available to meet its financial obligations as they come due, as well as ensuring adequate funds exist to support business strategies and operations growth. The Company manages liquidity risk by monitoring cash balances on a daily basis and through its broader treasury risk management program. To meet any liquidity shortfalls, actions taken by the Company could include: slowing its co-investment activities; adjust or otherwise temporarily suspend AIPs; cut or temporarily suspend its dividend; drawing on the line of credit; liquidating net investments; and/or issuing common shares.

Concentration risk

A significant portion of the Company's AUM as well as its investments are focused on the natural resource sector, and in particular, precious metals and commodity related investments and transactions. In addition, from time-to-time, certain investment may be concentrated to a material degree in a single position or group of positions. Management takes into account a number of factors and is committed to several processes to ensure that this risk is appropriately managed.

Disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR")

Management is responsible for the design and operational effectiveness of DC&P and ICFR in order to provide reasonable assurance regarding the disclosure of material information relating to the Company. This includes information required to be disclosed in the Company's annual filings, interim filings and other reports filed under securities legislation, as well as the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Our chief executive officer and chief financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in the applicable U.S. and Canadian securities laws), concluded that the Company's DC&P and ICFR were properly designed and were operating effectively as at September 30, 2022. In addition, there were no material changes to ICFR during the quarter.

Managing non-financial risks

For details around other risks managed by the Company (e.g. confidentiality of information, conflicts of interest, etc.) refer to the Company's annual report as well as the Annual Information Form available on EDGAR at www.sec.gov and SEDAR at www.sedar.com.