Sprott Inc. First Quarter Report 2015

Sprott INC.

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Sprott INC.

May 13, 2015

Dear Shareholders,

We are pleased with our progress in the first quarter of 2015, as our Assets Under Management ("AUM") increased by $800 million from the end of last year to $7.8 billion as of March 31, 2015. The increase was largely driven by positive investment performance, the addition of two new specialty funds managed by Whitney George, and favourable exchange rates.

In the early months of 2015, we have continued to enhance our investment capabilities through the addition of investment professionals in core areas. In Canada, we added Mark Wisniewski, an experienced fixed income specialist and acquired a credit fund he currently manages from his previous employer. We believe Mark's credit strategy will appeal to both advisors and high-net worth individuals in this core wealth management area. In the U.S., we hired Trey Reik, a well-known portfolio manager and thought leader in the precious metals space. Trey, along with Whitney George who joined us late last year, will provide us with a stronger U.S. presence and another avenue to market our products to institutional investors.

These hires point to Sprott's ability to attract top investment talent by providing them with a preferred platform for performance and client service. While we have made no large payment to "buy the business", we have gained new clients, assets and investment professionals with the passion and experience necessary to lead growing fund areas for the firm.

Our existing funds performed well during the first quarter, led by the Sprott Energy Fund, which was been the top performer in this challenged area so far this year. The Sprott Canadian Equity Fund has also delivered strong year-to-date returns under new portfolio managers James Bowen and Jon Wiesblatt.

The continued growth of our passives products business is one of our key priorities for 2015. During the quarter, we launched our second ETF, the Sprott Junior Gold Miners Index ("SGDJ") and we expect to continue building this business by adding other innovative new ETFs before year end.

Subsequent to the quarter-end, we announced our intention, through SAM LP together with Sprott Physical Gold Trust and Sprott Physical Silver Trust, to commence an offer to exchange all of the outstanding units of the Central GoldTrust and Silver Bullion Trust for units of the Physical Trusts. This has the potential to significantly increase the asset base of the Physical Trusts, while lowering the fixed cost per unit. If successful, this transaction would also significantly increase the AUM of the Sprott Physical Trusts.

Finally, on behalf of the Board of Directors, I would like to thank Paul Stephens, who is stepping down from the Board for personal reasons, for his many contributions over the past three years. Paul continues to hold a significant ownership position in Sprott and intends to keep in close contact with our investment team going forward.

Thank you for your continued support and we look forward to reporting to you on our progress in the quarters ahead.

Sincerely,

Peter Grosskopf
Chief Executive Officer

Management's Discussion and Analysis

Three months ended March 31, 2015

Sprott INC.

FORWARD LOOKING STATEMENTS

Certain statements in this MD&A, and in particular the Outlook section, 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 MD&A contains Forward-Looking Statements pertaining to: (i) SAM LP's and the Physical Trusts' (as defined below) offer to exchange all of the outstanding units of GTU (as defined below) and SBT (as defined below) for units of the Physical Trusts and the potential benefits of such exchange offer; (ii) expectations relating to the personnel and product changes; (iii) continued management of the Sprott Focus Trust Inc. and the Sprott Privet Fund by Whitney George; (iv) the Company's strategy to grow both its resource-focused and diversified asset management activities; (v) the Company's belief that management fees and interest income will continue to be sufficient to satisfy ongoing operational needs and the Company's belief that it holds sufficient cash and liquid securities to meet any other operating and capital requirements; 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 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) changes in the investment management industry; (iii) risks related to regulatory compliance; (iv) failure to deal appropriately with conflicts of interest; (v) failure to continue to retain and attract quality staff; (vi) competitive pressures; (vii) corporate growth may be difficult to sustain and may place significant demands on existing administrative, operational and financial resources; (viii) failure to execute the Company's succession plan; (ix) foreign exchange risk relating to the relative value of the U.S. dollar; (x) litigation risk; (xi) employee errors or misconduct could result in regulatory sanctions or reputational harm; (xii) failure to implement effective information security policies, procedures and capabilities; (xiii) failure to develop effective business resiliency plans; (xiv) failure to obtain or maintain sufficient insurance coverage on favourable economic terms; (xv) historical financial information is not necessarily indicative of future performance; (xvi) the market price of common shares of the Company may fluctuate widely and rapidly; (xvii) those risks described under the heading "Risk Factors" in the Company's annual information form dated March 4, 2015; and (xviii) those risks described under the headings "Managing Risk - Financial" and "Managing Risk - Other" 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 Canadian securities laws.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion & Analysis ("MD&A") of financial condition and results of operations, dated May 12, 2015, presents an analysis of the consolidated financial condition of Sprott Inc. (the "Company", "we", "us", "our") and its subsidiaries as at March 31, 2015 compared with December 31, 2014, and the consolidated results of operations for the three months ended March 31, 2015, compared with the three months ended March 31, 2014. The Board of Directors approved this MD&A on May 12, 2015. All note references in this MD&A are to the notes to the Company's 2015 unaudited 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

These interim financial statements, including the required comparative information, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically IAS 34 *Interim Financial Reporting* which relates to interim financial reporting as issued by the International Accounting Standards Board ("IASB"). Financial results, including related historical comparatives contained in this MD&A, unless otherwise specified herein, are based on the interim financial statements. The Canadian dollar is the Company's functional and reporting currency for purposes of preparing the interim financial statements given that the Company conducts most of its operations in that currency. Accordingly, all dollar references in this MD&A are in Canadian dollars, unless otherwise specified. The use of the term "prior period" refers to the quarter-ended March 31, 2014 as applicable unless stated otherwise.

KEY PERFORMANCE INDICATORS (NON-IFRS 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 include:

Assets Under Management

Assets Under Management ("AUM") refers to the total net assets managed by the Company through its various investment product offerings, managed accounts and managed companies.

Assets Under Administration

Assets Under Administration ("AUA") refers to assets administered by us, which are beneficially owned by clients in the form of client accounts at broker-dealer subsidiaries of the Company.

Investment Performance

Investment performance is a key driver of AUM. Growth in AUM resulting from positive investment performance increases the value of the assets managed for clients and the Company, in turn, benefits from higher management fees and the potential for performance fees.

Net Sales

Sales, net of redemptions, is another key driver of AUM as the amount of new assets being added to the total AUM of the Company will lead to higher management fees and can potentially lead to increased performance fee generation given that AUM is also the basis upon which performance fees and carried interests are calculated.

EBITDA and Adjusted base EBITDA

EBITDA in its most basic form is defined as earnings before interest expense, income taxes, depreciation and amortization. The Company further adjusts EBITDA ("adjusted base EBITDA") by eliminating the following items to derive a more meaningful measure of its core operations and cash generating ability: (i) impairment charges (or recoveries of prior period impairments) on intangible assets and goodwill; (ii) gains and losses on proprietary investments and loans (however, loan loss provisions on real estate loans and resource loans are not excluded from adjusted base EBITDA); (iii) non-cash stock-based compensation; and (iv) performance fees and performance fee related expenses. See table below.

	For the three months ended	
($ in thousands)	**March 31, 2015**	March 31, 2014
Net income for the period	**6,937**	10,239
Adjustments:		
Interest expense	**84**	—
Provision (recovery) for income taxes	**1,808**	1,427
Depreciation and amortization	**1,544**	1,570
EBITDA	**10,373**	13,236
Other adjustments:		
Impairment (reversal) of intangible assets	**631**	—
(Gains) and losses on proprietary investments and loans	**2,744**	(4,481)
Non-cash stock based compensation	**(611)**	507
Other	**707**	—
Adjusted EBITDA	**13,844**	9,262
Less:		
Performance fees	**(127)**	(270)
Performance fee related expenses	**40**	68
Adjusted base EBITDA	**13,757**	9,060

Stock-based compensation relating to the Company's Employee Profit Sharing Plan ("EPSP") is treated as a cash expense when calculating adjusted EBITDA and adjusted base EBITDA. EBITDA and adjusted EBITDA include performance fees and performance fee related expenses, whereas adjusted base EBITDA does not. The Company believes that adjusted base EBITDA is the most relevant measure as it allows the Company to assess its ongoing business without the impact of interest expense, income taxes, depreciation, amortization as well as other non-cash items and items that, while being cash, may be ancillary to the Company's core business operations or not be indicative of a run-rate cash flow from operations (such as performance fees and related expenses). Adjusted base EBITDA is a useful indicator of the Company's ability to pay sustainable dividends and invest in the business and continuing operations.

EBITDA in various forms 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.

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.

BUSINESS OVERVIEW

We are, first and foremost, a global independent alternative asset management company dedicated to achieving superior returns for our clients over the long-term. To achieve this mandate, the Company manages and reports its wholly-owned subsidiaries across the five reporting segments noted below. For a detailed description of our key operating segments and their related revenues and expenses, refer to the Company's *Annual Information Form* and Note. 2 of the annual audited financial statements, both of which are available on SEDAR at www.sedar.com.

SAM:

The SAM segment offers discretionary portfolio management as well as asset management services to the Company's branded funds and managed accounts. The majority of the Company's revenues are earned through SAM in the form of management and performance fees.

- Sprott Asset Management LP ("SAM")
- Sprott Genpar Ltd.

Global Companies:

The Global Companies segment provides asset management services to the Company's branded funds and managed accounts in the U.S. and also provides securities trading and other transactional services to clients.

- Sprott U.S. Holdings Inc. ("SUSHI")
- Rule Investments Inc. ("RII")
- Sprott Global Resource Investments Ltd. ("SGRIL")
- Sprott Asset Management USA Inc. ("SAM US")
- Resource Capital Investment Corporation ("RCIC")

SRLC:

SRLC is a lender to companies in the mining and energy sectors. Through this business, the Company provides lending services in addition to its core business of asset management.

- Sprott Resource Lending Corp. ("SRLC")

Consulting:

The Consulting segment manages the Company's private equity strategies, the majority of which, are held within Sprott Resource Corp. ("SRC").

- Sprott Consulting LP ("SC")
- Toscana Energy Corporation ("TEC") manager of Toscana Energy Income Corporation ("TEIC") and Toscana Capital Corporation ("TCC") former manager of Toscana Financial Income Trust ("TFIT"), which was unwound during the second quarter of 2014 (Collectively, "Sprott Toscana")
- Sprott Korea Corporation ("Sprott Korea")

Corporate & Other:

The Corporate segment provides treasury and shared services to the Company's business units. The Other segment includes the activities of SPW, the private wealth business of the Company.

- Sprott Inc. (non-consolidated; "SII")
- SAMGENPAR Ltd.
- Sprott Private Wealth LP ("SPW")
- Sprott Asia LP ("Sprott Asia")
- Sprott Inc. 2011 Employee Profit Sharing Plan Trust (the "Trust")

BUSINESS HIGHLIGHTS AND GROWTH INITIATIVES

Investment Performance

During the quarter, the performance of our funds improved with AUM growth driven by a strengthening U.S. dollar, improved market conditions and good securities selection. Overall, market value appreciation was approximately $462 million across the Company's various funds and managed company portfolios.

Key Employee Changes

During the quarter, Eric Sprott stepped down as lead portfolio manager on the Sprott Canadian Equity Fund, and various Sprott hedge funds. Mr. Sprott will continue to serve as Chairman of the Company. Jonathan Wiesblatt and James Bowen assumed co-lead portfolio management duties for the Sprott Canadian Equity Fund. Jason Mayer and Maria Smirnova joined the portfolio management team for the Sprott hedge funds, alongside senior portfolio manager Paul Wong. In addition, they assumed portfolio management duties for the Gold and Precious Minerals Fund following the departure of Charles Oliver from SAM.

In February, Whitney George commenced his role as senior portfolio manager based in the U.S. In March, Trey Reik (also based in the U.S.), joined the Company as a senior portfolio manager and precious metals strategist.

Subsequent to the quarter-end, Mark Wisniewski joined the Company as a senior portfolio manager for SAM. Mr. Wisniewski is a fixed income specialist with a depth of experience in portfolio management and the trading and analysis of debt securities.

Product and Business Line Expansion

During the quarter, the Company added $316 million to its AUM on the successful transfer of assets from Royce & Associates, LLC ("Royce") and re-branded these newly acquired funds as the *Sprott Focus Trust Inc.* and the *Sprott Privet Fund*. These funds will continue to be managed by Whitney George.

On March 31, 2015, we launched the *Sprott Junior Gold Miners Exchange Traded Fund* on the New York Stock Exchange (NYSE: SGDJ). This new product was created in partnership with ALPS Advisors Inc. (“ALPS”) and Zacks Index Services. The goal of this ETF is to provide exposure to the Sprott Zacks Junior Gold Miners index (NYSE: ZAXSGDJ), which seeks to outperform a passive, market-capitalization representation of junior gold stocks. The index methodology is the first factor-based junior gold miners ETF and was developed by leveraging our experience as seasoned gold sector investors and Zacks’ research capabilities.

Subsequent to the quarter-end, we announced our intention, through SAM LP together with *Sprott Physical Gold Trust* and *Sprott Physical Silver Trust* (collectively, the “Physical Trusts”), to commence an offer to exchange all of the outstanding units of the *Central GoldTrust* (“GTU”) and *Silver Bullion Trust* (“SBT”) for units of the Physical Trusts. If successful, our SAM segment would benefit from a meaningful increase in AUM. The exchange offer is very much in the early stages, and as such, we look forward to providing updates on this potential transaction in the months ahead.

OUTLOOK

As discussed in the *"Business Highlights and Growth Initiatives"* section above, the personnel and product changes during the quarter and subsequent thereto should position us well to execute our strategy to grow both our resource-focused and diversified asset management activities.

The addition of generalist stock-pickers, Whitney George, James Bowen and Jonathan Wiesblatt and fixed income specialist Mark Wisniewski will help expand our diversified AUM base, while the addition of precious metals specialist, Trey Reik, along with the introduction of our second Gold Miners ETF, and if successful, the Physical Trust exchange offers, will meaningfully increase our resource-focused AUM.

FINANCIAL HIGHLIGHTS

For the three months ended March 31, 2015

- AUM was $7.8 billion, reflecting an increase of $0.1 billion (1.6%) from March 31, 2014, and an increase of $0.8 billion (11.2%) from December 31, 2014. Average AUM was $7.6 billion, which was essentially flat to average AUM on March 31, 2014.
- AUA was $2.2 billion, reflecting a decrease of $0.5 billion (19.9%) from the prior period.
- Total revenues were $33.3 million, reflecting an increase of $0.4 million (1.3%), from the prior period.
- Total expenses were $24.5 million, reflecting an increase of $3.3 million (15.8%), from the prior period.
- Net income was $6.9 million ($0.03 per share), reflecting a decrease of $3.3 million (32.2%), from the prior period.
- Adjusted base EBITDA was $13.8 million, reflecting an increase of $4.7 million (51.8%), from the prior period.
- Invested capital stood at $326.1 million, reflecting a $17.6 million (5.1%) decrease from December 31, 2014. The decrease was mainly due to: (i) the repayment of the credit facility outstanding in 2014; (ii) the payout of the 2014 year-end bonus and fourth quarter dividend; and (iii) proprietary investment losses in the quarter. The annualized return on invested capital (excluding cash, real estate loan, and line of credit availability) was 13.6% and on investable capital (excluding only real estate loans and line of credit availability) was 9.1%.

SUMMARY FINANCIAL INFORMATION

For the three months ended March 31, 2015

Key Performance Indicators	As at and for the three months ended	
	March 31	
($ in thousands, except per share amounts)	**2015**	2014
Assets Under Management	**7,817,389**	7,694,545
Assets Under Administration	**2,166,490**	2,705,446
Net Sales (Redemptions)	**11,501**	123,403
EBITDA	**10,373**	13,236
EBITDA Per Share - basic and diluted	**0.04**	0.05
Adjusted EBITDA	**13,844**	9,262
Adjusted base EBITDA	**13,757**	9,060
Adjusted base EBITDA Per Share - basic and diluted	**0.06**	0.04

Summary Balance Sheets	As at	
	March 31	December 31
($ in thousands)	**2015**	2014
Total Assets	**453,895**	481,277
Total Liabilities	**27,739**	62,665
Shareholders' Equity	**426,156**	418,612

Summary Statements of Operations and Reconciliation to Adjusted Base EBITDA	For the three months ended March 31	
($ in thousands, except per share amounts)	**2015**	2014
Management fees	**18,563**	19,372
Performance fees	**127**	270
Commissions	**2,075**	1,924
Interest income	**6,832**	5,354
Unrealized and realized gains (losses) on proprietary investments and loans	**(2,874)**	4,350
Other income	**8,565**	1,601
Total revenue	**33,288**	32,871
Compensation and benefits	**10,499**	9,129
Stock-based compensation	**247**	1,480
Trailer fees	**3,133**	3,008
Sub-advisor and referral fees	**803**	570
General and administrative	**6,189**	5,448
Amortization of intangibles	**1,360**	1,374
Impairment of intangibles	**631**	—
Amortization of property and equipment	**184**	196
Other expenses	**1,497**	—
Total expenses	**24,543**	21,205
Income (loss) before income taxes	**8,745**	11,666
Provision (recovery) for income taxes	**1,808**	1,427
Net income	**6,937**	10,239
Adjustments:		
Interest expense	**84**	—
Provision for income taxes	**1,808**	1,427
Depreciation and amortization	**1,544**	1,570
EBITDA	**10,373**	13,236
Other adjustments:		
Impairment (reversal) of intangible assets	**631**	—
(Gains) and losses on proprietary investments and loans	**2,744**	(4,481)
Non-cash stock based compensation	**(611)**	507
Other	**707**	—
Adjusted EBITDA	**13,844**	9,262
Less:		
Performance fees	**(127)**	(270)
Performance fee related expenses	**40**	68
Adjusted base EBITDA	**13,757**	9,060
Dividends declared	**0.03**	0.03
Earnings Per Share - basic and diluted	**0.03**	0.04
EBITDA Per Share - basic and diluted	**0.04**	0.05
Adjusted EBITDA Per Share - basic and diluted	**0.06**	0.04
Adjusted base EBITDA Per Share - basic and diluted	**0.06**	0.04

RESULTS OF OPERATIONS

For the three months ended March 31, 2015

Assets Under Management, Investment Performance and Net Sales

AUM as at March 31, 2015 was $7.8 billion, which was up slightly from the prior period and up $0.8 billion (11.2%) from December 31, 2014. Increases in AUM during the quarter were primarily from market appreciation (with a meaningful portion of that appreciation coming from foreign currency gains on U.S. dollar denominated AUM), product line expansion ($316 million of AUM transferred from Royce), and to a lesser extent, net sales of ETFs and mutual funds, which slightly offset redemptions in bullion and alternative investments strategies. Average AUM for the quarter was $7.6 billion, which was up slightly from average AUM for the quarter-ended March 31, 2014.

Breakdown of AUM by investment product type:

	March 31, 2015		March 31, 2014	
Product Type	**$ (in millions)**	**% of AUM**	$ (in millions)	% of AUM
Bullion Funds	**3,429**	**43.9%**	3,581	46.6%
Mutual Funds	**2,096**	**26.8%**	1,747	22.7%
Alternative Investment Strategies	**832**	**10.6%**	897	11.6%
Exchange Traded Funds	**230**	**2.9%**	—	—
Managed Companies	**775**	**9.9%**	918	12.0%
Managed Accounts	**106**	**1.4%**	134	1.7%
Fixed Term Limited Partnerships	**349**	**4.5%**	418	5.4%
Total	**7,817**	**100%**	7,695	100%

Breakdown of AUM movements on a three months ended basis by investment product type:

$ (in millions)	**AUM December 31, 2014**	**Net Sales / (Redemptions)**	**Net Market Value Change**	**Acquisitions / (Divestitures)**	**AUM March 31, 2015**
Bullion Funds	3,185	(89)	333	—	3,429
Mutual Funds	1,705	16	135	240	2,096
Alternative Investment Strategies	783	(30)	3	76	832
Exchange Traded Funds	133	116	(19)	—	230
Managed Companies	770	—	5	—	775
Managed Accounts	111	(1)	(4)	—	106
Fixed Term Limited Partnerships	340	—	9	—	349
Total	7,027	12	462	316	7,817

Revenues

Management fees for the quarter were $18.6 million, reflecting a decrease of $0.8 million (4.2%), from the prior period. The decrease was largely due to a decline in the average AUM of managed companies and fixed term-limited partnerships compared to the prior period. Management fees as a percentage of average AUM were 1.0% for the quarter and was unchanged from the prior period. Management fees include fees earned from precious metal physical trusts which amounted to $3.2 million for the quarter, reflecting a decrease of $0.2 million (5.7%), from the prior period.

Performance fees for the quarter were $0.1 million, reflecting a decrease of $0.1 million (53.0%) from the prior period. The decrease was due to a decline in performance fees earned by Sprott Toscana.

Commission revenues for the quarter were $2.1 million, reflecting an increase of $0.2 million (7.8%) from the prior period. The increase was due to increased private placement activity in SPW, which more than offset weaker commission revenue in SGRIL.

Interest income for the quarter was $6.8 million, reflecting an increase of $1.5 million (27.6%), from the prior period. Interest income is generated primarily by SRLC. The increase was consistent with the higher average loan balances of SRLC in the quarter.

Losses on proprietary investments and loans for the quarter were $2.9 million, reflecting a decrease of $7.2 million when compared to gains of $4.3 million during the prior period. The majority of losses were realized from the sale of an alternative investment fund, and market value depreciation in public equities and share purchase warrants held as part of proprietary investments.

Other income for the quarter was $8.6 million, reflecting an increase of $7.0 million (435.0%) from the prior period. The increase was largely due to increased foreign exchange gains on U.S. dollar denominated cash deposits, receivables and loans.

Expenses

Changes in specific expense categories are described below:

Compensation and benefits

The table below summarizes the components of compensation and benefits:

	For the three months ended March 31	
($ in thousands)	**2015**	2014
Salaries and benefits	**5,926**	6,449
Discretionary bonus-cash component	**3,843**	2,021
Commissions	**438**	652
Transition expenses	**292**	7
Compensation and benefits (1)	**10,499**	9,129

(1) Discretionary bonus-equity of $0.8 million (March 31, 2014 - $0.7 million) is included in stock-based compensation on the Company's consolidated statements of operations.

Total reported compensation and benefits for the quarter were $10.5 million, reflecting an increase of $1.4 million (15.0%) from the prior period. The increase was primarily a result of increases in discretionary bonus due to higher bonusable earnings and transition expenses. These increases were only partially offset by a reduction in the expensing of cash-based earn-out for Sprott Toscana (which is captured under the salaries and benefits line above) as the Company approaches the end of the vesting period.

Stock-based compensation

Reported stock-based compensation for the quarter was $0.2 million, reflecting a decrease of $1.2 million (83.3%) from the prior period. The decline was the result of the following: (i) a reduction in the expensing of earn-out shares for Sprott Toscana as the Company approaches the end of the vesting period; (ii) a reduction in the expensing of earn-out shares for Global Companies as earn-out shares were fully amortized by February 3, 2014; and (iii) a reduction in stock-based compensation relating to employees hired in prior periods which is accounted for on a graded vesting schedule.

Trailer fees

Trailer fees for the quarter were $3.1 million, reflecting an increase of $0.1 million (4.2%) from the prior period. Although there was a drop in trailer fee paying AUM over the period, that decline was more than offset by continuing declines in the amount of trailers being paid intercompany to SPW.

Sub-advisor and referral fees

Sub-advisor and referral fees for the quarter were $0.8 million, reflecting an increase of $0.2 million (40.9%) from the prior period. The increase was mainly due to higher sub-advisory fees paid as a result of additional sub-advised product offerings in the SAM segment that were launched during the second half of 2014.

General and administrative

General and administrative expenses for the quarter were $6.2 million, reflecting an increase of $0.7 million (13.6%), from the prior period. This increase was primarily the result of an increase in professional fees, technology, marketing and subscription costs.

Amortization of intangibles

Amortization of intangibles for the quarter was $1.4 million and was largely unchanged from the prior period. Amortization of intangibles consists of: (i) the amortization of deferred sales commissions; and (ii) the amortization of finite life fund management contracts and carried interests.

Impairment (reversals) of goodwill and intangibles

There were no indicators of goodwill impairment during the quarter (March 31, 2014 - $Nil), no indicators of management contract impairment during the quarter (March 31, 2014 - $Nil) and no indicators of deferred sales commission impairments during the quarter (March 31, 2014 - $Nil). However, an impairment charge of $0.6 million was recognized for carried interests in the Global Companies business segment (March 31, 2014 - $Nil).

The underlying inputs and assumptions that determine the recoverable amounts of goodwill, fund management contracts and carried interests are related to the resource sector and commodity prices which can exhibit significant volatility. As a result, recoverable amounts may demonstrate significant fluctuations in value over the year. Management will continue to monitor the recoverable amount of these intangible assets on a quarterly basis, and if appropriate, may record future impairment losses or reversals.

Amortization of property and equipment

Amortization of property and equipment was $0.2 million, largely unchanged from the prior period.

Other expenses

Other expenses for the quarter were $1.5 million (March 31, 2014 - $Nil). These expenses relate to energy assets held as part of proprietary investments.

Net Income and Adjusted base EBITDA

Net income for the quarter was $6.9 million, reflecting a decrease of $3.3 million (32.2%) from the prior period.

Excluding current quarter impairment charges on intangible assets, lower net income was due to: (i) lower management and performance fees; (ii) increased proprietary investment losses; and (iii) higher discretionary bonus, general and administrative expenses and sub-advisor fees. These lower revenue and higher expense items were only partially offset by: (i) higher commission and interest income; (ii) foreign exchange gains on U.S. dollar denominated cash deposits, receivables and loans; and (iii) reductions in cash-based and stock-based earn-out expenses.

Adjusted base EBITDA for the quarter was $13.8 million, reflecting an increase of $4.7 million (51.8%) from the prior period. This improved performance was largely the result of strong foreign exchange gains as well as higher commission and interest income, which more than offset higher compensation expense, sub-advisor fees and higher general and administrative expenses.

Balance Sheet

Cash and cash equivalents were $119.6 million, a decrease of $1.1 million (0.9%) from December 31, 2014. The decrease was primarily due to: (i) the repayment of the credit facility outstanding in 2014; (ii) the payout of the 2014 year-end bonus and fourth quarter dividend; and (iii) the transfer of principal and interest repayments to loan syndicate partners of SRLC. These decreases more than offset cash received from the net redemption of proprietary investments and loan repayments along with the generation and retention of operating cash flows in the normal course during the quarter.

Fees receivable were $12.3 million, reflecting a decrease of $0.8 million (6.4%) from December 31, 2014. The decrease was primarily due to the timing of year-end management fee receipts in 2015.

Other assets were $13.7 million, reflecting an increase of $2.7 million (24.0%) from December 31, 2014. The increase was primarily due to receivables relating to the redemption of proprietary investments.

Proprietary investments were $94.9 million, reflecting a decrease of $17.7 million (15.7%) from December 31, 2014. The decrease was due to: (i) a partial sale of gold bullion; and (ii) the sale of investments in certain fixed income and alternative investment products.

Loans receivable were $109.4 million, reflecting a decrease of $12.5 million (10.2%) from December 31, 2014. The decrease was due to net loan repayments during the quarter.

Intangible assets were $31.7 million, reflecting a decrease of $0.5 million (1.6%) from December 31, 2014. The decrease was primarily a result of an impairment charge on carried interests in RCIC, coupled with normal course amortization charges, partially offset by an increase related to foreign exchange gains on translation of the Company's U.S. dollar denominated intangibles.

Goodwill was $54.7 million, reflecting an increase of $4.3 million (8.5%) from December 31, 2014. The increase was due entirely to foreign exchange gains on translation of the Company's U.S. dollar denominated goodwill.

Deferred income tax liabilities (net of deferred income tax assets) were $1.2 million, reflecting a decrease of $2.1 million (64.3%) from December 31, 2014. The net decrease was due to: (i) a reduction in transitional partnership income currently taxable in the year; and (ii) the use of tax losses not previously benefited.

Accounts payable and accrued liabilities were $14.7 million, reflecting a decrease of $13.6 million (48.1%) from December 31, 2014. The decrease was the result of syndicate fee repayments by SRLC to its loan syndicate partners as well as the payment of previously accrued sub-advisor fees.

Compensation and employee bonuses payable were $4.9 million, reflecting a decrease of $4.4 million (47.6%) from December 31, 2014. The decrease was due to: (i) the payment of year-end transition expenses; and (ii) lower bonus and commissions payable due to the payout of 2014 bonus and commissions in the current quarter.

There was no loan payable at March 31, 2015 (December 31, 2014 - $15.0 million). During the fourth quarter of 2014, the Company drew down on its credit facility. The loan was repaid in full this quarter.

RESULTS OF OPERATIONS - REPORTABLE SEGMENTS

SAM Segment

The SAM segment provides asset management services to the Company's branded funds and managed accounts.

Results of operations:

	For the three months ended	
($ in thousands)	**March 31, 2015**	March 31, 2014
Revenue		
Management fees	**15,202**	15,144
Interest income	**6**	19
Other	**(1,094)**	1,788
Total revenue	**14,114**	16,951
Expenses		
General and administrative	**8,000**	7,825
Trailer fees	**3,560**	3,626
Sub-advisor and referral fees	**777**	570
Amortization and impairment of intangibles, property and equipment	**565**	604
Total expenses	**12,902**	12,625
Income before income taxes	**1,212**	4,326
Adjustments:		
Interest expense	**—**	—
Provision (recovery) for income taxes	**—**	—
Depreciation and amortization	**565**	604
EBITDA	**1,777**	4,930
Other adjustments:		
Impairment (reversal) of intangible assets	**—**	—
Impairment of goodwill	**—**	—
(Gains) and losses on proprietary investments and loans	**2,038**	(1,373)
Non-cash stock based compensation	**—**	—
Adjusted EBITDA	**3,815**	3,557
Less:		
Performance fees	**—**	—
Performance fee related expenses	**9**	—
Adjusted base EBITDA	**3,824**	3,557

For the three months ended March 31, 2015

Revenues

Management fees for the quarter were $15.2 million, reflecting a slight increase of $0.1 million (0.4%) from the prior period, consistent with the virtually flat average AUM in the quarter.

Interest income continues to be nominal and primarily generated from cash deposits with banks and brokerages.

Other revenues for the quarter were negative $1.1 million, reflecting a decrease of $2.9 million (161.2%) from the prior period. The decrease was a result of losses on proprietary investments compared to gains in the prior period, partially offset by higher foreign exchange gains on U.S. dollar denominated cash deposits and receivables.

Expenses

General and administrative expenses (which include compensation and benefits expenses) for the quarter were $8.0 million, reflecting an increase of $0.2 million (2.2%) from the prior period. The increase was primarily the result of higher professional fees, technology and marketing costs, partially offset by lower stock-based compensation expense and lower intercompany shared services cost allocations from the Corporate segment.

Trailer fees for the quarter were $3.6 million, reflecting a decrease of $0.1 million (1.8%) from the prior period. The decline was a result of lower average trailer fee paying AUM over the quarter.

Sub-advisor fees for the quarter were $0.8 million, reflecting an increase of $0.2 million (36.3%) from the prior period. The increase was a result of additional sub-advised product offerings launched during the second half of 2014.

Amortization charges for the quarter were $0.6 million, largely unchanged from the prior period.

Adjusted base EBITDA

Adjusted base EBITDA for the quarter was $3.8 million, reflecting an increase of $0.3 million (7.5%) from the prior period. The increase was mainly due to higher foreign exchange gains and lower stock-based compensation, partially offset by higher professional fees, technology and marketing costs.

Global Companies Segment

The Global Companies segment provides asset management services to the Company's funds and managed accounts in the U.S. and also provides securities trading services to its clients. This segment includes the operating results of SGRIL, RCIC and SAM USA.

Results of operations:

	For the three months ended	
(in $ thousands)	**March 31, 2015**	March 31, 2014
Revenue		
Management fees	**2,041**	2,359
Commissions	**703**	1,553
Interest income	**20**	10
Other	**(446)**	469
Total revenue	**2,318**	4,391
Expenses		
General and administrative	**2,371**	3,152
Sub-advisor and referral fees	**78**	—
Amortization and impairment of intangibles, property and equipment	**1,599**	946
Total expenses	**4,048**	4,098
Income (loss) before income taxes	**(1,730)**	293
Adjustments:		
Interest expense	**—**	—
Provision (recovery) for income taxes	**—**	—
Depreciation and amortization	**968**	946
EBITDA	**(762)**	1,239
Other adjustments:		
Impairment (reversal) of intangible assets	**631**	—
Impairment of goodwill	**—**	—
(Gains) and losses on proprietary investments and loans	**340**	(481)
Non-cash stock based compensation	**—**	403
Adjusted EBITDA	**209**	1,161
Less:		
Performance fees	**—**	—
Performance fee related expenses	**—**	—
Adjusted base EBITDA	**209**	1,161

For the three months ended March 31, 2015

Revenues

Management fees for the quarter were $2.0 million, reflecting a decrease of $0.3 million (13.5%) from the prior period. The decrease was mainly a result of lower average AUM in RCIC.

Commission revenues for the quarter were $0.7 million, reflecting a decrease of $0.9 million (54.7%) from the prior period. Lower commission income was the result of a reduction in private placement and client trading activities in SGRIL.

Interest income continues to be nominal and primarily generated from cash deposits with banks and brokerages.

Other revenue was negative $0.4 million for the quarter, reflecting a decrease of $0.9 million (195.1%) from the prior period. The decrease was largely due to losses on proprietary investments compared to gains in the prior period.

Expenses

General and administrative expenses (which include compensation and benefits expenses) were $2.4 million for the quarter, reflecting a decrease of $0.8 million (24.8%) from the prior period. The decrease was mainly due to a reduction in stock-based compensation as a result of earn-out shares fully vesting part-way through the first quarter of 2014 as well as a decrease in employee compensation and benefits, specifically commission expense, which decreased commensurately with the decrease in commission revenues over the quarter.

Sub-advisor fees for the quarter were nominal and paid by RCIC to the SRLC segment. This intercompany expense is eliminated on consolidation against the related sub-advisor revenue in SRLC.

Amortization and impairment charges for the quarter were $1.6 million, reflecting an increase of $0.7 million (69.0%) from the prior period. The increase was mainly due to: (i) an impairment charge of $0.6 million (March 31, 2014 - $Nil) recognized on carried interests as the recoverable amount of carried interests was lower than the carrying value; and (ii) foreign exchange appreciation on translation of Global's U.S. dollar denominated intangibles. The recoverable amount of goodwill and fund management contracts aligned with their respective carrying values during the quarter, consequently, no impairment charge or impairment charge reversals were recognized on these assets.

The underlying inputs and assumptions that determine the recoverable amounts of goodwill, finite life fund management contracts and carried interests for the Global Companies are related to the resource sector and commodity prices which can exhibit significant volatility. As a result, the recoverable amounts of intangible assets may demonstrate significant fluctuations in value over the year. Management will continue to monitor the recoverable amount of these intangible assets on a quarterly basis, and if appropriate, record future impairment losses or reversals.

Adjusted base EBITDA

Adjusted base EBITDA for the quarter was $0.2 million, reflecting a decrease of $1.0 million (82.0%) from the prior period. The decrease was primarily due to a decline in private placement and client trading activity in SGRIL and a reduction in average AUM in RCIC, which was only partially offset by a decline in employee compensation and benefits expense.

SRLC

The SRLC segment provides loans to companies in the mining and energy sectors.

Results of operations:

($ in thousands)	For the three months ended **March 31, 2015**	March 31, 2014
Revenue		
Interest income	**6,356**	4,900
Other	**2,939**	2,521
Total revenue	**9,295**	7,421
Expenses		
General and administrative	**2,974**	1,783
Total expenses	**2,974**	1,783
Income before income taxes	**6,321**	5,638
Adjustments:		
Interest expense	**—**	—
Provision (recovery) for income taxes	**—**	—
Depreciation and amortization	**—**	—
EBITDA	**6,321**	5,638
Other adjustments:		
Impairment (reversal) of intangible assets	**—**	—
Impairment of goodwill	**—**	—
(Gains) and losses on proprietary investments and loans	**859**	(1,618)
Non-cash stock based compensation	**—**	—
Other	**—**	—
Adjusted EBITDA	**7,180**	4,020
Less:		
Performance fees	**—**	—
Performance fee related expenses	**—**	—
Adjusted base EBITDA	**7,180**	4,020

For the three months ended March 31, 2015

Revenues

Interest income for the quarter was $6.4 million, reflecting an increase of $1.5 million (29.7%) from the prior period. The increase was consistent with the higher average loan balances in the quarter.

Other revenues for the quarter were $2.9 million, reflecting an increase of $0.4 million (16.6%) from the prior period. The increase was mainly due to foreign exchange gains on U.S. dollar denominated cash deposits, receivables and loans. Foreign exchange gains were only partially offset by proprietary investment losses.

Expenses

General and administrative expenses (which include compensation and benefits expenses) were $3.0 million for the quarter, reflecting an increase of $1.2 million (66.8%) from the prior period. The increase was mainly due to an increase in discretionary bonus accruals.

Adjusted base EBITDA

Adjusted base EBITDA for the quarter was $7.2 million, reflecting an increase of $3.2 million (78.6%) from the prior period. The increase was mainly due to a combination of higher interest income and foreign exchange gains. These increases were only partially offset by higher discretionary bonus in the quarter.

Consulting Segment

The Consulting segment includes the operations of SC, Sprott Toscana, and Sprott Korea, the consulting businesses of the Company.

Results of operations:

	For the three months ended	
($ in thousands)	**March 31, 2015**	March 31, 2014
Revenue		
Management fees	**1,269**	1,781
Performance fees	**127**	270
Interest income	**6**	15
Other	**830**	114
Total revenue	**2,232**	2,180
Expenses		
General and administrative	**1,426**	1,016
Trailer fees	**31**	—
Sub-advisor and referral fees	**16**	—
Amortization of property and equipment	**7**	9
Total expenses	**1,480**	1,025
Income before income taxes	**752**	1,155
Adjustments:		
Interest expense	**—**	—
Provision (recovery) for income taxes	**—**	—
Depreciation and amortization	**7**	9
EBITDA	**759**	1,164
Other adjustments:		
Impairment (reversal) of intangible assets	**—**	—
Impairment of goodwill	**—**	—
(Gains) and losses on proprietary investments and loans	**—**	—
Non-cash stock based compensation	**(611)**	104
Other	**707**	—
Adjusted EBITDA	**855**	1,268
Less:		
Performance fees	**(127)**	(270)
Performance fee related expenses	**31**	68
Adjusted base EBITDA	**759**	1,066

For the three months ended March 31, 2015

Revenues

Management fees for the quarter were $1.3 million, reflecting a decrease of $0.5 million (28.7%) from the prior period. The decrease was mainly due to a reduction in average AUM of SRC and TEIC and the loss of AUM on the unwind of TFIT in the second quarter of 2014. These decreases were only partially offset by management fees from Sprott Korea for the full quarter compared to only one month of fees in the prior period.

Performance fees for the quarter were $0.1 million, reflecting a decrease of $0.1 million (53.0%) from the prior period. The decrease was mainly due to weaker performance by TEIC.

Interest income continues to be nominal and primarily generated from cash deposits with banks and brokerages.

Other revenues for the quarter were $0.8 million, reflecting an increase of $0.7 million (628.1%) from the prior period. The increase was mainly due to royalty income on energy related assets in proprietary investments.

Expenses

General and administrative expenses (which include compensation and benefits expenses) were $1.4 million, reflecting an increase of $0.4 million (40.4%) from the prior period. The increase was mainly due to expenses related to energy assets in proprietary investments, partially offset by a reduction in current period cash-based and stock-based earn-out expenses related to Sprott Toscana as the Company nears the end of the vesting period.

Trailer fees and referral fees were nominal. Trailer fees are now being paid on management fees from Sprott Korea as this business continues to develop over time.

Depreciation and amortization expense was nominal for the quarter.

Adjusted base EBITDA

Adjusted base EBITDA for the quarter was $0.8 million, reflecting a decrease of $0.3 million (28.8%) from the prior period. The decrease was mainly due to lower management fees.

Corporate and Other Segment

The Corporate segment provides treasury and shared services to the Company's business units and includes the operating results of Sprott Inc. without the effect of consolidating certain subsidiaries. The Other segment includes the activities of SPW, the private wealth business of the Company.

Results of operations:

	For the three months ended	
($ in thousands)	**March 31, 2015**	March 31, 2014
Revenue		
Management fees	**51**	88
Commissions	**1,372**	371
Interest income	**444**	410
Trailer fee income	**544**	700
Other	**3,455**	1,058
Total revenue	**5,866**	2,627
Expenses		
General and administrative	**3,661**	2,362
Sub-advisor and referral fees	**11**	—
Amortization of property and equipment	**4**	11
Total expenses	**3,676**	2,373
Income (loss) before income taxes	**2,190**	254
Adjustments:		
Interest expense	**84**	—
Provision (recovery) for income taxes	**—**	—
Depreciation and amortization	**4**	11
EBITDA	**2,278**	265
Other adjustments:		
Impairment (reversal) of intangible assets	**—**	—
Impairment of goodwill	**—**	—
(Gains) and losses on proprietary investments and loans	**(493)**	(1,009)
Non-cash stock based compensation	**—**	—
Other	**—**	—
Adjusted EBITDA	**1,785**	(744)
Less:		
Performance fees	**—**	—
Performance fee related expenses	**—**	—
Adjusted base EBITDA	**1,785**	(744)

For the three months ended March 31, 2015

Revenues

Management fees continue to be nominal.

Commission revenues for the quarter were $1.4 million, reflecting an increase of $1.0 million (269.8%) from the prior period. The increase was the result of more private placement activity in SPW.

Interest income for the quarter was $0.4 million and largely unchanged from the prior period.

Trailer fee income for the quarter was $0.5 million, reflecting a decrease of $0.2 million (22.3%) from the prior period. The decrease was due to a decline in the average trailer paying AUA of SPW. Trailer fee income received by SPW from the SAM segment is an intercompany revenue, and as such, is eliminated on consolidation against the related trailer fee expense in SAM.

Other income for the quarter was $3.5 million, reflecting an increase of $2.4 million (226.6%) from the prior period. The increase was due to foreign exchange gains on U.S. dollar denominated cash deposits and receivables, which were only partially offset by lower gains on proprietary investments.

Expenses

General and administrative expenses (which include compensation and benefits expenses) were $3.7 million for the quarter, reflecting an increase of $1.3 million (55.0%) from the prior period. The increase was mainly due to an increase in compensation and benefits expense coupled with lower intercompany shared services cost charge backs by the Corporate segment to other segments of the Company as a result of a change in intercompany cost allocation methodology in the quarter. Intercompany shared services costs are eliminated on consolidation.

Referral fees were nominal for the quarter and were incurred by SPW on a private placement.

Depreciation and amortization was nominal for the quarter.

Adjusted base EBITDA

Adjusted base EBITDA for the quarter was $1.8 million, reflecting an increase of $2.5 million (339.9%) from the prior period. The increase was mainly due to higher commission revenue coupled with increased foreign exchange gains, partially offset by higher compensation and benefits expense.

SUMMARY OF QUARTERLY RESULTS

($ in thousands)	**As at 31-Mar-15**	As at 31-Dec-14	As at 30-Sept-14	As at 30-Jun-14	As at 31-Mar-14	As at 31-Dec-13	As at 30-Sept-13	As at 30-Jun-13
Assets Under Management	**7,817,389**	7,027,390	7,363,019	7,842,005	7,694,545	6,966,524	7,335,625	7,146,770

($ in thousands, except per share amounts)	**3 Months ended 31-Mar-15**	3 Months ended 31-Dec-14	3 Months ended 30-Sept-14	3 Months ended 30-Jun-14	3 Months ended 31-Mar-14	3 Months ended 31-Dec-13	3 Months ended 30-Sept-13	3 Months ended 30-Jun-13
Income Statement Information								
Revenue								
Management fees	**18,563**	18,674	20,273	20,116	19,372	17,792	19,497	21,458
Performance fees	**127**	9,493	470	460	270	6,613	892	141
Commissions	**2,075**	1,400	2,013	2,500	1,924	1,191	1,477	1,616
Interest income	**6,832**	5,687	5,327	3,816	5,354	4,815	3,306	968
Unrealized and realized gains (losses) on proprietary investments and loans	**(2,874)**	(7,292)	(4,291)	2,650	4,350	(3,286)	1,323	(9,466)
Other income	**8,565**	4,702	4,304	809	1,601	2,923	13,697	1,854
Total revenue	**33,288**	32,664	28,096	30,351	32,871	30,048	40,192	16,571
Net income (loss)	**6,937**	(363)	4,502	5,011	10,239	(90,111)	13,470	(6,710)
EBITDA	**10,373**	3,774	8,110	9,225	13,236	(87,706)	11,565	(8,071)
Adjusted base EBITDA	**13,757**	10,778	11,409	6,816	9,060	9,483	5,944	7,982
Basic and diluted earnings (loss) per share	**0.03**	0.00	0.02	0.02	0.04	(0.37)	0.06	(0.04)
Basic and diluted EBITDA per share	**0.04**	0.02	0.03	0.04	0.05	(0.36)	0.05	(0.05)
Basic and diluted adjusted base EBITDA per share	**0.06**	0.04	0.05	0.03	0.04	0.04	0.03	0.04

Dividends

On May 12, 2015, a dividend of $0.03 per common share was declared for the quarter ended March 31, 2015. This dividend is payable on June 8, 2015 to shareholders of record at the close of business on May 22, 2015.

Capital Stock

Including 1.4 million common shares currently held in the EPSP Trust (December 31, 2014 - 2.3 million), which are eliminated on consolidation under IFRS, total capital stock issued and outstanding was 248.3 million (December 31, 2014 - 248.3 million). On February 4, 2015, the Company issued 1,400 shares pursuant to the terms and conditions of the 2011 Equity Incentive Plan for U.S. service providers.

Earnings per share for the current and prior period have been calculated using the weighted average number of shares outstanding during the respective periods. Basic and diluted earnings per share for the quarter was $0.03 compared to $0.04 in the prior period. Diluted earnings per share reflects the dilutive effect of in-the-money stock options, shares held for the equity incentive plan, estimated earn-out shares being accrued over the earn-out vesting period, and outstanding restricted stock units.

A total of 2,650,000 stock options have been issued pursuant to our stock option plan, all of which are exercisable, however none of these options are in the money.

Liquidity and Capital Resources

Management fees and interest income can be projected and forecasted with a higher degree of certainty than performance fees and carried interests, and are therefore used as a base for budgeting and planning by the Company. Management fees are collected monthly or quarterly and interest income collected monthly, which aids the Company's ability to manage cash flow. The Company believes that management fees and interest income will continue to be sufficient to satisfy ongoing operating needs, including expenditures on corporate infrastructure, business development and information systems. In addition, the Company holds sufficient cash and liquid securities to meet any other operating and capital requirements, if any, including its contractual commitments. The nature of the Company's operations ensures that the largest outflows, such as trailer fees and monthly compensation, are correlated with cash inflows such as management fees and interest income.

The Company has an undrawn credit facility with a major Canadian chartered bank in the amount of $35 million. Amounts may be borrowed under the facility through prime rate loans, or bankers' acceptances. Amounts may also be borrowed in U.S. dollars through base rate loans.

SPW and SAM are required to maintain a minimum amount of regulatory capital calculated in accordance with the rules of the Investment Industry Regulatory Organization of Canada ("IIROC") and of the Ontario Securities Commission ("OSC"), respectively. In addition, SGRIL is registered with the Financial Industry Regulatory Authority ("FINRA") in the United States and is required to maintain a minimum amount of regulatory capital calculated in accordance with the rules of FINRA.

Commitments

Besides the Company's long-term lease agreement, it does not typically have material off-balance sheet contractual arrangements and obligations. Occasionally however, there may be commitments to provide loans arising from the SRLC business segment or commitments to make investments in the proprietary investments portfolio of the Company. As at March 31, 2015, the Company had $20.5 million of such loan commitments arising from SRLC (December 31, 2014 - $46.0 million) and there were no investment purchase commitments in the proprietary investments portfolio (December 31, 2014 - $0.8 million).

Significant Accounting Judgments and Estimates

The interim financial statements have been prepared in accordance with IFRS standards in effect as at March 31, 2015, specifically, IAS 34 *Interim Financial Reporting*.

Compliance with IFRS requires the Company to exercise judgment, make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary. Significant accounting judgments and estimates are described in Note 2 of the December 31, 2014 annual financial statements and have been applied consistently to the interim financial statements as at March 31, 2015.

Managing Risk - Financial

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 proprietary investments will result in changes in carrying value. The Company's revenues are also exposed to price risk since management fees, performance fees and carried interests 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. Commodity price risk refers to uncertainty of future market values caused by fluctuation in the price of a commodity. The Company may, from time to time: (i) hold certain investments linked to the market prices of precious metals or energy assets; and (ii) enter into certain precious metal loans, where loan repayments are notionally tied to a specific commodity spot price.

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. The Company's earnings, particularly through its SRLC segment are exposed to volatility as a result of sudden changes in interest rates.

Foreign currency risk

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 when translating those balances into Canadian dollars. The Company's primary foreign currency is the United States dollar ("USD"). 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 loans receivable, proprietary investments and other areas.

Loans receivable

The Company incurs credit risk primarily in the loan portfolio of SRLC. In addition to the relative default probability of SRLC borrowers, credit risk is also dependent on loss given default, which can increase credit risk if the values of the underlying assets securing the Company's loans decline to levels approaching or below the loan amounts. Any decrease in real estate values or commodity or energy prices may delay the development of the underlying security or business plans of the borrower and will adversely affect the value of the Company's security. Additionally, the value of the Company's underlying security in a resource loan or resource debenture can be negatively affected if the actual amount or quality of the commodity proves to be less than that estimated, or the ability to extract the commodity proves to be more difficult or more costly than originally estimated. During the resource loan and resource debenture origination process, management takes into account a number of factors and is committed to several processes to ensure that this risk is appropriately mitigated. These include:

- emphasis on first priority and/or secured financings;
- the investigation of the creditworthiness of borrowers;
- the employment of qualified and experienced loan professionals;
- a review of the sufficiency of the borrower's business plans including plans that will enhance the value of the underlying security;
- frequent and documented status updates on business plans;
- the engagement of qualified independent advisors (e.g. lawyers, engineers and geologists) to protect Company interests; and
- legal reviews that are performed to ensure that all due diligence requirements are met prior to funding.

Proprietary investments

The Company incurs credit risk when entering into, settling and financing various proprietary transactions.

Other

The majority of accounts receivable relate to management and performance fees receivable from the funds, managed accounts and managed companies managed by the Company. Credit risk is managed in this regard 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. 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 loans receivable arise from fluctuations in cash flows from making loan advances and receiving loan repayments. The Company manages its loan commitment liquidity risk through the ongoing monitoring of scheduled loan fundings and repayments.

Financial liabilities, including accounts payable and accrued liabilities and compensation and employee bonuses 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 (e.g. dividend payments) 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. To meet any liquidity shortfalls, actions taken by the Company could include: syndicating a portion of its loans; slowing its lending activities; cutting its dividend; drawing on available loan facilities; liquidating proprietary investments; and/or issuing common shares.

Concentration risk

The majority of the Company's AUM as well as its proprietary investments and loans are focused on the natural resource sector.

Managing Risk - Other

Confidentiality of Information

Confidentiality is essential to the success of the Company's business, and it strives to consistently maintain the highest standards of trust, integrity and professionalism. Account information is kept under strict control in compliance with all applicable laws, and physical, procedural, and electronic safeguards are maintained in order to protect this information from access by unauthorized parties. The Company keeps the affairs of its clients confidential and does not disclose the identities of clients (absent expressed client consent to do so). If a prospective client requests a reference, the Company will not provide the name of an existing client before receiving permission from that client to do so.

Conflicts of Interest

The Company established a number of policies with respect to employee personal trading. Employees may not trade any of the securities held or being considered for investment by any of the Company's funds without prior approval. In addition, employees must receive prior approval before they are permitted to buy or sell securities. Speculative trading is strongly discouraged. While employees are permitted to have investments managed by third parties on a discretionary basis, they generally choose to invest in funds managed by the Company. All employees must comply with the Company's Code of Ethics. The code establishes strict rules for professional conduct including the management of conflicts of interest.

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.

Consistent with *National Instrument 52-109*, the Company's CEO and CFO evaluate quarterly the DC&P and ICFR. As at March 31, 2015, the Company's CEO and CFO concluded that the Company's DC&P and ICFR were properly designed and were operating effectively.

Independent Review Committee

National Instrument 81-107 - *Independent Review Committee for Investment Funds* ("NI 81-107") requires all publicly offered investment funds to establish an independent review committee to whom all conflicts of interest matters must be referred for review and approval. The Company established an independent review committee for public funds. As required by NI 81-107, the Company established written policies and procedures for dealing with conflict of interest matters and maintains records in respect of these matters and provides assistance to the independent review committee in carrying out its functions. The independent review committee is comprised of three independent members, and is subject to requirements to conduct regular assessments and provide reports to the Company and to the holders of interests in public mutual funds in respect of its functions.

Insurance

The Company maintains appropriate insurance coverage for general business and liability risks as well as insurance coverage required by regulation. Insurance coverage is reviewed periodically to ensure continued adequacy.

Internal Controls and Procedures

Several of the Company's subsidiaries operate in regulated environments and are subject to business conduct rules and other rules and regulations. The Company has internal control policies related to business conduct. They include controls required to ensure compliance with the rules and regulations of relevant regulatory bodies including the OSC, IIROC, FINRA and the U.S. Securities and Exchange Commission ("SEC").

Additional information relating to the Company, including the Company's Annual Information Form is available on SEDAR at www.sedar.com.

Consolidated Financial Statements

Three months ended March 31, 2015

Sprott INC.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

As at *($ in thousands of Canadian dollars)*		**March 31 2015**	December 31 2014
Assets			
Current			
Cash and cash equivalents		**119,646**	120,774
Fees receivable		**12,337**	13,176
Loans receivable	*(Note 5)*	**48,814**	51,317
Proprietary investments	*(Note 3)*	**94,902**	—
Other assets		**9,633**	6,975
Income taxes recoverable		**5,804**	6,133
Total current assets		**291,136**	198,375
Proprietary investments	*(Note 3)*	**—**	112,592
Loans receivable	*(Note 5)*	**60,619**	70,592
Other assets		**4,108**	4,108
Property and equipment, net		**6,161**	6,270
Intangible assets	*(Note 4)*	**31,675**	32,190
Goodwill	*(Note 4)*	**54,691**	50,427
Deferred income taxes	*(Note 9)*	**5,505**	6,723
		162,759	282,902
Total assets		**453,895**	481,277
Liabilities and Shareholders' Equity			
Current			
Accounts payable and accrued liabilities		**14,699**	28,340
Compensation and employee bonuses payable		**4,886**	9,324
Loan payable	*(Note 7)*	**—**	15,000
Income taxes payable		**1,478**	—
Total current liabilities		**21,063**	52,664
Deferred income taxes	*(Note 9)*	**6,676**	10,001
Total liabilities		**27,739**	62,665
Shareholders' equity			
Capital stock	*(Note 8)*	**419,373**	414,668
Contributed surplus	*(Note 8)*	**37,578**	42,199
Retained earnings (deficit)		**(59,130)**	(58,655)
Accumulated other comprehensive income		**28,335**	20,400
Total shareholders' equity		**426,156**	418,612
Total liabilities and shareholders' equity		**453,895**	481,277
Commitments	*(Note 13)*		

See accompanying notes

Eric Sprott
Director

James Roddy
Director

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

		For the three months ended	
		March 31	March 31
($ in thousands of Canadian dollars, except for per share amounts)		**2015**	2014
Revenue			
Management fees		**18,563**	19,372
Performance fees		**127**	270
Commissions		**2,075**	1,924
Interest income		**6,832**	5,354
Unrealized and realized gains (losses) on proprietary investments and loans		**(2,874)**	4,350
Other income	*(Note 6)*	**8,565**	1,601
Total revenue		**33,288**	32,871
Expenses			
Compensation and benefits		**10,499**	9,129
Stock-based compensation	*(Note 8)*	**247**	1,480
Trailer fees		**3,133**	3,008
Sub-advisor and referral fees		**803**	570
General and administrative		**6,189**	5,448
Amortization of intangibles	*(Note 4)*	**1,360**	1,374
Impairment of intangibles	*(Note 4)*	**631**	—
Amortization of property and equipment		**184**	196
Other expenses	*(Note 6)*	**1,497**	—
Total expenses		**24,543**	21,205
Income before income taxes for the period		**8,745**	11,666
Provision for income taxes	*(Note 9)*	**1,808**	1,427
Net income for the period		**6,937**	10,239
Basic and diluted earnings per share	*(Note 8)*	**0.03**	0.04

See accompanying notes

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the three months ended	
	March 31	March 31
($ in thousands of Canadian dollars)	**2015**	2014
Net income for the period	**6,937**	10,239
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation gain on foreign operations (taxes of $Nil)	**7,935**	3,295
Total other comprehensive income	**7,935**	3,295
Comprehensive income	**14,872**	13,534

See accompanying notes

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

($ in thousands of Canadian dollars, other than number of shares)		Number of Shares Outstanding	Capital Stock	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income	Total Equity
At December 31, 2014		**246,021,326**	**414,668**	**42,199**	**(58,655)**	**20,400**	**418,612**
Shares acquired for equity incentive plan	*(Note 8)*	**(63,500)**	**(108)**	**(55)**	**—**	**—**	**(163)**
Shares released on vesting of equity incentive plan	*(Note 8)*	**943,595**	**4,809**	**(4,809)**	**—**	**—**	**—**
Foreign currency translation gain on foreign operations		**—**	**—**	**—**	**—**	**7,935**	**7,935**
Stock-based compensation	*(Note 8)*	**—**	**—**	**247**	**—**	**—**	**247**
Shares issued from treasury	*(Note 8)*	**1,400**	**4**	**(4)**	**—**	**—**	**—**
Dividends declared	*(Note 11)*	**—**	**—**	**—**	**(7,412)**	**—**	**(7,412)**
Net income		**—**	**—**	**—**	**6,937**	**—**	**6,937**
Balance, March 31, 2015		**246,902,821**	**419,373**	**37,578**	**(59,130)**	**28,335**	**426,156**
At December 31, 2013		245,945,857	410,420	45,664	(48,244)	12,458	420,298
Shares acquired for equity incentive plan		(1,000,000)	(1,686)	(1,315)	—	—	(3,001)
Shares released on vesting of equity incentive plan		672,205	3,915	(3,908)	—	—	7
Foreign currency translation gain on foreign operations		—	—	—	—	7,942	7,942
Additional purchase consideration		177,500	1,223	(1,613)	—	—	(390)
Stock-based compensation		—	—	3,373	—	—	3,373
Shares issued from treasury		225,764	796	(2)	—	—	794
Dividends declared		—	—	—	(29,800)	—	(29,800)
Net income		—	—	—	19,389	—	19,389
Balance, December 31, 2014		246,021,326	414,668	42,199	(58,655)	20,400	418,612

See accompanying notes

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the three months ended March 31 ($ in thousands of Canadian dollars)	**2015**	2014
Operating Activities		
Net income for the period	**6,937**	10,239
Add (deduct) non-cash items:		
Losses (gains) on proprietary investments and loans receivable	**2,874**	(4,350)
Stock-based compensation	**247**	1,480
Amortization of property, equipment and intangible assets	**1,544**	1,570
Impairment of intangible assets	**631**	—
Deferred income tax recovery	**(1,605)**	(1,523)
Current income tax expense	**3,413**	2,950
Other items	**(881)**	(1,302)
Income taxes paid	**(1,157)**	(1,112)
Changes in:		
Fees receivable and other assets	**(1,929)**	16,758
Loans receivable	**12,781**	26,992
Accounts payable, accrued liabilities, compensation and employee bonuses payable	**(17,941)**	(10,315)
Cash provided by operating activities	**4,914**	41,387
Investing Activities		
Purchase of proprietary investments	**(3,050)**	(21,003)
Sale of proprietary investments	**18,853**	14,441
Purchase of property and equipment	**(51)**	(13)
Deferred sales commissions paid	**(321)**	(680)
Purchase of intangible assets	**(114)**	(3,338)
Cash provided by (used in) investing activities	**15,317**	(10,593)
Financing Activities		
Acquisition of common shares for equity incentive plan	**(163)**	—
Shares issued from treasury	**—**	792
Loan payable	**(15,000)**	—
Dividends paid	**(7,412)**	—
Cash provided by (used in) financing activities	**(22,575)**	792
Effect of foreign exchange on cash balances	**1,216**	659
Net increase (decrease) in cash and cash equivalents during the period	**(1,128)**	32,245
Cash and cash equivalents, beginning of the period	**120,774**	115,670
Cash and cash equivalents, end of the period	**119,646**	147,915
Cash and cash equivalents:		
Cash	**119,396**	102,645
Short-term deposits	**250**	45,270
	119,646	147,915
Supplementary disclosure of cash flow information		
Amount of interest received during the period	**2,480**	2,427

See accompanying notes

1. CORPORATE INFORMATION

Sprott Inc. (the "Company") was incorporated under the Business Corporations Act (Ontario) on February 13, 2008. Its registered office is at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, Toronto, Ontario M5J 2J2.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited interim condensed consolidated financial statements for the three months ended March 31, 2015 ("interim financial statements") have been prepared in accordance with IAS 34, *Interim Financial Reporting*. Consequently, they should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2014 ("annual financial statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These interim financial statements were authorized for issue by a resolution of the Board of Directors of the Company on May 12, 2015.

Basis of presentation

The financial statements have been prepared on a going concern basis and on a historical cost basis, except for financial assets and financial liabilities classified as held-for-trading ("HFT"), designated as fair value through profit or loss ("FVTPL"), or available-for-sale ("AFS"), all of which have been measured at fair value. The financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand ($000), except when indicated otherwise.

Principles of consolidation

The financial statements of the Company are prepared on a consolidated basis so as to include the accounts of all limited partnerships and corporations the Company is deemed to control under IFRS. Controlled limited partnerships and corporations ("subsidiaries") are consolidated from the date the Company obtains control. All intercompany balances with subsidiaries are eliminated upon consolidation. Subsidiary financial statements are prepared over the same reporting period as the Company's and are based on accounting policies consistent with that of the Company.

Control exists if the Company has power over the entity, exposure or rights to variable returns from its involvement with the entity and the ability to use its power over the entity to affect the amount of returns the Company receives. In many, but not all instances, control will exist when the Company owns more than one half of the voting rights of a corporation, or is the sole limited and general partner of a limited partnership.

The Company currently controls the following subsidiaries:

- Sprott Asset Management LP ("SAM");
- Sprott Private Wealth LP ("SPW");
- Sprott Consulting LP ("SC");
- Sprott Asia LP ("Sprott Asia");
- Sprott Korea Corporation ("Sprott Korea");
- Sprott U.S. Holdings Inc., parent company of: (i) Rule Investments Inc. (the parent of Sprott Global Resource Investments Ltd. ("SGRIL")); (ii) Sprott Asset Management USA Inc. ("SAM US"); and (iii) Resource Capital Investment Corporation ("RCIC"). Collectively, the interests of Sprott U.S. Holdings Inc. are referred to as the "Global Companies" in these financial statements;
- Sprott Resource Lending Corp. ("SRLC");
- Toscana Energy Corporation ("TEC") and Toscana Capital Corporation ("TCC") (Collectively, "Sprott Toscana");
- Sprott Genpar Ltd.;
- SAMGENPAR Ltd.; and
- Sprott Inc. 2011 Employee Profit Sharing Plan Trust (the "Trust").

Investments in funds

Investments in funds managed by the Company and included in proprietary investments, are assessed to determine whether the Company has control, joint control or significant influence. This determination includes consideration of all facts and circumstances relevant to a fund, including the extent of the Company's direct and indirect interests in a fund, the level of compensation to be received from a fund for management and other services provided to it, kick out rights available to other investors and other indicators of power the Company has over a fund. If a fund is determined to be controlled, it will be consolidated by the Company. If a fund is determined to be subject to significant influence, the Company may designate the investment at fair value through profit or loss in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* and as permitted by IAS 28 *Investments in Associates and Joint Ventures*.

The Company manages a range of funds that take the form of public mutual funds, alternative investment strategies, exchange traded funds, bullion funds and fixed-term limited partnerships, all of which meet the definition of structured entities under IFRS. The principal place of business of the funds is Toronto, Ontario. As at March 31, 2015, assets under management in public mutual funds was $2.1 billion (December 31, 2014 - $1.7 billion); alternative investment strategies was $0.8 billion (December 31, 2014 - $0.8 billion); exchange traded funds was $0.2 billion (December 31, 2014 - $0.1 billion); bullion funds was $3.4 billion (December 31, 2014 - $3.2 billion); and fixed-term limited partnerships was $0.3 billion (December 31, 2014 - $0.3 billion). The Company had investments in 16 funds (December 31, 2014 - 22) with an average ownership interest of 7.01% (December 31, 2014 - 8.95%) across its total fund universe. The Company provides no guarantees against the risk of financial loss to the investors of these investment funds.

Other accounting policies

All other accounting policies, judgments, and estimates described in the annual financial statements have been applied consistently to these interim financial statements unless otherwise noted.

3. PROPRIETARY INVESTMENTS

Proprietary investments consist of the following ($ in thousands):

	March 31, 2015	December 31, 2014
Gold bullion	**4,024**	4,843
Public equities and share purchase warrants	**9,708**	10,705
Mutual funds and alternative investment strategies*	**55,136**	71,858
Fixed income securities	**8,194**	8,590
Private holdings**	**17,840**	16,596
Total proprietary investments* **	**94,902**	112,592

*Investments in mutual funds and alternative investment strategies are primarily managed by SAM or RCIC. As at March 31, 2015, the underlying holdings related to the Company's investments in mutual funds and alternative investment strategies primarily consisted of cash and short-term investments of $8.1 million (December 31, 2014 - $13.5 million), equities of $31.1 million (December 31, 2014 - $32.1 million), short equity positions of $47.8 million (December 31, 2014 - $111.4 million), fixed income securities of $56.7 million (December 31, 2014 - $125.6 million), bullion of $4.2 million (December 31, 2014 - $3.8 million), loans of $2.6 million (December 31, 2014 - $3.3 million) and derivatives of $Nil (December 31, 2014 - $4.4 million).

**Private holdings consist of the following investments: (i) private company investments classified as HFT, which have their changes in fair value recorded on the statements of operations; (ii) energy royalties of $6.5 million (December 31, 2014 - $6.1 million) classified as AFS investments, which have their changes in fair value recorded as part of other comprehensive income, which is based on the estimated future cash flows and expected return from future royalty payments; and (iii) working interests in energy properties of $8.0 million (December 31, 2014 - $7.3 million) which are recorded at cost, net of depletion and/or impairment charges. As at March 31, 2015, the Company assessed the carrying amount of its working interest in energy properties by considering changes in future prices, future costs and reserves. The Company identified no indicators of impairment as at the end of the period.

***During the quarter, proprietary investments were classified as current to reflect management intentions relating to the potential use of such assets for general corporate funding and liquidity purposes.

4. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets consist of the following ($ in thousands):

	Goodwill	Fund management contracts - indefinite life	Fund management contracts - finite life	Carried interests	Deferred sales commissions	Total
Cost						
At December 31, 2013	143,149	14,327	24,879	33,344	6,310	222,009
Net additions	—	2,660	—	1,676	1,716	6,052
Net exchange differences	12,286	—	2,052	3,164	—	17,502
At December 31, 2014	155,435	16,987	26,931	38,184	8,026	245,563
Net additions	—	—	—	114	321	435
Net exchange differences	12,939	—	2,161	3,370	—	18,470
At March 31, 2015	**168,374**	**16,987**	**29,092**	**41,668**	**8,347**	**264,468**
Accumulated amortization and impairment losses						
At December 31, 2013	(96,771)	—	(12,142)	(30,342)	(3,779)	(143,034)
Amortization charge for the year	—	—	(3,245)	(530)	(1,680)	(5,455)
Net impairment charge for the year	—	—	—	(2,308)	—	(2,308)
Net exchange differences	(8,237)	—	(1,024)	(2,888)	—	(12,149)
At December 31, 2014	(105,008)	—	(16,411)	(36,068)	(5,459)	(162,946)
Amortization charge for the period	—	—	(911)	(43)	(406)	(1,360)
Net impairment charge for the period	—	—	—	(631)	—	(631)
Net exchange differences	(8,675)	—	(1,231)	(3,259)	—	(13,165)
At March 31, 2015	**(113,683)**	**—**	**(18,553)**	**(40,001)**	**(5,865)**	**(178,102)**
Net book value at:						
December 31, 2014	50,427	16,987	10,520	2,116	2,567	82,617
March 31, 2015	**54,691**	**16,987**	**10,539**	**1,667**	**2,482**	**86,366**

Impairment assessment of goodwill

The Company identified six CGUs for goodwill impairment assessment and testing purposes: SAM; Global Companies; SRLC; Corporate; SC; and SPW. Operating segments of the Company are a separate but related concept under IFRS and are described in Note 12.

As at March 31, 2015, the Company allocated goodwill across the CGUs as follows ($ in thousands):

CGU	**Allocated Goodwill**	
	March 31, 2015	December 31, 2014
SAM	**24,200**	22,300
Global Companies	**27,291**	24,927
SRLC	**—**	—
Corporate	**—**	—
SC	**3,200**	3,200
SPW	**—**	—
	54,691	50,427

Goodwill is tested for impairment at least annually, which for the Company is during the fourth quarter of each year. During the first, second and third quarters, goodwill is assessed for indicators of impairment. As at March 31, 2015, there were no indicators of impairment of goodwill for any of the Company's CGU's.

Impairment assessment of indefinite life fund management contracts

As at March 31, 2015, the Company had indefinite life fund management contracts within the SAM CGU of $4.2 million (December 31, 2014 - $4.2 million) and within the SC CGU of $12.8 million (December 31, 2014 - $12.8 million). There were no indicators of impairment.

Impairment assessment of finite life fund management contracts

As at March 31, 2015, the Company had finite life fund management contracts of $10.5 million within the Global Companies CGU (December 31, 2014 - $10.5 million). There were no indicators of impairment.

Impairment assessment of carried interests

The recoverable amount of carried interests within the Global companies CGU was determined using a VIU calculation by discounting at 20% (pre-tax), the most recent expected future net cash flows (pre-tax) to the Company from fixed-term limited partnerships. At the time of testing, the Company determined that the recoverable amount of carried interests was lower than the carrying value. As at March 31, 2015, the Company had carried interests (net of impairment described below) of $1.7 million within the Global Companies CGU (December 31, 2014 - $2.1 million). An impairment charge of $0.6 million (December 31, 2014 - $2.3 million) was recorded.

Impairment assessment of deferred sales commissions

As at March 31, 2015, the Company had deferred sales commissions of $2.5 million within the SAM CGU (December 31, 2014 - $2.6 million). There were no indicators of impairment.

5. LOANS RECEIVABLE

Components of loans receivable

Loans receivable are reported along with debentures at their amortized cost using the effective interest method, other than precious metal loans that are designated as FVTPL which are reported at fair value and included in resource loans. Total carrying value consists of the following ($ in thousands):

	March 31, 2015	December 31, 2014
Resource loans *		
Loan principal	**105,378**	118,079
Accrued interest	**6**	132
Deferred revenue	**(6,536)**	(6,711)
Mark-to-market	**213**	608
Amortized cost, before loan loss provisions	**99,061**	112,108
Loan loss provisions	**—**	—
Carrying value of resource loans receivable	**99,061**	112,108
Less: current portion	**(44,279)**	(46,928)
Total non-current resource loans receivable	**54,782**	65,180
Resource debentures		
Debenture principal	**7,734**	7,500
Accrued interest	**146**	259
Deferred revenue	**350**	(100)
Amortized cost, before impairments	**8,230**	7,659
Impairments	**(2,247)**	(2,247)
Carrying value of resource debentures receivable	**5,983**	5,412
Less: current portion	**(146)**	—
Total non-current resource debentures receivable	**5,837**	5,412
Real estate loans		
Loan principal	**4,389**	4,389
Accrued interest	**886**	754
Amortized cost, before loan loss provision	**5,275**	5,143
Loan loss provision	**(886)**	(754)
Carrying value of real estate loans receivable	**4,389**	4,389
Less: current portion	**(4,389)**	(4,389)
Total non-current real estate loans receivable	**—**	—
Total carrying value of loans receivable	**109,433**	121,909
Less: current portion	**(48,814)**	(51,317)
Total carrying value of non-current loans receivable	**60,619**	70,592

*As at March 31, 2015, $0.5 million (December 31, 2014 - $4.8 million) of precious metal loan principal was designated as FVTPL while the remaining $0.3 million (December 31, 2014 - $0.8 million) was classified as HTM.

Impaired loans, debentures and loan loss provisions

When a loan or debenture is classified as impaired, the original expected timing and amount of future cash flows may be revised to reflect new circumstances. These revised cash flows are discounted using the original effective interest rate to determine the net realizable value of the loan or debenture. Interest income is thereafter recognized on this net realizable value using the effective interest rate. Additional changes to the amount or timing of future cash flows could result in further losses, or the reversal of previous losses, which would also impact the amount of subsequent interest income recognized.

As at March 31, 2015, the Company performed a comprehensive review of each loan and debenture measured at amortized cost in its portfolio to determine the requirement for specific loan loss provisions and debenture impairment charges. The carrying values of the Company's impaired loan and debenture are as follows:

	March 31, 2015		December 31, 2014	
	Number of Loans	**($ in thousands)**	Number of Loans	($ in thousands)
Resource debenture				
Amortized cost, before impairments	**1**	**6,204**	1	5,400
Impairments		**(2,247)**		(2,247)
Total carrying value of impaired debenture	**1**	**3,957**	1	3,153
Real estate loan				
Amortized cost, before loan loss provision	**1**	**5,275**	1	5,143
Loan loss provision		**(886)**		(754)
Total carrying value of real estate loan, net of loan loss provision	**1**	**4,389**	1	4,389
Total carrying value of impaired debenture and real estate loan, net of loan loss provisions	**2**	**8,346**	2	7,542

Interest income on the Company's impaired real estate loan and debenture and the changes in loan loss provision and impairment are as follows ($ in thousands):

	For the three months ended	
	March 31, 2015	March 31, 2014
Interest on impaired loan and debenture	**252**	132
Loan loss provision on real estate loan and impairment on resource debenture		
Balance, beginning of period	**3,001**	222
Loan loss provision on real estate loan	**132**	132
Balance, end of period	**3,133**	354

Sector distribution of loan principal

The following table summarizes the distribution of all of the Company's outstanding loan principal balances by sector:

	March 31, 2015		December 31, 2014	
	Number of Loans	**($ in thousands)**	Number of Loans	($ in thousands)
Resource loans				
Metals and mining *	**9**	**50,898**	9	71,957
Energy and other	**5**	**54,480**	5	46,122
Total resource loans principal	**14**	**105,378**	14	118,079
Resource debentures				
Energy and other	**2**	**7,734**	2	7,500
Total resource debentures principal	**2**	**7,734**	2	7,500
Real estate loan				
Land under development	**1**	**4,389**	1	4,389
Total real estate loan principal	**1**	**4,389**	1	4,389
Total loan principal	**17**	**117,501**	17	129,968

*As at March 31, 2015, $0.5 million (December 31, 2014 - $4.8 million) of precious metal loan principal was designated as FVTPL while the remaining $0.3 million (December 31, 2014 - $0.8 million) was classified as HTM.

Geographic distribution of loan principal

The following table summarizes the distribution of all of the Company's outstanding loan principal balances by geographic location of the underlying security:

	March 31, 2015		December 31, 2014	
	Number of Loans	**($ in thousands)**	Number of Loans	($ in thousands)
Resource loans				
Canada *	**8**	**75,056**	8	80,496
United States of America	**1**	**4,433**	1	4,066
Mexico	**1**	**6,474**	1	13,000
Australia	**1**	**6,797**	1	7,083
Chile	**1**	**6,333**	2	8,845
Brazil	**1**	**3,752**	1	4,589
Peru	**1**	**2,533**	—	—
Total resource loan principal	**14**	**105,378**	14	118,079
Resource debentures				
Canada	**1**	**2,000**	1	2,000
United States of America	**1**	**5,734**	1	5,500
Total resource debenture principal	**2**	**7,734**	2	7,500
Real estate loans				
Canada	**1**	**4,389**	1	4,389
Total real estate loan principal	**1**	**4,389**	1	4,389
Total loan principal	**17**	**117,501**	17	129,968

*As at March 31, 2015, $0.5 million (December 31, 2014 - $4.8 million) of precious metal loan principal was designated as FVTPL while the remaining $0.3 million (December 31, 2014 - $0.8 million) was classified as HTM.

Priority of security charges

All of the Company's loans and debentures are senior secured with the exception of two resource loans, which have a carrying value of $15.4 million and are second secured (December 31, 2014 - $15.4 million).

Past due loans that are not impaired

Loans are considered past due once the borrower has failed to make payments within 30 days of the contractual due date. As at March 31, 2015 and December 31, 2014, all past due loans were considered impaired.

Loan commitments

As at March 31, 2015, the Company had $20.5 million in loan commitments (December 31, 2014 - $46.0 million).

6. OTHER INCOME AND EXPENSES

Other income primarily includes: (i) foreign exchange gains of $6.9 million (March 31, 2014 - $1.0 million); and (ii) royalty income on energy related assets in proprietary investments of $0.9 million (March 31, 2014 - $Nil)

Other expenses relate to energy assets in proprietary investments. Specifically: (i) operating expenses of $0.8 million (March 31, 2014 - $Nil); and (ii) depletion charges of $0.7 million (March 31, 2014 - $Nil).

7. LOAN PAYABLE

The Company has a revolving credit facility with a Canadian chartered bank (the "Bank"). The amount that may be borrowed under this facility is $35.0 million. Amounts may be borrowed under the facility through prime rate loans, which bear interest at the Bank's prime rate, or bankers' acceptances, which bear interest at bankers' acceptance rates plus 1.375%. Amounts may also be borrowed in U.S. dollars through base rate loans, which bear interest at the greater of the Bank's reference rate for loans made by it in Canada in U.S. funds and the federal funds effective rate plus 1.00%, or LIBOR loans which bear interest at LIBOR plus 1.375%.

Loans are made by the Bank under a two-year revolving credit facility, the terms of which may be extended annually at the Bank's option. If the Bank elects not to extend the term, all outstanding principal, interest and fees are due at the maturity date.

The credit facility is fully and unconditionally guaranteed by SAM, a wholly-owned subsidiary of the Company. The credit facility contains a number of financial covenants that require the Company to meet certain financial ratios and financial condition tests. The Company continues to be in compliance with all financial covenants of the credit facility, which require that the funded debt-to-Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) ratio be less than or equal to 2:1, the funded debt-to-SAM EBITDA ratio be less than or equal to 1.5:1 and that the Company's AUM not fall below $5.5 billion, calculated on the last day of each fiscal quarter.

There was no loan payable as at March 31, 2015 (December 31, 2014 - $15.0 million).

8. SHAREHOLDERS' EQUITY

Capital stock and contributed surplus

The authorized and issued share capital of the Company consists of an unlimited number of common shares, without par value.

	Number of shares	Stated value ($ in thousands)
At December 31, 2013	245,945,857	410,420
Additional purchase consideration	177,500	1,223
Issuance of share capital on purchase of management contracts	224,363	792
Issuance of share capital on conversion of RSU	1,401	4
Acquired for equity incentive plan	(1,000,000)	(1,686)
Released on vesting of equity incentive plan	672,205	3,915
At December 31, 2014	246,021,326	414,668
Issuance of share capital on conversion of RSU	1,400	4
Acquired for equity incentive plan	(63,500)	(108)
Released on vesting of equity incentive plan	943,595	4,809
At March 31, 2015	**246,902,821**	**419,373**

Contributed surplus consists of: stock option expense; earn-out shares expense; equity incentive plans' expense; and additional purchase consideration.

	Stated value ($ in thousands)
At December 31, 2013	45,664
Expensing of EPSP / EIP shares over the vesting period	3,262
Expensing of earn-out shares over the vesting period	111
Issuance of shares relating to additional purchase consideration	(1,613)
Issuance of share capital on conversion of RSU	(2)
Excess on repurchase of common shares for equity incentive plan *	(1,315)
Released on vesting of common shares for equity incentive plan	(3,908)
At December 31, 2014	42,199
Expensing of EPSP / EIP shares over the vesting period	858
Expensing of earn-out shares over the vesting period	(611)
Issuance of share capital on conversion of RSU	(4)
Excess on repurchase of common shares for equity incentive plan *	(55)
Released on vesting of common shares for equity incentive plan	(4,809)
At March 31, 2015	**37,578**

* The excess on repurchase of common shares represents amounts paid to shareholders by the Company on repurchase of their shares in excess of the book value of those shares.

Stock option plan

The Company has an option plan (the "Plan") intended to provide incentives to directors, officers, employees and consultants of the Company and its wholly-owned subsidiaries. The aggregate number of shares issuable upon the exercise of all options granted under the Plan and under all other stock-based compensation arrangements including the Trust and Equity Incentive Plan ("EIP") cannot exceed 10% of the issued and outstanding shares of the Company as at the date of grant. The options may be granted at a price that is not less than the market price of the Company's common shares at the time of grant. The options vest annually over a three-year period and may be exercised during a period not to exceed 10 years from the date of grant.

There were no stock options issued during the period ended March 31, 2015 (March 31, 2014 - $Nil).

For valuing share option grants, the fair value method of accounting is used. The fair value of option grants is determined using the Black-Scholes option-pricing model, which takes into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. Compensation expense is recognized over the three-year vesting period, assuming an estimated forfeiture rate, with an offset to contributed surplus. When exercised, amounts originally recorded against contributed surplus as well as any consideration paid by the option holder is credited to capital stock.

A summary of the changes in the Plan is as follows:

	Number of options (in thousands)	Weighted average exercise price ($)
Options outstanding, December 31, 2013	2,650	9.71
Options exercisable, December 31, 2013	2,650	9.71
Options outstanding, December 31, 2014	2,650	9.71
Options exercisable, December 31, 2014	2,650	9.71
Options outstanding, March 31, 2015	**2,650**	**9.71**
Options exercisable, March 31, 2015	**2,650**	**9.71**

Options outstanding and exercisable as at March 31, 2015 are as follows:

Exercise price ($)	Number of outstanding options (in thousands)	Weighted average remaining contractual life (years)	Number of options exercisable (in thousands)
10.00	2,450	3.3	2,450
4.85	50	5.0	50
6.60	150	5.9	150
4.85 to 10.00	**2,650**	**3.5**	**2,650**

Equity incentive plan

For employees in Canada, the Trust has been established and the Company will fund the Trust with cash, which will be used by the trustee to purchase: (i) on the open market, common shares of the Company that will be held in the Trust until the awards vest and are distributed to eligible members; or (ii) from treasury, common shares of the Company that will be held in the Trust until the awards vest and are distributed to eligible employees. For employees in the U.S. under the EIP plan, the Company will allot common shares of the Company as either: (i) restricted stock; (ii) unrestricted stock; or (iii) restricted stock units ("RSUs"), the resulting common shares of which will be issued from treasury.

There were no RSUs issued during the period ended March 31, 2015 (December 31, 2014 - $Nil). The Trust purchased 0.1 million common shares for the period ended March 31, 2015 (December 31, 2014 - 1.0 million).

	Number of common shares
Common shares held by the Trust, December 31, 2013	1,981,198
Acquired	1,000,000
Released on vesting	(672,205)
Unvested common shares held by the Trust, December 31, 2014	2,308,993
Acquired	63,500
Released on vesting	(943,595)
Unvested common shares held by the Trust, March 31, 2015	**1,428,898**

Earn-out shares

In connection with the acquisition of the Global Companies, up to an additional 8.0 million common shares of the Company may be issued with the achievement of certain earnings targets by the Global Companies. In accordance with IFRS 2 *Share-based Payment* ("IFRS 2"), this potential award carries a service condition without a performance condition of equal term. As a result, the accounting guidance under IFRS 2 required the Company to estimate the fair value of the potential share-based award on the business acquisition date. The fair value determined by the Company of $13.0 million was determined using an acceptable valuation model that utilized several significant assumptions including the probability of continued employment of a senior employee on or after February 4, 2014, the stock price of the Company on February 4, 2016 and the cumulative earnings of the Global Companies for the five year period ending February 4, 2016. The fair value of this share-based award has been charged to the consolidated statements of operations equally over the period of the service condition, being 3 years, which ended February 4, 2014.

In connection with the acquisition of Sprott Toscana, up to an additional 0.9 million common shares of the Company may be issued with the achievement of certain earnings targets by Sprott Toscana. In accordance with IFRS 2 *Share-based Payment*, this potential award carries a service condition with a market performance condition of equal term. As a result, the accounting guidance under IFRS 2 required the Company to initially estimate the number of equity instruments expected to ultimately vest and to assess the fair value of the equity instrument on the grant date. The fair value for each equity instrument was determined using an acceptable valuation model that utilized several significant assumptions including the probability of future dividends, options pricing and discounts for lock-up restrictions. In addition, the valuation model contemplated cash flow assumptions related to future AUM levels and cumulative earnings. The fair value of this share-based award is being charged to the consolidated statements of operations over the period of the service condition, being 3 years and is adjusted each reporting period to reflect the best available estimate of the number of equity instruments expected to ultimately vest.

Additional purchase consideration

In connection with the acquisition of the Global Companies, an additional 532,500 common shares of the Company were committed for issuance to employees of the Global Companies. The common shares were not considered compensation but formed part of the business acquisition. This additional consideration was recorded at fair value based on the market price of the Company's common shares as at February 4, 2011. Upon issuance of the common shares, the amount originally recorded against contributed surplus will be credited to capital stock. On February 6, 2012, February 4, 2013 and February 4, 2014, 177,500 common shares of the Company were issued to employees of the Global Companies.

For the three months ended March 31, 2015, the Company recorded share-based compensation expense of $0.2 million, (March 31, 2014 - $1.5 million) with a corresponding increase to contributed surplus ($ in thousands).

	For the three months ended	
	March 31, 2015	March 31, 2014
Earn-out shares	**(611)**	507
EPSP / EIP	**858**	973
	247	1,480

Basic and diluted earnings per share

The following table presents the calculation of basic and diluted earnings per common share:

	For the three months ended	
	March 31, 2015	March 31, 2014
Numerator ($ in thousands):		
Net income - basic and diluted	**6,937**	10,239
Denominator (Number of shares in thousands):		
Weighted average number of common shares	**247,405**	248,045
Weighted average number of unvested shares purchased by the Trust	**(1,385)**	(1,571)
Weighted average number of common shares - basic	**246,020**	246,474
Weighted average number of additional purchase consideration	**—**	67
Weighted average number of unvested shares purchased by the Trust	**1,385**	1,571
Weighted average number of outstanding RSU	**—**	2
Weighted average number of shares issuable under acquisition consideration payable	**117**	652
Weighted average number of common shares - diluted	**247,522**	248,766
Net income per common share		
Basic	**0.03**	0.04
Diluted	**0.03**	0.04

Capital management

The Company's objectives when managing capital are:

- to meet regulatory requirements and other contractual obligations;
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders;
- to provide financial flexibility to fund possible acquisitions;
- to provide adequate seed capital for the Company's new product offerings; and
- to provide an adequate return to shareholders through growth in assets under management, growth in management fees and performance fees and return on the Company's invested capital that will result in dividend payments to shareholders.

The Company's capital is comprised of equity, including capital stock, contributed surplus, retained earnings (deficit) and accumulated other comprehensive income (loss). SPW is a member of the Investment Industry Regulatory Organization of Canada ("IIROC"), SAM is a registrant of the Ontario Securities Commission ("OSC") and the U.S. Securities and Exchange Commission ("SEC"), SAM US is registered with the SEC and SGRIL is a member of the Financial Industry Regulatory Authority ("FINRA"). As a result, all of these entities are required to maintain a minimum level of regulatory capital. To ensure compliance, management monitors regulatory and working capital on a regular basis. For the three months ended March 31, 2015 and 2014, all entities were in compliance with their respective capital requirements.

In the normal course of business, the Company, through its limited partnerships and wholly-owned subsidiaries, generates adequate operating cash flow and has limited capital requirements.

9. INCOME TAXES

The major components of income tax expense are as follows ($ in thousands):

	For the three months ended	
	March 31, 2015	March 31, 2014
Current income tax expense		
Based on taxable income of the current year	**3,397**	3,071
Other	**16**	(121)
	3,413	2,950
Deferred income tax recovery		
Origination and reversal of temporary differences	**(1,605)**	(1,523)
	(1,605)	(1,523)
Income tax expense reported in the statements of operations	**1,808**	1,427

Taxes calculated on Company earnings differs from the theoretical amount that would arise using the weighted average tax rate applicable to earnings of the Company as follows ($ in thousands):

	For the three months ended	
	March 31, 2015	March 31, 2014
Income before income taxes	**8,745**	11,666
Tax calculated at domestic tax rates applicable to profits in the respective countries	**2,085**	3,130
Tax effects of:		
Non-deductible stock-based compensation	**—**	102
Non-taxable capital (gains) and losses	**73**	(557)
Capital losses not benefited	**1,439**	—
Other temporary differences not benefited	**(483)**	61
Non-capital losses not previously benefited	**(1,221)**	(1,492)
Rate differences and other	**(85)**	183
Tax charge	**1,808**	1,427

The weighted average applicable tax rate was 23.8% (March 31, 2014 - 26.8%). The change was caused primarily by a decrease in the profitability of the Company's U.S. subsidiaries.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The ability to realize the tax benefits of these losses is dependent upon a number of factors, including the future profitability of operations in the jurisdictions in which the tax losses arose. The movement in significant components of the Company's deferred income tax assets and liabilities is as follows ($ in thousands):

For the three months ended March 31, 2015

	At December 31, 2014	Recognized in income	Recognized in other comprehensive income	Recognized in equity	At March 31, 2015
Deferred income tax assets					
Prepaid taxes and unrealized losses	8,835	(1,360)	792	—	8,267
Other stock-based compensation	3,663	227	1	—	3,891
Non-capital losses	1,174	(921)	—	—	253
Other	1,633	275	24	(8)	1,924
Total deferred income tax assets	**15,305**	**(1,779)**	**817**	**(8)**	**14,335**
Deferred income tax liabilities					
Fund management contracts	7,890	(299)	307	—	7,898
Deferred sales commissions	680	(23)	—	—	657
Unrealized gains	625	19	—	—	644
Transitional partnership income	6,624	(2,944)	—	—	3,680
Proceeds receivable	1,396	—	—	—	1,396
Other	1,368	(137)	—	—	1,231
Total deferred income tax liabilities	**18,583**	**(3,384)**	**307**	**—**	**15,506**
Net deferred income tax assets (liabilities)	**(3,278)**	**1,605**	**510**	**(8)**	**(1,171)**

For the year ended December 31, 2014

	At December 31, 2013	Recognized in income	Recognized in other comprehensive income	Recognized in equity	At December 31, 2014
Deferred income tax assets					
Unrealized losses	14,537	(7,294)	1,592	—	8,835
Additional purchase consideration	672	—	28	(700)	—
Other stock-based compensation	2,802	865	(4)	—	3,663
Non-capital losses	7,709	(6,502)	(33)	—	1,174
Other	449	1,219	(8)	(27)	1,633
Total deferred income tax assets	**26,169**	**(11,712)**	**1,575**	**(727)**	**15,305**
Deferred income tax liabilities					
Fund management contracts	8,793	(1,322)	419	—	7,890
Carried interests	335	(349)	14	—	—
Deferred sales commissions	671	9	—	—	680
Unrealized gains	(241)	878	(12)	—	625
Transitional partnership income	9,645	(3,021)	—	—	6,624
Proceeds receivable	1,223	173	—	—	1,396
Other	518	724	126	—	1,368
Total deferred income tax liabilities	**20,944**	**(2,908)**	**547**	**—**	**18,583**
Net deferred income tax assets (liabilities)	**5,225**	**(8,804)**	**1,028**	**(727)**	**(3,278)**

10. FAIR VALUE MEASUREMENTS

The following tables present the Company's recurring fair value measurements within the fair value hierarchy. The Company did not have non-recurring fair value measurements as at March 31, 2015 and December 31, 2014 ($ in thousands).

March 31, 2015	Level 1	Level 2	Level 3	Total
Recurring measurements:				
Cash and cash equivalents	119,646	—	—	119,646
Precious metal loans	—	—	1,103	1,103
Gold bullion	4,024	—	—	4,024
Public equities and share purchase warrants	7,316	2,392	—	9,708
Mutual funds and alternative investment strategies	17,512	37,624	—	55,136
Fixed income securities	—	7,214	980	8,194
Private holdings*	—	—	9,804	9,804
Total recurring fair value measurements	**148,498**	**47,230**	**11,887**	**207,615**

December 31, 2014	Level 1	Level 2	Level 3	Total
Recurring measurements:				
Cash and cash equivalents	120,774	—	—	120,774
Precious metal loans	—	—	5,662	5,662
Gold bullion	4,843	—	—	4,843
Public equities and share purchase warrants	8,363	2,342	—	10,705
Mutual funds and alternative investment strategies	18,324	53,534	—	71,858
Fixed income securities	—	7,609	981	8,590
Private holdings*	—	—	9,280	9,280
Total recurring fair value measurements:	**152,304**	**63,485**	**15,923**	**231,712**

*Private holdings measured using fair value techniques include: (i) private company investments classified as HFT, which have their changes in fair value recorded on the statements of operations; and (ii) energy royalties classified as AFS investments, which have their changes in fair value recorded as part of other comprehensive income.

The following tables provides a summary of changes in the fair value of Level 3 financial assets ($ in thousands):

Changes in the fair value of Level 3 measurements - March 31, 2015

	December 31, 2014	Purchases and reclassifications	Settlements	Net unrealized gains (losses) included in net income	Net unrealized gains included in OCI	Net realized gains (losses) included in net income	Net realized gains (losses) included in other income	Net realized gains (losses) included in interest income	March 31, 2015
Private holdings	9,280	786	(409)	147	—	—	—	—	9,804
Precious metal loans	5,662	—	(4,866)	(261)	—	(43)	248	363	1,103
Fixed income securities	981	—	—	(1)	—	—	—	—	980
	15,923	**786**	**(5,275)**	**(115)**	**—**	**(43)**	**248**	**363**	**11,887**

Changes in the fair value of Level 3 measurements - December 31, 2014

	December 31, 2013	Purchases and reclassifications	Settlements	Net unrealized gains (losses) included in net income	Net unrealized gains included in OCI	Net realized gains (losses) included in net income	Net realized gains (losses) included in other income	Net realized gains (losses) included in interest income	December 31, 2014
Private holdings	5,353	8,996	(7,768)	(120)	—	2,812	7	—	9,280
Precious metal loans	11,658	3,435	(11,854)	126	—	(119)	515	1,901	5,662
Fixed income securities	—	981	—	—	—	—	—	—	981
	17,011	**13,412**	**(19,622)**	**6**	**—**	**2,693**	**522**	**1,901**	**15,923**

During the three months ended March 31, 2015, no financial assets were transferred from Level 2 to Level 1 (December 31, 2014 - $0.1 million).

Financial instruments not carried at fair value

For fees receivable, other assets, accounts payable and accrued liabilities and compensation and employee bonuses payable, the carrying amount represents a reasonable approximation of fair value due to their short term nature.

Loans receivable and debentures (excluding precious metal loans that were designated as FVTPL) had a carrying value of $108.3 million (December 31, 2014 - $116.2 million) and a fair value of $111.2 million (December 31, 2014 - $120.0). Loans receivable and debentures (excluding precious metal loans that were designated as FVTPL) lack an available trading market, are not typically exchanged, and have been recorded at amortized cost. The fair value of resource loans and debentures are measured based on changes in the market price of comparable bonds since the average date that the loans were originated. The Company adjusts the fair value to take into account any significant changes in credit risks using observable market inputs in determining counterparty credit risk. The fair value of loans are not necessarily representative of the amounts realizable upon immediate settlement. The valuation techniques used for amortized cost loans and debentures for which a fair value has been disclosed would fall under Level 3 of the fair value hierarchy.

11. DIVIDENDS

The following dividends were declared and paid by the Company during the three months ended March 31, 2015:

Record date	Payment Date	Cash dividend per share ($)	Total dividend amount ($ in thousands)
March 16, 2015 - regular dividend Q4 - 2014	March 30, 2015	0.03	7,412
Dividends paid			7,412

12. SEGMENTED INFORMATION

For management purposes, the Company is organized into business units based on its products, services and geographical location and has five reportable segments as follows:

- SAM, which provides asset management services to the Company's branded funds and managed accounts;
- Global Companies, which provides asset management services to the Company's branded funds and managed accounts in the U.S. and also provides securities trading services to its clients;
- SRLC, which provides loans to companies in the mining and energy sectors;
- The Consulting segment includes the operations of SC, Sprott Toscana and Sprott Korea, the consulting businesses of the Company; and
- Corporate and Other. The Corporate segment provides treasury and shared services to the Company's business units and includes the operating results of Sprott Inc. without the effect of consolidating certain subsidiaries. The Other segment includes the activities of SPW, the private wealth business of the Company.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on earnings before interest expense, income taxes, amortization and impairment of intangible assets and goodwill, gains and losses on proprietary investments (as if such gains and losses had not occurred), non-cash stock-based compensation and performance fees and performance fee related expenses (adjusted base EBITDA). Income taxes are managed on a consolidated basis and are not allocated to operating segments.

Transfer pricing between operating segments is performed on an arm's length basis in a manner similar to transactions with third parties.

Adjusted base EBITDA is not a measurement in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS.

The following tables present the operations of the Company's reportable segments ($ in thousands):

For the three months ended	March 31, 2015						
	SAM	Global Companies	SRLC	Consulting	Corporate and Other	Adjustments and Eliminations	Consolidated
Revenue							
Management fees	15,202	2,041	—	1,269	51	—	18,563
Performance fees	—	—	—	127	—	—	127
Commissions	—	703	—	—	1,372	—	2,075
Interest income	6	20	6,356	6	444	—	6,832
Trailer fee income	—	—	—	—	544	(458)	86
Other	(1,094)	(446)	2,939	830	3,455	(79)	5,605
Total revenue	**14,114**	**2,318**	**9,295**	**2,232**	**5,866**	**(537)**	**33,288**
Expenses							
General and administrative	8,000	2,371	2,974	1,426	3,661	—	18,432
Trailer fees	3,560	—	—	31	—	(458)	3,133
Sub-advisor and referral fees	777	78	—	16	11	(79)	803
Amortization and impairment of intangibles, property and equipment	565	1,599	—	7	4	—	2,175
Total expenses	**12,902**	**4,048**	**2,974**	**1,480**	**3,676**	**(537)**	**24,543**
Income (loss) before income taxes for the period	**1,212**	**(1,730)**	**6,321**	**752**	**2,190**	**—**	**8,745**
Provision for income taxes							1,808
Net income for the period							**6,937**
Adjustments:							
Interest expense	—	—	—	—	84	—	84
Provision (recovery) for income taxes	—	—	—	—	—	—	1,808
Depreciation and amortization	565	968	—	7	4	—	1,544
EBITDA	**1,777**	**(762)**	**6,321**	**759**	**2,278**	**—**	**10,373**
Other adjustments:							
Impairment (reversal) of intangible assets	—	631	—	—	—	—	631
Impairment of goodwill	—	—	—	—	—	—	—
(Gains) and losses on proprietary investments and loans	2,038	340	859	—	(493)	—	2,744
Non-cash stock based compensation	—	—	—	(611)	—	—	(611)
Other	—	—	—	707	—	—	707
Adjusted EBITDA	**3,815**	**209**	**7,180**	**855**	**1,785**	**—**	**13,844**
Less:							
Performance fees	—	—	—	(127)	—	—	(127)
Performance fee related expenses	9	—	—	31	—	—	40
Adjusted base EBITDA	**3,824**	**209**	**7,180**	**759**	**1,785**	**—**	**13,757**

For the three months ended	March 31, 2014						
	SAM	Global Companies	SRLC	Consulting	Corporate and Other	Adjustments and Eliminations	Consolidated
Revenue							
Management fees	15,144	2,359	—	1,781	88	—	19,372
Performance fees	—	—	—	270	—	—	270
Commissions	—	1,553	—	—	371	—	1,924
Interest income	19	10	4,900	15	410	—	5,354
Trailer fee income	—	—	—	—	700	(618)	82
Other	1,788	469	2,521	114	1,058	(81)	5,869
Total revenue	**16,951**	**4,391**	**7,421**	**2,180**	**2,627**	**(699)**	**32,871**
Expenses							
General and administrative	7,825	3,152	1,783	1,016	2,362	(81)	16,057
Trailer fees	3,626	—	—	—	—	(618)	3,008
Sub-advisor and referral fees	570	—	—	—	—	—	570
Amortization and impairment of intangibles, property and equipment	604	946	—	9	11	—	1,570
Total expenses	**12,625**	**4,098**	**1,783**	**1,025**	**2,373**	**(699)**	**21,205**
Income (loss) before income taxes for the period	**4,326**	**293**	**5,638**	**1,155**	**254**	**—**	**11,666**
Provision for income taxes							1,427
Net income for the period							**10,239**
Adjustments:							
Interest expense	—	—	—	—	—	—	—
Provision (recovery) for income taxes	—	—	—	—	—	—	1,427
Depreciation and amortization	604	946	—	9	11	—	1,570
EBITDA	**4,930**	**1,239**	**5,638**	**1,164**	**265**	**—**	**13,236**
Other adjustments:							
Impairment (reversal) of intangible assets	—	—	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—	—	—
(Gains) and losses on proprietary investments and loans	(1,373)	(481)	(1,618)	—	(1,009)	—	(4,481)
Non-cash stock based compensation	—	403	—	104	—	—	507
Other	—	—	—	—	—	—	—
Adjusted EBITDA	**3,557**	**1,161**	**4,020**	**1,268**	**(744)**	**—**	**9,262**
Less:							
Performance fees	—	—	—	(270)	—	—	(270)
Performance fee related expenses	—	—	—	68	—	—	68
Adjusted base EBITDA	**3,557**	**1,161**	**4,020**	**1,066**	**(744)**	**—**	**9,060**

Inter-segment revenues and expenses are eliminated on consolidation and reflected in the "Adjustments and Eliminations" column.

General and administrative expenses include compensation and benefits and stock-based compensation.

For geographic reporting purposes, transactions are primarily recorded in the location that corresponds with the underlying subsidiary's country of domicile that generates the revenue. The following table presents the revenue of the Company by geographic location ($ in thousands):

	For the three months ended	
	March 31, 2015	March 31, 2014
Canada	**30,970**	28,480
United States	**2,318**	4,391
	33,288	32,871

13. COMMITMENTS

Besides the Company's long-term lease agreement, it does not typically have material off-balance sheet contractual arrangements and obligations. Occasionally however, there may be commitments to provide loans arising from the SRLC business segment or commitments to make investments in the proprietary investments portfolio of the Company. As at March 31, 2015, the Company had $20.5 million of such loan commitments (December 31, 2014 - $46.0 million) and there were no investment purchase commitments in the proprietary investments portfolio (December 31, 2014 - $0.8 million).

14. EVENTS AFTER THE REPORTING PERIOD

On May 12, 2015, a dividend of $0.03 per common share was declared for the three months ended March 31, 2015.

Subsequent to the quarter-end, on April 23, 2015, the Company announced its intention, through SAM together with *Sprott Physical Gold Trust* and *Sprott Physical Silver Trust* (collectively, the “Physical Trusts”), to commence an offer to exchange all of the outstanding units of the *Central GoldTrust* (“GTU”) and *Silver Bullion Trust* (“SBT”) on a NAV for NAV basis.

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Stock Information
Sprott Inc. common shares are traded on the Toronto Stock Exchange under the symbol "SII"

Sprott INC.

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