Sprott Inc. Third Quarter Report 2015

Table of Contents

Sprott INC.

November 11, 2015

Dear Shareholders,

Sprott continues to evolve and we are now a balanced firm with a diversified alternative investment management business and a global resource investment management franchise. We believe that we are poised to generate significant growth in each of these core areas. Reinforcing this conviction is the performance of our diversified platform, which has been rejuvenated over the past three years as some of its key strategies have achieved scale and others have gained meaningful sales momentum. With the recent addition of high-profile portfolio manager Dennis Mitchell, Sprott Asset Management is well positioned for outperformance in 2016.

Clearly, the past five years have been challenging for Sprott as the resource sector has endured a significant and deep correction. The sharp decline in resource markets during the third quarter of 2015 negatively impacted our margins and our capital book experienced losses during the period. During this time of weakness, we have continued to invest in our business and our resource funds have been refocused to deliver reduced volatility and more consistent results in all market environments. With over 70 experienced professionals active in various initiatives in this sector we are confident that we can attract new contrarian-minded resource investment clients in the near future.

Our physical bullion trusts and our equity ETFs are both key growth areas for our firm and we are actively exploring new ETF opportunities. Earlier this year, we initiated exchange offers to combine the Sprott Physical Gold Trust and Sprott Physical Silver Trusts with two competing products. If successful, these transactions have the potential to significantly increase the size and liquidity of our physical trusts.

We continue to benefit from having the financial strength to stand behind our vision. We intend to continue investing in our internal growth opportunities with a view to growing our assets under management and expanding our client base. We will also continue to prudently manage expenses.

On behalf of the board of directors and Sprott employees, I would like to thank you for your continued support and look forward to reporting to you on our progress at year end.

Sincerely,

Peter Grosskopf
Chief Executive Officer

Management's Discussion and Analysis

Three and nine months ended September 30, 2015

FORWARD LOOKING STATEMENTS

Certain statements in this MD&A, and in particular the "Business Highlights and Growth Initiatives" and "Outlook" sections, 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) expectations regarding growth and diversification of our product line offerings and generation of positive net sales in several of our mutual funds and alternative investment strategies; (ii) expectations regarding the benefits derived from Dennis Mitchell joining the Company; (iii) the Company's objective of building meaningful scale in our diversified asset management business; (iv) expectations regarding new funds; (v) expectations regarding SAM's core strategies, including continued development of meaningful scale and increased traction with investors; (vi) positioning of our active and passive strategies for an eventual recovery in the resources sector; (vii) expectations regarding our actively managed resource funds; (viii) expectations regarding our next generation products; (ix) continued development of Sprott Korea's business; (x) 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 (xi) 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 November 11, 2015, presents an analysis of the consolidated financial condition of Sprott Inc. (the "Company", "we", "us", "our") and its subsidiaries as at September 30, 2015 compared with December 31, 2014, and the consolidated results of operations for the three and nine months ended September 30, 2015, compared with the three and nine months ended September 30, 2014. The Board of Directors approved this MD&A on November 11, 2015. All note references in this MD&A are to the notes to the Company's September 30, 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

The 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 periods" refers to the quarter and year-to-date ended September 30, 2014 as applicable.

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, Adjusted 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 are not excluded from adjusted base EBITDA); (iii) non-cash stock-based compensation; (iv) other (which includes miscellaneous income and expenses from non-core activities and other one-time or non-recurring items, as applicable); and (v) performance fees and performance fee related expenses.

As discussed in our June 30, 2015 MD&A, volatile Canadian-to-U.S. dollar exchange rates have had a material impact on our fiscal 2015 results. Effective July 1, 2015, to ensure the ongoing usefulness of adjusted EBITDA and adjusted base EBITDA measures as an indicator of core earnings, we began excluding the impact of foreign exchange gains and losses from these performance measures. Adjusted EBITDA and adjusted base EBITDA in the comparative figures of the table below can be reconciled to previously published reports by excluding the impact of foreign exchange gains and losses from the "Other adjustments" section of the table.

	For the three months ended		For the nine months ended	
($ in thousands)	**September 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014
Net income (loss) for the period	**(49,190)**	4,502	**(35,527)**	19,752
Adjustments:				
Interest expense	**—**	—	**84**	—
Provision for income taxes	**6,440**	2,072	**9,862**	6,158
Depreciation and amortization	**1,668**	1,536	**4,794**	4,661
EBITDA	**(41,082)**	8,110	**(20,787)**	30,571
Other adjustments:				
Impairment of intangibles	**11,442**	—	**12,073**	—
Impairment of goodwill	**28,505**	—	**28,505**	—
(Gains) losses on proprietary investments and loans	**9,402**	4,104	**8,695**	(2,644)
(Gains) losses on foreign exchange [(1)]	**(7,580)**	(3,155)	**(13,615)**	(2,853)
Non-cash stock based compensation	**(7)**	(553)	**(1,146)**	57
Other	**1,212**	—	**1,269**	—
Adjusted EBITDA	**1,892**	8,506	**14,994**	25,131
Less:				
Performance fees	**(94)**	(470)	**(222)**	(1,200)
Performance fee related expenses	**45**	218	**85**	499
Adjusted base EBITDA	**1,843**	8,254	**14,857**	24,430

(1) (Gains) losses on foreign exchange include translation gains and losses relating to certain U.S. dollar denominated cash, receivable and loan balances. In the fiscal 2015 comparative periods, we experienced foreign exchange gains of $6.9 million for the three months ended March 31, 2015 and losses of $0.8 million for the three months ended June 30, 2015.

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 and 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. The Company manages and reports its wholly-owned principal 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 investment strategies.

- Sprott Consulting LP (("SC") which holds the management services agreement for Sprott Resource Corp. ("SRC"))
- 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, global equity markets experienced their worst quarterly performance since 2011. This contributed substantially to the market value depreciation we experienced across most of our product offerings and was only partially offset by the continued strengthening of the U.S. dollar, which helped offset some of the market value declines particularly in our bullion funds. On a year-to-date basis, market value gains experienced in the first half of the year were largely erased by the third quarter results. Despite these challenges, we continue to successfully grow and diversify our product line offerings and we continue to generate positive net sales in several of our mutual funds and alternative investment strategies.

Product and Business Line Expansion

Last quarter, SAM together with *Sprott Physical Gold Trust* and *Sprott Physical Silver Trust* (the "Trusts") initiated exchange offers for *Central GoldTrust* and *Silver Bullion Trust*. Subsequent to the current quarter, we have extended our offers to November 20, 2015. The process is ongoing.

During the quarter, SAM launched the Sprott Enhanced U.S. Equity Class, managed by John Wilson. SAM also launched the Sprott Global REIT & Property Equity Fund, which is sub-advised by Michael Underhill of Capital Innovations LLC.

Key Employee Addition

During the quarter, Dennis Mitchell joined the Company as Senior Vice-President & Senior Portfolio Manager. Mr. Mitchell is a highly-regarded investment professional with deep experience managing global equity, infrastructure and REIT funds. We believe his experience will go a long way in achieving our objective of building meaningful scale in our diversified asset management business. We are in the process of launching (pending regulatory approval) four new funds for which Mr. Mitchell will be the lead portfolio manager.

OUTLOOK

We continue to make progress with our diversification efforts at SAM, our largest business segment. Management of SAM has recently completed a rebranding program to better reflect the business's renewed focus on differentiated active management strategies. In addition to the recent hiring of Mr. Mitchell, some of SAM's core strategies, including the Enhanced products managed by John Wilson, continue to develop meaningful scale and gain traction with investors.

On the resources side of the business, we have worked throughout the five-year bear market to position our active and passive strategies for an eventual recovery in that sector. We have retooled our actively managed resource funds to reduce volatility and deliver more consistent returns. We have also developed a number of next generation products that we expect will attract significant assets once sentiment in the sector improves.

FINANCIAL HIGHLIGHTS

For the three and nine months ended September 30, 2015

- AUM was $7.4 billion, reflecting a slight increase from September 30, 2014, a decrease of $0.4 billion (4.7%) from June 30, 2015 and an increase of $0.4 billion (5.8%) from December 31, 2014. Average AUM on a three and nine months ended basis was $7.6 billion and $7.7 billion, respectively, which was down slightly on a three months ended basis but up slightly on a nine months ended basis as compared with the prior periods.
- AUA was $2.0 billion, reflecting a decrease of $0.2 billion (9.8%) from September 30, 2014, a decrease of $0.1 billion (6.2%) from June 30, 2015 and a nominal increase from December 31, 2014.
- Total revenues were $22.5 million on a three months ended basis and $84.4 million on a nine months ended basis, reflecting a decrease of $5.6 million (20.1%) and $7.0 million (7.6%), respectively, from the prior periods.
- Total expenses were $65.2 million on a three months ended basis and $110.0 million on a nine months ended basis, reflecting an increase of $43.7 million and $44.6 million, respectively, from the prior periods. The majority of the increase over the periods was due to one-time non-cash charges taken on goodwill and intangible assets in the quarter, as discussed below.
- At September 30, 2015, goodwill resulting from the acquisition of Global Companies was assessed as being impaired and a charge against earnings in the amount of $28.5 million was taken. Additional non-cash charges taken in the quarter included: (i) a $0.4 million charge on fixed-term limited partnership contracts in Global Companies; (ii) a $1.7 million charge on carried interests in Global Companies; and (iii) a $9.3 million charge on the TEIC management contract in the Consulting segment.
- Net loss was $49.2 million ($(0.20) per share) on a three months ended basis and $35.5 million ($(0.14) per share) on a nine months ended basis, reflecting a decrease of $53.7 million and $55.3 million, respectively, from the prior periods.
- Adjusted base EBITDA was $1.8 million on a three months ended basis and $14.9 million on a nine months ended basis, reflecting a decrease of $6.4 million (77.7%) and a decrease of $9.6 million (39.2%), respectively, from the prior periods. The declines were largely due to lower management fees (primarily from Global Companies and Consulting) and a $3.9 million write-down of a resource loan during the quarter.
- Invested capital stood at $312.7 million, reflecting a $30.6 million (8.9%) decrease from December 31, 2014. The decrease was mainly due to the repayment of the credit facility outstanding in 2014, the payout of dividends and proprietary investment losses. The annualized return on invested capital (excluding restricted cash and line of credit availability) was 9.1% and on investable capital (excluding only line of credit availability) was 7.5%.

SUMMARY FINANCIAL INFORMATION

For the three and nine months ended September 30, 2015

Key Performance Indicators	As at and for the three months ended September 30		As at and for the nine months ended September 30	
($ in thousands, except per share amounts)	**2015**	2014	**2015**	2014
Assets Under Management	**7,434,096**	7,363,019	**7,434,096**	7,363,019
Assets Under Administration	**1,959,198**	2,170,883	**1,959,198**	2,170,883
Net Sales (Redemptions)	**(64,575)**	60,857	**29,271**	257,273
EBITDA	**(41,082)**	8,110	**(20,787)**	30,571
EBITDA Per Share - basic and diluted	**(0.17)**	0.03	**(0.08)**	0.12
Adjusted EBITDA	**1,892**	8,506	**14,994**	25,131
Adjusted base EBITDA	**1,843**	8,254	**14,857**	24,430
Adjusted base EBITDA Per Share - basic and diluted	**0.01**	0.03	**0.06**	0.10

Summary Balance Sheets	As at	
	September 30	December 31
($ in thousands)	**2015**	2014
Total Assets	**439,637**	481,277
Total Liabilities	**69,222**	62,665
Shareholders' Equity	**370,415**	418,612

Summary Statements of Operations and Reconciliation to Adjusted Base EBITDA	For the three months ended September 30		For the nine months ended September 30	
($ in thousands, except per share amounts)	**2015**	2014	**2015**	2014
Management fees	**18,776**	20,273	**56,831**	59,761
Performance fees	**94**	470	**222**	1,200
Commissions	**1,940**	2,013	**5,493**	6,437
Interest income	**3,953**	5,327	**14,592**	14,497
Gains (losses) on proprietary investments and loans	**(13,265)**	(4,291)	**(12,558)**	2,709
Other income	**10,955**	4,304	**19,770**	6,714
Total revenue	**22,453**	28,096	**84,350**	91,318
Compensation and benefits	**7,773**	9,882	**25,764**	28,865
Stock-based compensation	**773**	196	**1,206**	2,463
Trailer fees	**3,222**	3,354	**9,487**	9,546
Sub-advisor and referral fees	**1,127**	975	**2,869**	2,297
Selling, general and administrative	**7,484**	5,579	**19,745**	17,576
Amortization of intangibles	**1,437**	1,346	**4,186**	4,072
Impairment of intangibles	**11,442**	—	**12,073**	—
Impairment of goodwill	**28,505**	—	**28,505**	—
Amortization of property and equipment	**231**	190	**608**	589
Other expenses	**3,209**	—	**5,572**	—
Total expenses	**65,203**	21,522	**110,015**	65,408
Income (loss) before income taxes	**(42,750)**	6,574	**(25,665)**	25,910
Provision for income taxes	**6,440**	2,072	**9,862**	6,158
Net income (loss) for the period	**(49,190)**	4,502	**(35,527)**	19,752
Adjustments:				
Interest expense	**—**	—	**84**	—
Provision for income taxes	**6,440**	2,072	**9,862**	6,158
Depreciation and amortization	**1,668**	1,536	**4,794**	4,661
EBITDA	**(41,082)**	8,110	**(20,787)**	30,571
Other adjustments:				
Impairment of intangibles	**11,442**	—	**12,073**	—
Impairment of goodwill	**28,505**	—	**28,505**	—
(Gains) losses on proprietary investments and loans	**9,402**	4,104	**8,695**	(2,644)
(Gains) losses on foreign exchange [1]	**(7,580)**	(3,155)	**(13,615)**	(2,853)
Non-cash stock based compensation	**(7)**	(553)	**(1,146)**	57
Other	**1,212**	—	**1,269**	—
Adjusted EBITDA	**1,892**	8,506	**14,994**	25,131
Less:				
Performance fees	**(94)**	(470)	**(222)**	(1,200)
Performance fee related expenses	**45**	218	**85**	499
Adjusted base EBITDA	**1,843**	8,254	**14,857**	24,430
Dividends declared Per Share	**0.03**	0.03	**0.09**	0.09
Earnings Per Share - basic and diluted	**(0.20)**	0.02	**(0.14)**	0.08
EBITDA Per Share - basic and diluted	**(0.17)**	0.03	**(0.08)**	0.12
Adjusted EBITDA Per Share - basic and diluted	**0.01**	0.03	**0.06**	0.10
Adjusted base EBITDA Per Share - basic and diluted	**0.01**	0.03	**0.06**	0.10

[1] (Gains) losses on foreign exchange include translation gains and losses relating to U.S. dollar denominated cash, receivable and loan balances. In the fiscal 2015 comparative periods, we experienced foreign exchange gains of $6.9 million for the three months ended March 31, 2015 and losses of $0.8 million for the three months ended June 30, 2015.

RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2015

Assets Under Management, Investment Performance and Net Sales

AUM as at September 30, 2015 was $7.4 billion, which was largely flat to September 30, 2014 but up compared to December 31, 2014 and down compared to the second quarter of this year. While our year-over-year AUM performance was flat, the decline since the second quarter of this year was due to a combination of market value depreciation across most product lines as well as redemptions of bullion and alternative investment products, which more than offset good sales momentum in our mutual fund products and foreign exchange gains in our bullion fund products. On a nine months ended basis, AUM growth was driven by our ongoing product line expansion efforts in the area of mutual funds and alternative investment strategies, acquisitions earlier in the year and slightly by net sales over that same period. Average AUM for the three and nine months ended September 30, 2015 was $7.6 billion and $7.7 billion, respectively, which was down slightly on a three months ended basis but remained largely unchanged on a nine months ended basis, compared with the prior periods.

Breakdown of AUM by investment product type:

	September 30, 2015		September 30, 2014	
Product Type	**$ (in millions)**	**% of AUM**	$ (in millions)	% of AUM
Bullion Funds	**3,164**	**42.6%**	3,283	44.6%
Mutual Funds	**2,061**	**27.7%**	1,864	25.3%
Alternative Investment Strategies	**835**	**11.2%**	823	11.2%
Exchange Traded Funds	**179**	**2.4%**	—	—
Managed Companies	**707**	**9.5%**	911	12.4%
Managed Accounts	**149**	**2.0%**	121	1.6%
Fixed Term Limited Partnerships	**339**	**4.6%**	361	4.9%
Total	**7,434**	**100%**	7,363	100%

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

$ (in millions)	**AUM June 30, 2015**	**Net Sales / (Redemptions)**	**Net Market Value Change**	**Acquisitions / (Divestitures)**	**AUM September 30, 2015**
Bullion Funds	3,240	(82)	6	—	3,164
Mutual Funds	2,140	97	(176)	—	2,061
Alternative Investment Strategies	929	(71)	(23)	—	835
Exchange Traded Funds	216	(4)	(33)	—	179
Managed Companies	756	—	(49)	—	707
Managed Accounts	172	(5)	(18)	—	149
Fixed Term Limited Partnerships	348	—	(9)	—	339
Total	**7,801**	**(65)**	**(302)**	**—**	**7,434**

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

$ (in millions)	**AUM December 31, 2014**	**Net Sales / (Redemptions)**	**Net Market Value Change**	**Acquisitions / (Divestitures)**	**AUM September 30, 2015**
Bullion Funds	3,185	(209)	188	—	3,164
Mutual Funds	1,705	141	(25)	240	2,061
Alternative Investment Strategies	783	(25)	(19)	96	835
Exchange Traded Funds	133	110	(64)		179
Managed Companies	770	—	(63)	—	707
Managed Accounts	111	12	(27)	53	149
Fixed Term Limited Partnerships	340	—	(1)	—	339
Total	**7,027**	**29**	**(11)**	**389**	**7,434**

Revenues

Management fees were $18.8 million on a three months ended basis and $56.8 million on a nine months ended basis, reflecting a decrease of $1.5 million (7.4%) and $2.9 million (4.9%), respectively, from the prior periods. The decrease was largely due to a decline in the average AUM of bullion funds, managed companies and fixed term-limited partnerships compared to the prior periods. Management fees as a percentage of average AUM were 1.0% on a three and nine months ended basis and were unchanged from the prior periods. Management fees include fees earned from precious metal physical trusts which amounted to $2.9 million on a three months ended basis and $9.1 million on a nine months ended basis, reflecting a decrease of $0.4 million (10.8%) and $0.8 million (7.7%), respectively, from the prior periods.

Performance fees were $0.1 million on a three months ended basis and $0.2 million on a nine months ended basis, reflecting a decrease of $0.4 million (80.0%) and $1.0 million (81.5%), respectively, from the prior periods. The decrease was due to a decline in performance fees earned by Sprott Toscana and to a lesser extent, lower crystallized performance fees in SAM.

Commission revenues were $1.9 million on a three months ended basis and $5.5 million on a nine months ended basis, reflecting a decrease of $0.1 million (3.6%) and $0.9 million (14.7%), respectively, from the prior periods. The decrease was due to weaker private placement activity in SGRIL, partially offset by stronger private placement activity in SPW.

Interest income was $4.0 million on a three months ended basis and $14.6 million on a nine months ended basis, reflecting a decrease of $1.4 million (25.8%) and an increase of $0.1 million (0.7%), respectively, from the prior periods. The decrease on a three months ended basis was due to lower average loan balances in the current period. The slight increase on a nine months ended basis was due to the accelerated recognition of deferred fees on the early termination of a loan facility earlier in the year, and to a lesser extent, higher average loan balances of SRLC during the first half of 2015.

Returns on proprietary investments and loans were negative $13.3 million and negative $12.6 million on a three and nine months ended basis, respectively, reflecting a decrease of $9.0 million and $15.3 million, respectively, from the prior periods. Losses experienced over the three and nine months ended were due to a specific loan loss provision this quarter as well as market value depreciation in certain seeded fund investments and equity holdings.

Other income was $11.0 million on a three months ended basis and $19.8 million on a nine months ended basis, reflecting an increase of $6.7 million and $13.1 million, respectively, from the prior periods. The increases were mainly due to: (i) strong foreign exchange gains on translation of U.S. dollar denominated cash, receivables and loan balances; (ii) the generation of royalty income on energy assets held in our proprietary investments; and (iii) an arrangement fee earned on a new loan within SRLC. These increases more than offset the impact of the TFIT break-fee earned in the second quarter of 2014.

Expenses

Changes in specific expense categories are described below:

Compensation and benefits

The table below summarizes the components of compensation and benefits:

($ in thousands)	For the three months ended September 30		For the nine months ended September 30	
	2015	2014	**2015**	2014
Salaries and benefits	**5,976**	5,578	**17,464**	17,779
Discretionary bonus-cash component	**285**	3,543	**5,197**	7,539
Commissions	**1,356**	731	**2,571**	2,340
Transition expenses	**156**	30	**532**	444
Other compensation expense [1]	**—**	—	**—**	763
Compensation and benefits [2]	**7,773**	9,882	**25,764**	28,865

(1) Other compensation expense relates to the $1.5 million break-fee received on termination of the TFIT management contract in the prior period.

(2) Discretionary bonus-equity of $0.8 million on a three months ended basis (September 30, 2014 - $0.6 million) and of $2.3 million (September 30, 2014 - $1.8 million) on a nine months ended basis is included as part of stock-based compensation on the statements of operations.

Total reported compensation and benefits were $7.8 million on a three months ended basis and $25.8 million on a nine months ended basis, reflecting a decrease of $2.1 million (21.3%) and $3.1 million (10.7%), respectively, from the prior periods. The decrease over the periods was due to a year-to-date bonus accrual adjustment taken this quarter to align the accrual with the third quarter change in adjusted EBITDA and adjusted base EBITDA methodology we instituted requiring the exclusion of foreign exchange gains and losses from those measures, which more than offset higher salaries, benefits and commissions paid in the quarter.

Stock-based compensation

Reported stock-based compensation was $0.8 million on a three months ended basis and $1.2 million on a nine months ended basis, reflecting an increase of $0.6 million on a three months ended basis and a decrease of $1.3 million on a nine months ended basis, respectively, from the prior periods. The changes over both periods were the result of re-measurements of earn-out obligations relating to Sprott Toscana that were fully vested in the second quarter of this year.

Trailer fees

Trailer fees were $3.2 million on a three months ended basis and $9.5 million on a nine months ended basis, reflecting a decrease of $0.1 million (3.9%) and $0.1 million (0.6%), respectively, from the prior periods. The decreases were due to a drop in trailer fee paying AUM over the periods.

Sub-advisor and referral fees

Sub-advisor and referral fees were $1.1 million on a three months ended basis and $2.9 million on a nine months ended basis, reflecting an increase of $0.2 million (15.6%) and $0.6 million (24.9%), respectively, from the prior periods. The increases were 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.

Selling, general and administrative (SG&A)

SG&A expenses were $7.5 million on a three months ended basis and $19.7 million on a nine months ended basis, reflecting an increase of $1.9 million (34.1%) and $2.2 million (12.3%), respectively, from the prior periods. The increases were primarily the result of higher marketing, technology and fund related operating costs, which were only partially offset by lower professional fees.

Amortization of intangibles

Amortization of intangibles was $1.4 million on a three months ended basis and $4.2 million on a nine months ended basis, and was largely unchanged from the prior periods. 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

The table below provides a break-down of impairment charges on a three and nine months ended basis:

	For the three months ended September 30		For the nine months ended September 30	
($ in thousands)	**2015**	2014	**2015**	2014
Goodwill impairment	**28,505**	—	**28,505**	—
Carried interest impairment	**1,702**	—	**2,333**	—
Finite life management contract impairment	**398**	—	**398**	—
Indefinite life management contract impairment	**9,342**	—	**9,342**	—
DSC impairment	**—**	—	**—**	—
Impairment of goodwill and intangibles	**39,947**	—	**40,578**	—

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 monitors the recoverable amount of intangible assets on a quarterly basis, and if appropriate, records impairment losses or reversals.

Amortization of property and equipment

Amortization of property and equipment was $0.2 million on a three months ended basis and $0.6 million on a nine months ended basis, largely unchanged from the prior periods.

Other expenses

Other expenses were $3.2 million on a three months ended basis and $5.6 million on a nine months ended basis (three and nine months ended, September 30, 2014 - $Nil). Other expenses relate to operating expenses incurred in certain seeded energy assets held as part of proprietary investments since the beginning of this year.

Net loss and Adjusted base EBITDA

Net loss was $49.2 million on a three months ended basis and $35.5 million on a nine months ended basis, reflecting a decrease of $53.7 million and a decrease of $55.3 million, respectively, from the prior periods.

Excluding impairment charges on goodwill and intangible assets, lower net income for the three months ended was due to: (i) lower management and performance fees; (ii) lower commission and interest income; (iii) higher proprietary investment losses (including a $3.9 million write-down of a resource loan); and (iv) higher SG&A expenses and sub-advisor fees. These lower revenue and higher expense items were only partially offset by: (i) lower discretionary bonus; and (ii) higher foreign exchange gains on U.S. dollar denominated cash deposits, receivables and loans. Our nine months ended results were largely impacted by the same items impacting our three months ended results.

Adjusted base EBITDA was $1.8 million on a three months ended basis and $14.9 million on a nine months ended basis, reflecting a decrease of $6.4 million (77.7%) and $9.6 million (39.2%), respectively, from the prior periods. The decrease on a three months ended basis was due to lower management fees (primarily from Global Companies and Consulting), lower interest income on lower average loan balances and a $3.9 million write-down of a resource loan during the quarter. Our nine months ended results were impacted by the lower management fees and loan write-down previously noted, coupled with weaker commission income.

Balance Sheet

Cash and cash equivalents were $124.1 million, an increase of $3.3 million (2.7%) from December 31, 2014. The increase was primarily due to net loan repayments and cash received from a managed company pursuant to a performance fee internalization. These increases more than offset the repayment of the credit facility outstanding in 2014, the payment of dividends during the period, the funding of the Trust as part of our EPSP plan and the transfer of principal and interest repayments to loan syndicate partners of SRLC.

Fees receivable were $8.2 million, reflecting a decrease of $5.0 million (37.7%) from December 31, 2014. The decrease was primarily due to the timing of year-end management and performance fee receipts in 2015.

Loans receivable (both current and long-term) were $89.0 million, reflecting a decrease of $32.9 million (27.0%) from December 31, 2014. The decrease was due to a series of net loan repayments during the year.

Proprietary investments were $139.6 million, reflecting an increase of $27.0 million (24.0%) from December 31, 2014. The increase was due to the seeding of future investment product offerings, which was only partially offset by the sale of certain fixed income positions and the redemption of certain alternative investment products.

Obligations related to securities sold short were $43.0 million (December 31, 2014 - $Nil). The Company is currently seeding $38.9 million (December 31, 2014 - $Nil) of investment strategies and fund product offerings on a market-neutral basis by short-selling $40.3 million (December 31, 2014 - $Nil) of related securities positions. In addition, there are short securities positions in the amount of $2.7 million (December 31, 2014 - $Nil) relating to the seeding of a potential new alternative investment product.

Other assets (both current and long-term) were $19.9 million, reflecting an increase of $8.8 million (79.8%) from December 31, 2014. The increase was primarily due to the capitalization of certain deferred transaction costs this year (see Note 6 of the interim financial statements), receivables on the redemption of certain seeded funds held as part of proprietary investments and syndicate fees receivable.

Intangible assets were $15.6 million, reflecting a decrease of $16.6 million (51.5%) from December 31, 2014. The decrease was primarily a result of: (i) the partial disposal of the TEIC management contract pursuant to a performance fee internalization transaction earlier in the year; (ii) an impairment charge on finite life management contracts in RCIC and indefinite life management contracts relating to Sprott Toscana; and (iii) an impairment charge on carried interests in RCIC. See Note 4 of the interim financial statements for further details.

Goodwill was $28.8 million, reflecting a decrease of $21.7 million (43.0%) from December 31, 2014. The decrease was due to an impairment charge on goodwill in Global Companies, partially offset by foreign exchange gains on translation of the Company's U.S. dollar denominated goodwill contained in SAM.

Deferred income tax liabilities (net of deferred income tax assets) were $7.6 million, reflecting an increase of $4.3 million from December 31, 2014. The net increase was primarily caused by the write-off of certain deferred tax loss assets relating to our U.S. businesses.

Accounts payable and accrued liabilities were $13.1 million, reflecting a decrease of $15.2 million (53.7%) from December 31, 2014. The decrease was mainly the result of syndicate fee payments by SRLC to its loan syndicate partners during the year as well as the payment of previously accrued sub-advisor fees. These decreases were only partially offset by current period accruals.

Compensation and employee bonuses payable were $3.7 million, reflecting a decrease of $5.6 million (60.3%) from December 31, 2014. The decrease was due to: (i) the payment of year-end employee transition expenses; and (ii) lower bonus payable due to the payout of 2014 bonuses and interim bonuses during the first nine months of 2015.

There was no loan payable at September 30, 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 during the first quarter of 2015.

RESULTS OF OPERATIONS - REPORTABLE SEGMENTS

SAM Segment

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

Effective July 1, 2015, to ensure the ongoing usefulness of adjusted EBITDA and adjusted base EBITDA measures as an indicator of core earnings, we began excluding the impact of foreign exchange gains and losses from these performance measures. Adjusted EBITDA and adjusted base EBITDA in the comparative figures of the table below can be reconciled to previously published reports by excluding the impact of foreign exchange gains and losses from the "Other adjustments" section of the table.

Results of operations:

	For the three months ended		For the nine months ended	
($ in thousands)	**September 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014
Revenue				
Management fees	**15,743**	16,224	**47,337**	46,872
Performance fees	**94**	270	**95**	430
Interest income	**33**	12	**49**	66
Gains (losses) on proprietary investments and loans	**(1,983)**	(623)	**(4,586)**	1,158
Other income	**2,424**	1,060	**3,603**	1,447
Total revenue	**16,311**	16,943	**46,498**	49,973
Expenses				
Compensation and benefits	**4,297**	4,566	**13,005**	13,515
Stock-based compensation	**470**	585	**1,454**	1,812
Trailer fees	**3,620**	3,899	**10,788**	11,265
Sub-advisor and referral fees	**996**	878	**2,632**	2,200
Selling, general and administrative	**4,437**	3,002	**11,053**	8,482
Depreciation, amortization and impairment of intangibles	**600**	577	**1,742**	1,764
Total expenses	**14,420**	13,507	**40,674**	39,038
Income (loss) before income taxes	**1,891**	3,436	**5,824**	10,935
Adjustments:				
Interest expense	**—**	—	**—**	—
Provision for income taxes	**—**	—	**—**	—
Depreciation and amortization	**600**	577	**1,742**	1,764
EBITDA	**2,491**	4,013	**7,566**	12,699
Other adjustments:				
Impairment of intangibles	**—**	—	**—**	—
Impairment of goodwill	**—**	—	**—**	—
(Gains) losses on proprietary investments and loans	**1,983**	623	**4,586**	(1,158)
(Gains) losses on foreign exchange (1)	**(1,674)**	(436)	**(2,477)**	(353)
Non-cash stock based compensation	**—**	—	**—**	—
Other	**(52)**	—	**(217)**	—
Adjusted EBITDA	**2,748**	4,200	**9,458**	11,188
Less:				
Performance fees	**(94)**	(270)	**(95)**	(430)
Performance fee related expenses	**45**	168	**54**	306
Adjusted base EBITDA	**2,699**	4,098	**9,417**	11,064

(1) (Gains) losses on foreign exchange include translation gains and losses relating to U.S. dollar denominated cash, receivable and loan balances. In the fiscal 2015 comparative periods, we experienced foreign exchange gains of $0.8 million for the three months ended March 31, 2015 and nominal losses for the three months ended June 30, 2015.

For the three and nine months ended September 30, 2015

Revenues

Management fees were $15.7 million on a three months ended basis and $47.3 million on a nine months ended basis, reflecting a decrease of $0.5 million (3.0%) and an increase $0.5 million (1.0%), respectively, from the prior periods. The decrease on a three months ended basis was primarily due to a decline in the average AUM of our bullion funds. The increase on a nine months ended basis was consistent with the slightly higher average AUM balances over the full year.

Performance fees were $0.1 million on a three and nine months ended basis, reflecting a decrease of $0.2 million (65.2%) and $0.3 million (77.9%), respectively, from the prior periods, due to lower crystallized performance fees from alternative investment funds.

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

Returns on proprietary investments were negative $2.0 million on a three months ended basis and negative $4.6 million on a nine months ended basis, reflecting a decrease of $1.4 million and $5.7 million, respectively, from the prior periods. The majority of these losses were due to: (i) market value depreciation of a seed investment during the quarter; and (ii) the wind up of an alternative investment fund (at a loss) and redemption of a seed investment in a particular mutual fund (also at a loss) during the fist half of the year.

Other income was $2.4 million on a three months ended basis and $3.6 million on a nine months ended basis, reflecting an increase of $1.4 million and $2.2 million, respectively, from the prior periods. The increase was mainly a result of foreign exchange gains on U.S. dollar denominated cash deposits and receivables in the current periods compared to foreign exchange losses in the prior periods.

Expenses

Compensation and benefits were $4.3 million on a three months ended basis and $13.0 million on a nine months ended basis, reflecting a decrease of $0.3 million (5.9%) and $0.5 million (3.8%), respectively, from the prior periods. The decline was mainly due to a year-to-date adjustment to discretionary bonus based on the new bonus calculation methodology adopted in the current periods, and to a lesser extent, a reduction in salary and benefits expense as a result of lower headcount.

Stock-based compensation was $0.5 million on a three months ended basis and $1.5 million on a nine months ended basis, which was down slightly on a three months ended basis, but down $0.4 million (19.8%) on a nine months ended basis. The declines relate to stock grants to employees hired in prior periods that are amortized against income on a graded vesting basis.

Trailer fees were $3.6 million on a three months ended basis and $10.8 million on a nine months ended basis, reflecting a decrease of $0.3 million (7.2%) and $0.5 million (4.2%), respectively, from the prior periods. The decline was a result of lower average trailer fee paying AUM over the periods.

Sub-advisor fees were $1.0 million on a three months ended basis and $2.6 million on a nine months ended basis, reflecting an increase of $0.1 million (13.4%) and $0.4 million (19.6%), respectively, from the prior periods. The increase was a result of additional sub-advised product offerings launched during the second half of 2014.

SG&A expenses were $4.4 million on a three months ended basis and $11.1 million on a nine months ended basis, reflecting an increase of $1.4 million (47.8%) and $2.6 million (30.3%), respectively, from the prior periods. The increase was primarily the result of higher technology and marketing costs, higher professional fees and higher fund related operating costs, partially offset by lower intercompany shared services cost allocations from the Corporate segment.

Amortization charges were $0.6 million on a three months ended basis and $1.7 million on a nine months ended basis, largely unchanged from the prior periods.

Adjusted base EBITDA

Adjusted base EBITDA was $2.7 million on a three months ended basis and $9.4 million on a nine months ended basis, reflecting a decrease of $1.4 million (34.1%) and $1.6 million (14.9%), respectively, from the prior periods. The decrease was mainly due to higher sub-advisor fees along with higher SG&A expenses, partially offset by lower compensation and benefits expenses.

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 and other transactional services to its clients. This segment includes the operating results of SGRIL, RCIC and SAM USA.

Effective July 1, 2015, to ensure the ongoing usefulness of adjusted EBITDA and adjusted base EBITDA measures as an indicator of core earnings, we began excluding the impact of foreign exchange gains and losses from these performance measures. Adjusted EBITDA and adjusted base EBITDA in the comparative figures of the table below can be reconciled to previously published reports by excluding the impact of foreign exchange gains and losses from the "Other adjustments" section of the table.

Results of operations:

	For the three months ended		For the nine months ended	
(in $ thousands)	**September 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014
Revenue				
Management fees	**1,872**	2,238	**5,581**	6,923
Commissions	**929**	1,684	**2,974**	5,099
Interest income	**19**	14	**59**	38
Gains (losses) on proprietary investments and loans	**(652)**	(930)	**(1,080)**	(259)
Other income	**(761)**	(56)	**(867)**	(31)
Total revenue	**1,407**	2,950	**6,667**	11,770
Expenses				
Compensation and benefits	**1,346**	1,833	**4,409**	5,698
Stock-based compensation	**—**	—	**—**	406
Sub-advisor and referral fees	**126**	72	**218**	215
Selling, general and administrative	**980**	906	**2,587**	2,494
Depreciation, amortization and impairment of intangibles	**3,128**	947	**5,718**	2,841
Impairment of goodwill	**28,505**	—	**28,505**	—
Total expenses	**34,085**	3,758	**41,437**	11,654
Income (loss) before income taxes	**(32,678)**	(808)	**(34,770)**	116
Adjustments:				
Interest expense	**—**	—	**—**	—
Provision (recovery) for income taxes	**—**	—	**—**	—
Depreciation and amortization	**1,028**	947	**2,987**	2,841
EBITDA	**(31,650)**	139	**(31,783)**	2,957
Other adjustments:				
Impairment of intangibles	**2,100**	—	**2,731**	—
Impairment of goodwill	**28,505**	—	**28,505**	—
(Gains) losses on proprietary investments and loans	**652**	930	**1,080**	259
(Gains) losses on foreign exchange (1)	**215**	58	**334**	34
Non-cash stock based compensation	**—**	—	**—**	403
Other	**(3)**	—	**(3)**	—
Adjusted EBITDA	**(181)**	1,127	**864**	3,653
Less:				
Performance fees	**—**	—	**—**	—
Performance fee related expenses	**—**	—	**—**	—
Adjusted base EBITDA	**(181)**	1,127	**864**	3,653

(1) (Gains) losses on foreign exchange include translation gains and losses relating to Canadian dollar denominated cash, receivable and loan balances. In the fiscal 2015 comparative periods, we experienced foreign exchange losses of $0.1 million for the three months ended March 31, 2015 and and nominal losses for the three months ended June 30, 2015.

For the three and nine months ended September 30, 2015

Revenues

Management fees were $1.9 million on a three months ended basis and $5.6 million on a nine months ended basis, reflecting a decrease of $0.4 million (16.4%) and $1.3 million (19.4%), respectively, from the prior periods. The decrease was mainly a result of lower average AUM in RCIC.

Commission revenues were $0.9 million on a three months ended basis and $3.0 million on a nine months ended basis, reflecting a decrease of $0.8 million (44.8%) and $2.1 million (41.7%), respectively, from the prior periods. Lower commission income was the result of continued weakness 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.

Returns on proprietary investments were negative $0.7 million on a three months ended basis and negative $1.1 million on a nine months ended basis, reflecting a decrease in losses of $0.3 million and an increase in losses of $0.8 million, respectively, from the prior periods. The majority of our current period losses were the result of market value depreciation in seeded fixed-term limited partnerships, public equities and share purchase warrants held as part of proprietary investments.

Other income was negative $0.8 million on a three months ended basis and negative $0.9 million on a nine months ended basis, reflecting a decrease of $0.7 million and $0.8 million, respectively, from the prior periods. These decreases were mainly due to redemption-related costs incurred in certain fixed-term limited partnerships.

Expenses

Compensation and benefits were $1.3 million on a three months ended basis and $4.4 million on a nine months ended basis, reflecting a decrease of $0.5 million (26.6%) and $1.3 million (22.6%), respectively, from the prior periods. Lower compensation and benefits expense was consistent with weaker commission revenues and lower discretionary bonus accruals.

Stock-based compensation was $Nil on a three and nine months ended basis as earn-out shares were fully amortized by February 3, 2014.

Sub-advisor fees on a three and nine months ended basis 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.

SG&A expenses were $1.0 million on a three months ended basis and $2.6 million on a nine months ended basis, reflecting an increase of $0.1 million (8.2%) and $0.1 million (3.7%), respectively, from the prior periods. The period changes were due largely to foreign exchange losses due to the stronger U.S. dollar.

The table below provides a break-down of impairment charges (reversals) taken in Global on a three and nine months ended basis:

	For the three months ended September 30		For the nine months ended September 30	
($ in thousands)	**2015**	2014	**2015**	2014
Goodwill impairment	**28,505**	—	**28,505**	—
Carried interest impairment	**1,702**	—	**2,333**	—
Finite life management contract impairment	**398**	—	**398**	—
Impairment of goodwill and intangibles	**30,605**	—	**31,236**	—

The underlying inputs and assumptions that determine the recoverable amounts of goodwill, carried interests and fund management contracts 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 monitors the recoverable amount of intangible assets on a quarterly basis, and if appropriate, records impairment losses or reversals.

Adjusted base EBITDA

Adjusted base EBITDA was negative $0.2 million on a three months ended basis and $0.9 million on a nine months ended basis, reflecting a decrease of $1.3 million and $2.8 million, respectively, from the prior periods. The decrease was primarily due to a reduction in average AUM in RCIC and continued declines in private placement and client trading activities in SGRIL. This was only partially offset by lower employee compensation and benefits expense.

SRLC

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

Effective July 1, 2015, to ensure the ongoing usefulness of adjusted EBITDA and adjusted base EBITDA measures as an indicator of core earnings, we began excluding the impact of foreign exchange gains and losses from these performance measures. Adjusted EBITDA and adjusted base EBITDA in the comparative figures of the table below can be reconciled to previously published reports by excluding the impact of foreign exchange gains and losses from the "Other adjustments" section of the table.

Results of operations:

	For the three months ended		For the nine months ended	
($ in thousands)	**September 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014
Revenue				
Interest income	**3,545**	4,715	**13,276**	12,818
Gains (losses) on proprietary investments and loans	**(4,321)**	(2,126)	**(4,656)**	(435)
Other income	**4,722**	2,235	**8,312**	2,731
Total revenue	**3,946**	4,824	**16,932**	15,114
Expenses				
Compensation and benefits	**249**	1,976	**3,776**	4,102
Stock-based compensation	**145**	67	**405**	208
Sub-advisor and referral fees	**—**	140	**—**	(3)
Selling, general and administrative	**223**	199	**600**	1,776
Total expenses	**617**	2,382	**4,781**	6,083
Income before income taxes	**3,329**	2,442	**12,151**	9,031
Adjustments:				
Interest expense	**—**	—	**—**	—
Provision for income taxes	**—**	—	**—**	—
Depreciation and amortization	**—**	—	**—**	—
EBITDA	**3,329**	2,442	**12,151**	9,031
Other adjustments:				
Impairment of intangibles	**—**	—	**—**	—
Impairment of goodwill	**—**	—	**—**	—
(Gains) losses on proprietary investments and loans	**458**	1,939	**793**	500
(Gains) losses on foreign exchange [(1)]	**(3,498)**	(1,515)	**(5,977)**	(1,520)
Non-cash stock based compensation	**—**	—	**—**	—
Other	**(181)**	—	**(661)**	—
Adjusted EBITDA	**108**	2,866	**6,306**	8,011
Less:				
Performance fees	**—**	—	**—**	—
Performance fee related expenses	**—**	—	**—**	—
Adjusted base EBITDA	**108**	2,866	**6,306**	8,011

(1) (Gains) losses on foreign exchange include translation gains and losses relating to U.S. dollar denominated cash, receivable and loan balances. In the fiscal 2015 comparative periods, we experienced foreign exchange gains of $3.2 million for the three months ended March 31, 2015 and losses of $0.7 million for the three months ended June 30, 2015.

For the three and nine months ended September 30, 2015

Revenues

Interest income was $3.5 million on a three months ended basis and $13.3 million on a nine months ended basis, reflecting a decrease of $1.2 million (24.8%) and an increase of $0.5 million (3.6%) respectively, from the prior periods. Changes in interest income on a three and nine months ended basis were directly related to average loan balances, which were lower on a three months ended basis but up slightly on a nine months ended basis from the prior periods.

Returns on proprietary investments and loans were negative $4.3 million on a three months ended basis and negative $4.7 million on a nine months ended basis, reflecting a decrease of $2.2 million and $4.2 million, respectively, from the prior periods. Current period losses were mainly due to a specific loan loss provision recorded in the quarter along with market value depreciation of certain equity holdings.

Other revenues were $4.7 million on a three months ended basis and $8.3 million on a nine months ended basis, reflecting an increase of $2.5 million and $5.6 million respectively, from the prior periods. The increases were mainly due to foreign exchange gains on U.S. dollar denominated loans and cash deposits throughout the year and arrangement fees earned on a new loan during the quarter.

Expenses

Compensation and benefits were $0.2 million on a three months ended basis and $3.8 million on a nine months ended basis, reflecting a decrease of $1.7 million (87.4%) and $0.3 million (7.9%), respectively, from the prior periods. The decrease on a three and nine months ended basis was due largely to a year-to-date bonus accrual adjustment to align the accrual with the third quarter change in adjusted EBITDA and adjusted base EBITDA methodology we instituted requiring the exclusion of foreign exchange gains and losses from those measures.

Stock-based compensation was $0.1 million on a three months ended basis and $0.4 million on a nine months ended basis, reflecting an increase of $0.1 million and $0.2 million, respectively, from the prior periods. The increase in stock-based compensation relates to higher discretionary equity bonus allocations to SRLC employees.

SG&A expenses were $0.2 million on a three months ended basis and $0.6 million on a nine months ended basis, which was largely flat on a three months ended basis but down $1.2 million (66.2%) on a nine months ended basis. The decrease on a nine months ended basis relates to property taxes incurred in the prior period on legacy foreclosed properties and other non-recurring operating costs at that time which did not recur this year.

Adjusted base EBITDA

Adjusted base EBITDA was $0.1 million on a three months ended basis and $6.3 million on a nine months ended basis, reflecting a decrease of $2.8 million (96.2%) and $1.7 million (21.3%), respectively, from the prior periods. The decrease on a three and nine months ended basis was mainly due to lower interest income in the current quarter and an increase in loan loss provisions, partially offset by arrangement fees earned on a new loan, lower bonus accruals and SG&A on a nine months basis.

Consulting Segment

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

Effective July 1, 2015, to ensure the ongoing usefulness of adjusted EBITDA and adjusted base EBITDA measures as an indicator of core earnings, we began excluding the impact of foreign exchange gains and losses from these performance measures. Adjusted EBITDA and adjusted base EBITDA in the comparative figures of the table below can be reconciled to previously published reports by excluding the impact of foreign exchange gains and losses from the "Other adjustments" section of the table.

Results of operations:

	For the three months ended		For the nine months ended	
($ in thousands)	**September 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014
Revenue				
Management fees	**1,089**	1,800	**3,738**	5,792
Performance fees	**—**	200	**127**	770
Interest income	**11**	8	**23**	38
Other income	**1,620**	79	**2,821**	1,827
Total revenue	**2,720**	2,087	**6,709**	8,427
Expenses				
Compensation and benefits	**553**	311	**958**	2,572
Stock-based compensation	**6**	(575)	**(1,106)**	(330)
Sub-advisor and referral fees	**53**	72	**149**	72
Selling, general and administrative	**402**	387	**1,076**	979
Depreciation, amortization and impairment	**9,352**	9	**9,365**	35
Other expenses	**3,209**	—	**5,572**	—
Total expenses	**13,575**	204	**16,014**	3,328
Income (loss) before income taxes	**(10,855)**	1,883	**(9,305)**	5,099
Adjustments:				
Interest expense	**—**	—	**—**	—
Provision for income taxes	**—**	—	**—**	—
Depreciation and amortization	**10**	9	**23**	35
EBITDA	**(10,845)**	1,892	**(9,282)**	5,134
Other adjustments:				
Impairment of intangibles	**9,342**	—	**9,342**	—
Impairment of goodwill	**—**	—	**—**	—
(Gains) losses on proprietary investments and loans	**—**	—	**—**	—
(Gains) losses on foreign exchange [(1)]	**95**	(74)	**6**	(84)
Non-cash stock based compensation	**(7)**	(553)	**(1,146)**	(346)
Other	**1,627**	—	**2,549**	—
Adjusted EBITDA	**212**	1,265	**1,469**	4,704
Less:				
Performance fees	**—**	(200)	**(127)**	(770)
Performance fee related expenses	**—**	50	**31**	193
Adjusted base EBITDA	**212**	1,115	**1,373**	4,127

(1) (Gains) losses on foreign exchange include translation gains and losses relating to U.S. dollar denominated cash, receivable and loan balances. In the fiscal 2015 comparative periods, we experienced foreign exchange gains of $0.1 million for the three months ended March 31, 2015 and nominal losses for the three months ended June 30, 2015.

For the three and nine months ended September 30, 2015

Revenues

Management fees were $1.1 million on a three months ended basis and $3.7 million on a nine months ended basis, reflecting a decrease of $0.7 million (39.5%) and $2.1 million (35.5%), respectively, from the prior periods. The decreases on a three and nine months ended basis were due to ongoing reductions in average AUM in SRC and TEIC coupled with the second quarter 2014 unwind of TFIT in Sprott Toscana.

Performance fees were $Nil on a three months ended basis and $0.1 million on a nine months ended basis, reflecting a decrease of $0.2 million and $0.6 million, respectively, from the prior periods. The decrease was mainly due to weaker performance in Sprott Toscana.

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

Other revenues were $1.6 million on a three months ended basis and $2.8 million on a nine months ended basis, reflecting an increase of $1.5 million and $1.0 million, respectively, from the prior periods. The increase was due to royalty income on seeded energy related assets held in proprietary investments.

Expenses

Compensation and benefits were $0.6 million on a three months ended basis and $1.0 million on a nine months ended basis, reflecting an increase of $0.2 million (77.8%) and a decrease of $1.6 million (62.8%), respectively, from the prior periods. The increase on a three months ended basis was due to a prior period re-measurement adjustment of cash based earn-out obligation relating to Sprott Toscana. The decrease on a nine months ended basis was due to: (i) the inclusion of one-time compensation expense related to the TFIT break-fee in the second quarter 2014 results; and (ii) a reduction in cash based earn-out expense relating to Sprott Toscana as the Company reached the end of vesting period as at June 30, 2015.

Stock-based compensation was nominal on a three months ended basis and negative $1.1 million on a nine months ended basis, reflecting an increase of $0.6 million and a decrease $0.8 million, respectively, from the prior periods. Changes in stock-based compensation on a three and nine months ended basis were directly related to re-measurements of the equity based earn-out obligation related to Sprott Toscana described above.

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

SG&A expenses were $0.4 million on a three months ended basis and $1.1 million on a nine months ended basis, which remained largely unchanged on a three months ended basis, but up $0.1 million (9.9%) on a nine months ended basis. The increase on a nine months ended basis was primarily due to intercompany interest expense and higher rent expense, only partially offset by lower professional fees.

Other expenses were $3.2 million on a three months ended basis and $5.6 million on a nine months ended basis. These are new expenses this year related to seeded energy assets in the proprietary investments portfolio of Sprott Toscana. They consist primarily of operating expenses and depletion and impairment charges associated with non-operated working interests.

An impairment charge of $9.3 million (September 30, 2014 - $Nil) was taken on the TEIC management contract held in the Consulting segment. The impairment charge was necessary as the carrying value of the contract was higher than its recoverable amount. Depreciation and amortization expense was nominal for the quarter.

Adjusted base EBITDA

Adjusted base EBITDA for the quarter was $0.2 million on a three months ended basis and $1.4 million on a nine months ended basis, reflecting a decrease of $0.9 million (81.0%) and $2.8 million (66.7%), respectively, from the prior periods. The decreases were mainly due to a combination of lower management fees and the impact of non-recurring break-fees received in the second quarter of 2014 relating to TFIT, which were only partially offset by a reduction in cash based earn-out expense relating to Sprott Toscana year-over-year.

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.

Effective July 1, 2015, to ensure the ongoing usefulness of adjusted EBITDA and adjusted base EBITDA measures as an indicator of core earnings, we began excluding the impact of foreign exchange gains and losses from these performance measures. Adjusted EBITDA and adjusted base EBITDA in the comparative figures of the table below can be reconciled to previously published reports by excluding the impact of foreign exchange gains and losses from the "Other adjustments" section of the table.

Results of operations:

	For the three months ended		For the nine months ended	
($ in thousands)	**September 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014
Revenue				
Management fees	**72**	11	**175**	174
Commissions	**1,011**	329	**2,519**	1,338
Interest income	**345**	584	**1,185**	1,546
Trailer fee income	**499**	633	**1,580**	1,983
Gains (losses) on proprietary investments and loans	**(6,309)**	(612)	**(2,236)**	2,245
Other income	**2,897**	1,133	**5,763**	873
Total revenue	**(1,485)**	2,078	**8,986**	8,159
Expenses				
Compensation and benefits	**1,328**	1,196	**3,616**	2,978
Stock-based compensation	**152**	119	**453**	367
Sub-advisor and referral fees	**—**	9	**11**	9
Selling, general and administrative	**1,442**	1,130	**4,429**	4,055
Depreciation, amortization and impairment	**30**	3	**42**	21
Total expenses	**2,952**	2,457	**8,551**	7,430
Income (loss) before income taxes	**(4,437)**	(379)	**435**	729
Adjustments:				
Interest expense	**—**	—	**84**	—
Provision for income taxes	**—**	—	**—**	—
Depreciation and amortization	**30**	3	**42**	21
EBITDA	**(4,407)**	(376)	**561**	750
Other adjustments:				
Impairment (reversal) of intangibles	**—**	—	**—**	—
Impairment of goodwill	**—**	—	**—**	—
(Gains) losses on proprietary investments and loans	**6,309**	612	**2,236**	(2,245)
(Gains) losses on foreign exchange [1]	**(2,718)**	(1,188)	**(5,501)**	(930)
Non-cash stock based compensation	**—**	—	**—**	—
Other	**(179)**	—	**(399)**	—
Adjusted EBITDA	**(995)**	(952)	**(3,103)**	(2,425)
Less:				
Performance fees	**—**	—	**—**	—
Performance fee related expenses	**—**	—	**—**	—
Adjusted base EBITDA	**(995)**	(952)	**(3,103)**	(2,425)

[1] (Gains) losses on foreign exchange include translation gains and losses relating to U.S. dollar denominated cash, receivable and loan balances. In the fiscal 2015 comparative periods, we experienced foreign exchange gains of $2.9 million for the three months ended March 31, 2015 and losses of $0.1 million for the three months ended June 30, 2015.

For the three and nine months ended September 30, 2015

Revenues

Management fees continue to be nominal.

Commission revenues were $1.0 million on a three months ended basis and $2.5 million on a nine months ended basis, reflecting an increase of $0.7 million and $1.2 million, respectively, from the prior periods. The increase is directly related to the level of private placement activity in SPW, which was particularly strong this year.

Interest income was $0.3 million on a three months ended basis and $1.2 million on a nine months ended basis, reflecting a decrease of $0.2 million (40.9%) and $0.4 million (23.4%), respectively, from the prior periods.

Trailer fee income was $0.5 million on a three months ended basis and $1.6 million on a nine months ended basis, reflecting a decrease of $0.1 million (21.2%) and $0.4 million (20.3%), respectively, from the prior periods. The decrease was due to continuing declines 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.

Returns on proprietary investments were negative $6.3 million on a three months ended basis and negative $2.2 million on a nine months ended basis, reflecting a decrease of $5.7 million and $4.5 million, respectively, from the prior periods. The losses were generated in certain equity investments and seeded investment fund holdings.

Other income was $2.9 million on a three months ended basis and $5.8 million on a nine months ended basis, reflecting an increase of $1.8 million and $4.9 million, respectively, from the prior periods. The increases were due to higher foreign exchange gains on U.S. dollar denominated cash deposits and receivables.

Expenses

Compensation and benefits were $1.3 million on a three months ended basis and $3.6 million on a nine months ended basis, reflecting an increase of $0.1 million (11.0%) and $0.6 million (21.4%), respectively from the prior periods. Higher commission expense relating to improved private placement activity in SPW more than offset the year-to-date bonus accrual adjustment made to align the accrual with our third quarter methodology change.

Stock-based compensation was $0.2 million on a three months ended basis and $0.5 million on a nine months ended basis, which was largely unchanged on a three months ended basis, but up $0.1 million (23.4%) on a nine months ended basis. The increase in stock-based compensation on a nine months ended basis relates to higher discretionary equity bonus allocations to Corporate segment employees.

Referral fees were $Nil for the quarter and nominal on a nine months ended basis. Referral fees are incurred by SPW on private placement activities, and hence, are entirely transaction based.

SG&A expenses were $1.4 million on a three months ended basis and $4.4 million on a nine months ended basis, reflecting an increase of $0.3 million (27.6%) and $0.4 million (9.2%), respectively, from the prior periods. The increase on a three and nine months ended basis was primarily due to lower recoveries of intercompany shared services costs which more than offset lower professional fees. Intercompany shared services costs are eliminated on consolidation.

Depreciation and amortization was nominal for the quarter.

Adjusted base EBITDA

Adjusted base EBITDA was negative $1.0 million on a three months ended basis and negative $3.1 million on a nine months ended basis, reflecting virtually no change on a three months ended basis, and a $0.7 million (28.0%) decrease on a nine months ended basis. The nine months ended performance was mainly due to lower SG&A charge backs of intercompany shared services costs.

SUMMARY OF QUARTERLY RESULTS

($ in thousands)	**As at 30-Sept-15**	As at 31-Jun-15	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
Assets Under Management	**7,434,096**	7,801,186	7,817,389	7,027,390	7,363,019	7,842,005	7,694,545	6,966,524

($ in thousands, except per share amounts)	**3 Months ended 30-Sept-15**	3 Months ended 31-Jun-15	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
Income Statement Information								
Revenue								
Management fees	**18,776**	19,492	18,563	18,674	20,273	20,116	19,372	17,792
Performance fees	**94**	1	127	9,493	470	460	270	6,613
Commissions	**1,940**	1,478	2,075	1,400	2,013	2,500	1,924	1,191
Interest income	**3,953**	3,807	6,832	5,687	5,327	3,816	5,354	4,815
Gains (losses) on proprietary investments and loans	**(13,265)**	3,581	(2,874)	(7,292)	(4,291)	2,650	4,350	(3,286)
Other income	**10,955**	250	8,565	4,702	4,304	809	1,601	2,923
Total revenue	**22,453**	28,609	33,288	32,664	28,096	30,351	32,871	30,048
Net income (loss)	**(49,190)**	6,726	6,937	(363)	4,502	5,011	10,239	(90,111)
Basic and diluted earnings (loss) per share	**(0.20)**	0.03	0.03	0.00	0.02	0.02	0.04	(0.37)

Dividends

See Note 11 of the interim financial statements.

Capital Stock

Including the 2.8 million unvested common shares currently held in the EPSP Trust (December 31, 2014 - 2.3 million), total capital stock issued and outstanding was 248.4 million (December 31, 2014 - 248.3 million).

Earnings per share for the current and prior periods have been calculated using the weighted average number of shares outstanding during the respective periods. Basic and diluted earnings per share for the quarter was $(0.20) compared to $0.02 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 2.7 million 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 agreements, 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 September 30, 2015, the Company had $55.9 million of 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).

Contingency

Pursuant to the exchange offer noted in the "Business Highlights and Growth Initiatives" section of this MD&A, *Central GoldTrust* and *Silver Bullion Trust* have commenced an action to, among other things, enjoin the *Sprott Physical Gold Trust* and *Sprott Physical Silver Trust* from completing the offer to exchange. Management of the Company believes that the claims in the action are without merit.

Significant Accounting Judgments and Estimates

The interim financial statements have been prepared in accordance with IFRS standards in effect as at September 30, 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 September 30, 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 and proprietary investments 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. A decrease in commodity prices may delay the development of the underlying security or business plans of the borrower and could adversely affect the value of the Company's security against a resource loan or resource debenture. 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 originally 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.

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. These receivables are short-term in nature and any credit risk associated with them is managed by dealing with counterparties that the Company believes to be creditworthy and by actively monitoring credit exposure and the financial health of the counterparties.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company's exposure to liquidity risk is minimal as it maintains sufficient levels of liquid assets to meet its obligations as they come due. 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

A significant portion 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 September 30, 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 ("IRC") to whom all conflicts of interest matters must be referred for review and approval. The Company established an IRC for its 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 IRC in carrying out its functions. The IRC 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 and nine months ended September 30, 2015

Sprott INC.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

As at *($ in thousands of Canadian dollars)*		**September 30 2015**	December 31 2014
Assets			
Current			
Cash and cash equivalents		**124,093**	120,774
Fees receivable		**8,204**	13,176
Loans receivable	*(Note 5)*	**56,037**	51,317
Proprietary investments	*(Note 3)*	**139,634**	—
Other assets	*(Note 6)*	**10,397**	6,975
Income taxes recoverable		**7,326**	6,133
Total current assets		**345,691**	198,375
Loans receivable	*(Note 5)*	**32,998**	70,592
Proprietary investments	*(Note 3)*	**—**	112,592
Other assets	*(Note 6)*	**9,535**	4,108
Property and equipment, net		**6,244**	6,270
Intangible assets	*(Note 4)*	**15,609**	32,190
Goodwill	*(Note 4)*	**28,758**	50,427
Deferred income taxes	*(Note 9)*	**802**	6,723
		93,946	282,902
Total assets		**439,637**	481,277
Liabilities and Shareholders' Equity			
Current			
Accounts payable and accrued liabilities		**13,110**	28,340
Compensation and employee bonuses payable		**3,700**	9,324
Obligations related to securities sold short	*(Note 3)*	**42,992**	—
Loan payable	*(Note 7)*	**—**	15,000
Income taxes payable		**993**	—
Total current liabilities		**60,795**	52,664
Deferred income taxes	*(Note 9)*	**8,427**	10,001
Total liabilities		**69,222**	62,665
Shareholders' equity			
Capital stock	*(Note 8)*	**417,541**	414,668
Contributed surplus	*(Note 8)*	**36,283**	42,199
Deficit		**(116,498)**	(58,655)
Accumulated other comprehensive income		**33,089**	20,400
Total shareholders' equity		**370,415**	418,612
Total liabilities and shareholders' equity		**439,637**	481,277
Commitments	*(Note 13)*		

See accompanying notes

Eric Sprott
Director

James Roddy
Director

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

($ in thousands of Canadian dollars, except for per share amounts)		*For the three months ended* **September 30 2015**	September 30 2014	*For the nine months ended* **September 30 2015**	September 30 2014
Revenue					
Management fees		**18,776**	20,273	**56,831**	59,761
Performance fees		**94**	470	**222**	1,200
Commissions		**1,940**	2,013	**5,493**	6,437
Interest income		**3,953**	5,327	**14,592**	14,497
Gains (losses) on proprietary investments and loans		**(13,265)**	(4,291)	**(12,558)**	2,709
Other income	*(Note 6)*	**10,955**	4,304	**19,770**	6,714
Total revenue		**22,453**	28,096	**84,350**	91,318
Expenses					
Compensation and benefits		**7,773**	9,882	**25,764**	28,865
Stock-based compensation	*(Note 8)*	**773**	196	**1,206**	2,463
Trailer fees		**3,222**	3,354	**9,487**	9,546
Sub-advisor and referral fees		**1,127**	975	**2,869**	2,297
Selling, general and administrative		**7,484**	5,579	**19,745**	17,576
Amortization of intangibles	*(Note 4)*	**1,437**	1,346	**4,186**	4,072
Impairment of intangibles	*(Note 4)*	**11,442**	—	**12,073**	—
Impairment of goodwill	*(Note 4)*	**28,505**	—	**28,505**	—
Amortization of property and equipment		**231**	190	**608**	589
Other expenses	*(Note 6)*	**3,209**	—	**5,572**	—
Total expenses		**65,203**	21,522	**110,015**	65,408
Income (loss) before income taxes for the period		**(42,750)**	6,574	**(25,665)**	25,910
Provision for income taxes	*(Note 9)*	**6,440**	2,072	**9,862**	6,158
Net income (loss) for the period		**(49,190)**	4,502	**(35,527)**	19,752
Basic and diluted earnings (loss) per share	*(Note 8)*	**(0.20)**	0.02	**$ (0.14)**	$ 0.08

See accompanying notes

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the three months ended		*For the nine months ended*	
	September 30	September 30	**September 30**	September 30
($ in thousands of Canadian dollars)	**2015**	2014	**2015**	2014
Net income (loss) for the period	**(49,190)**	4,502	**(35,527)**	19,752
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation gain on foreign operations (taxes of $Nil)	**6,004**	4,312	**12,689**	4,592
Total other comprehensive income	**6,004**	4,312	**12,689**	4,592
Comprehensive income (loss)	**(43,186)**	8,814	**(22,838)**	24,344

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	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)*	**(1,475,838)**	**(2,506)**	**(1,743)**	**—**	**—**	**(4,249)**
Shares released on vesting of equity incentive plan	*(Note 8)*	**947,908**	**4,832**	**(4,832)**	**—**	**—**	**—**
Foreign currency translation gain on foreign operations		**—**	**—**	**—**	**—**	**12,689**	**12,689**
Issuance of share capital on share-base consideration	*(Note 8)*	**136,064**	**543**	**(543)**	**—**	**—**	**—**
Stock-based compensation	*(Note 8)*	**—**	**—**	**1,206**	**—**	**—**	**1,206**
Issuance of share capital on conversion of RSU	*(Note 8)*	**1,400**	**4**	**(4)**	**—**	**—**	**—**
Dividends declared	*(Note 11)*	**—**	**—**	**—**	**(22,316)**	**—**	**(22,316)**
Net loss		**—**	**—**	**—**	**(35,527)**	**—**	**(35,527)**
Balance, September 30, 2015		**245,630,860**	**417,541**	**36,283**	**(116,498)**	**33,089**	**370,415**
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	(3,921)	—	—	(6)
Foreign currency translation gain on foreign operations		—	—	—	—	4,592	4,592
Additional purchase consideration		177,500	1,223	(1,614)	—	—	(391)
Stock-based compensation		—	—	2,463	—	—	2,463
Shares issued from treasury		225,764	796	(2)	—	—	794
Dividends declared		—	—	—	(22,350)	—	(22,350)
Net income		—	—	—	19,752	—	19,752
Balance, September 30, 2014		246,021,326	414,668	41,275	(50,842)	17,050	422,151

See accompanying notes

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the nine months ended September 30 ($ in thousands of Canadian dollars)	**2015**	2014
Operating Activities		
Net income (loss) for the period	**(35,527)**	19,752
Add (deduct) non-cash items:		
Losses (gains) on proprietary investments and loans receivable	**12,558**	(2,709)
Stock-based compensation	**1,206**	2,463
Amortization of property, equipment and intangible assets	**4,794**	4,661
Impairment of intangible assets	**12,073**	—
Impairment of goodwill	**28,505**	—
Deferred income taxes	**5,045**	2,800
Current income tax expense	**4,817**	3,358
Other items	**(5,494)**	(8,344)
Income taxes paid	**(4,235)**	(1,352)
Changes in:		
Fees receivable	**5,151**	3,278
Loans receivable	**30,271**	(22,242)
Accounts payable, accrued liabilities, compensation and employee bonuses payable	**(20,959)**	(7,140)
Other assets	**(9,008)**	8,511
Cash provided by operating activities	**29,197**	3,036
Investing Activities		
Purchase of proprietary investments	**(51,439)**	(48,468)
Sale of proprietary investments	**63,344**	47,054
Purchase of property and equipment	**(539)**	(12)
Deferred sales commissions paid	**(1,086)**	(1,463)
Internalization of performance fees	**3,475**	—
Purchase of intangible assets	**(400)**	(2,679)
Cash provided by (used in) investing activities	**13,355**	(5,568)
Financing Activities		
Acquisition of common shares for equity incentive plan	**(4,249)**	(3,001)
Shares issued from treasury	**—**	—
Loan payable	**(15,000)**	—
Dividends paid	**(22,316)**	(22,350)
Cash used in financing activities	**(41,565)**	(25,351)
Effect of foreign exchange on cash balances	**2,332**	919
Net increase (decrease) in cash and cash equivalents during the period	**3,319**	(26,964)
Cash and cash equivalents, beginning of the period	**120,774**	115,670
Cash and cash equivalents, end of the period	**124,093**	88,706
Cash and cash equivalents:		
Cash	**119,844**	83,857
Short-term deposits	**4,249**	4,849
	124,093	88,706
Supplementary disclosure of cash flow information		
Amount of interest received during the period	**6,732**	8,577

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 and nine months ended September 30, 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 November 11, 2015.

Basis of presentation

These interim 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

These interim 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 September 30, 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 $3.2 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 18 funds (December 31, 2014 - 22) with an average ownership interest of 8.78% (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 AND OBLIGATIONS RELATED TO SECURITIES SOLD SHORT

Proprietary investments and obligations related to securities sold short consist of the following ($ in thousands):

	September 30, 2015	December 31, 2014
Gold bullion	**—**	4,843
Public equities and share purchase warrants	**28,291**	10,705
Mutual funds and alternative investment strategies*	**88,359**	71,858
Fixed income securities	**3,794**	8,590
Private holdings**	**19,190**	16,596
Total proprietary investments	**139,634**	112,592
Obligations related to securities sold short* **	**42,992**	—

* Investments in mutual funds and alternative investment strategies are primarily managed by SAM or RCIC. As at September 30, 2015, the underlying holdings in these mutual funds and alternative investment strategies primarily consisted of cash and short-term investments of $14.4 million (December 31, 2014 - $13.5 million), equities of $33.8 million (December 31, 2014 - $32.1 million), short equity positions of $46.4 million (December 31, 2014 - $111.4 million), fixed income securities of $56.2 million (December 31, 2014 - $125.6 million), bullion of $3.1 million (December 31, 2014 - $3.8 million), loans of $Nil (December 31, 2014 - $3.3 million) and derivatives of $0.1 million (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 $5.9 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; (iii) working interests in energy properties of $6.9 million (December 31, 2014 - $7.3 million) which are recorded at cost, net of depletion and/or impairment charges; and (iv) a foreclosed property. As at September 30, 2015, the Company assessed the carrying amount of its working interest in energy properties by considering changes in future prices, future costs and reserves and identified indicators of impairment as at the end of the period, which led to a $1.8 million impairment charge. See Note 6 for further details.

*** On occasion, the Company may employ market-neutral investment strategies that involve an investment in our funds or other publicly listed entities and related securities short sales. Currently, these strategies have employed $38.9 million (December 31, 2014 - $Nil) of long positions in mutual funds and alternative investment strategies and $40.3 million (December 31, 2014 - $Nil) of short positions. In addition, there are short securities positions in the amount of $2.7 million (December 31, 2014 - $Nil) relating to the seeding of a new alternative investment product.

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 and (disposals)	—	(3,188)	—	113	1,086	(1,989)
Net exchange differences	21,303	—	3,558	5,691	—	30,552
At September 30, 2015	**176,738**	**13,799**	**30,489**	**43,988**	**9,112**	**274,126**
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	—	—	(2,775)	(168)	(1,243)	(4,186)
Net impairment charge for the period	(28,505)	(9,342)	(398)	(2,333)	—	(40,578)
Net exchange differences	(14,467)	—	(2,163)	(5,419)	—	(22,049)
At September 30, 2015	**(147,980)**	**(9,342)**	**(21,747)**	**(43,988)**	**(6,702)**	**(229,759)**
Net book value at:						
December 31, 2014	50,427	16,987	10,520	2,116	2,567	82,617
September 30, 2015	**28,758**	**4,457**	**8,742**	**—**	**2,410**	**44,367**

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 September 30, 2015, the Company allocated goodwill across the CGUs as follows ($ in thousands):

	September 30, 2015	December 31, 2014
SAM	**25,558**	22,300
Global Companies	**—**	24,927
SRLC	**—**	—
Corporate	**—**	—
SC	**3,200**	3,200
SPW	**—**	—
	28,758	50,427

In the normal course, goodwill is tested for impairment once per annum, 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.

During the third quarter impairment assessment process, there were indicators of goodwill impairment in the Global Companies CGU that led to the advanced testing for goodwill impairment in that CGU. The recoverable amount of the Global Companies CGU was determined using a discounted cash flow (DCF) value-in-use (VIU) technique. Key inputs and assumptions included: (i) steady top-up and replacement of expiring limited partnership contracts; (ii) internal growth rate assumptions on AUM/AUA, as applicable of 0.5%; (iii) a discount rate of 10% (pre-tax); and (iv) terminal return of 0.38%. For the three and nine months ended September 30, 2015, a goodwill impairment charge of $28.5 million (December 31, 2014 - $Nil) was recorded on the "Impairment of goodwill" line in the income statement. As at September 30, 2015, the Company had goodwill (net of impairment described above) of $Nil within the Global Companies CGU (December 31, 2014 - $24.9 million). There were also indicators of goodwill impairment in the SC CGU that led to the advanced testing for goodwill impairment in that CGU, however, the recoverable amount continues to exceed its book value inclusive of goodwill, consequently, no impairment charge was taken for the period in that CGU.

Impairment assessment of indefinite life fund management contracts

As at September 30, 2015, the Company had indefinite life fund management contracts within the SAM CGU of $4.5 million (December 31, 2014 - $4.2 million). There were no indicators of impairment.

As at September 30, 2015 the Company determined that the recoverable amount of the Sprott Toscana management contract within the SC CGU was lower than its carrying value. Consequently, an impairment charge of $9.3 million (December 31, 2014 - $Nil) was recorded on the "Impairment of intangibles" line in the income statement. The recoverable amount of the contract was determined using a DCF VIU calculation that discounted at 13.3% (pre-tax), the estimated pre-tax cash flows to the Company. As at September 30, 2015, the Company had indefinite life fund management contracts (net of impairment described above) of $Nil within the SC CGU (December 31, 2014 - $12.8 million).

Impairment assessment of finite life fund management contracts

As at September 30, 2015, the Company determined that the recoverable amount of the fixed-term limited partnerships within the Global Companies CGU was lower than its carrying value. Consequently, an impairment charge of $0.4 million was recorded in the quarter, leading to total year-to-date impairment charges of $0.4 million (December 31, 2014 - $Nil) being recorded on the "Impairment of intangibles" line in the income statement. The recoverable amount of management contracts within the Global companies CGU was determined using a VIU calculation by discounting at 10% (pre-tax), the most recent expected future net cash flows (pre-tax) to the Company from fixed-term limited partnerships. As at September 30, 2015, the Company had management contracts (net of impairments described above) of $8.7 million within the Global Companies CGU (December 31, 2014 - $10.5 million).

Impairment assessment of carried interests

As at September 30, 2015, the Company determined that the recoverable amount of the carried interests within the Global Companies CGU was lower than their carrying value. Consequently, an impairment charge of $1.7 million was recorded in the quarter, leading to total year-to-date impairment charges of $2.3 million (December 31, 2014 - $2.3) being recorded on the "Impairment of intangibles" line in the income statement. The recoverable amount of carried interests within the Global companies CGU was determined using a VIU calculation by discounting at 10% (pre-tax), the most recent expected future carried interest net cash flows (pre-tax) to the Company from fixed-term limited partnerships. As at September 30, 2015, the Company had carried interests (net of impairments described above) of $Nil within the Global Companies CGU (December 31, 2014 - $2.1 million).

Impairment assessment of deferred sales commissions

As at September 30, 2015, the Company had deferred sales commissions of $2.4 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):

	September 30, 2015	December 31, 2014
Resource loans *		
Loan principal	**98,028**	118,079
Accrued interest	**317**	132
Deferred revenue	**(6,453)**	(6,711)
Mark-to-market	**—**	608
Amortized cost, before loan loss provisions	**91,892**	112,108
Loan loss provisions	**(3,866)**	—
Carrying value of resource loans receivable	**88,026**	112,108
Less: current portion	**(55,028)**	(46,928)
Total non-current resource loans receivable	**32,998**	65,180
Resource debentures		
Debenture principal	**1,000**	7,500
Accrued interest	**9**	259
Deferred revenue	**—**	(100)
Amortized cost, before impairments	**1,009**	7,659
Impairments	**—**	(2,247)
Carrying value of resource debentures receivable	**1,009**	5,412
Less: current portion	**(1,009)**	—
Total non-current resource debentures receivable	**—**	5,412
Real estate loans		
Loan principal	**—**	4,389
Accrued interest	**—**	754
Amortized cost, before loan loss provision	**—**	5,143
Loan loss provision	**—**	(754)
Carrying value of real estate loans receivable	**—**	4,389
Less: current portion	**—**	(4,389)
Total non-current real estate loans receivable	**—**	—
Total carrying value of loans receivable	**89,035**	121,909
Less: current portion	**(56,037)**	(51,317)
Total carrying value of non-current loans receivable	**32,998**	70,592

*As at September 30, 2015, $Nil (December 31, 2014 - $4.8 million) of precious metal loan principal was designated as FVTPL and $Nil (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 September 30, 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:

	September 30, 2015		December 31, 2014	
	Number of Loans	**($ in thousands)**	Number of Loans	($ in thousands)
Resource loan				
Amortized cost, before provision	**1**	**3,866**	—	—
Provision	**—**	**(3,866)**	—	—
Total carrying value of impaired resource loan	**1**	**—**	—	—
Resource debenture				
Amortized cost, before impairments	**—**	**—**	1	5,400
Impairments	**—**	**—**	—	(2,247)
Total carrying value of impaired debenture	**—**	**—**	1	3,153
Real estate loan				
Amortized cost, before loan loss provision	**—**	**—**	1	5,143
Loan loss provision	**—**	**—**	—	(754)
Total carrying value of real estate loan, net of loan loss provision	**—**	**—**	1	4,389
Total carrying value of impaired resource loan, debenture and real estate loan, net of loan loss provisions	**1**	**—**	2	7,542

Interest income on impaired loans and debentures and the changes in loan loss provision and impairment are as follows ($ in thousands):

	For the nine months ended	
	September 30, 2015	September 30, 2014
Interest on impaired loan and debenture	**266**	398
Loan loss provision on real estate loan and impairment on resource debenture		
Balance, beginning of period	**3,001**	222
Recovery of resource debenture	**(1,746)**	—
Disposal of resource debenture	**(501)**	—
Disposal of real estate loan	**(754)**	398
Loan loss provision on resource loan	**3,600**	—
Balance, end of period	**3,600**	620

Sector distribution of loan principal

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

	September 30, 2015		December 31, 2014	
	Number of Loans	**($ in thousands)**	Number of Loans	($ in thousands)
Resource loans				
Metals and mining *	**8**	**44,439**	9	71,957
Energy and other	**6**	**53,589**	5	46,122
Total resource loans principal	**14**	**98,028**	14	118,079
Resource debentures				
Energy and other	**1**	**1,000**	2	7,500
Total resource debentures principal	**1**	**1,000**	2	7,500
Real estate loan				
Land under development	**—**	**—**	1	4,389
Total real estate loan principal	**—**	**—**	1	4,389
Total loan principal	**15**	**99,028**	17	129,968

*As at September 30, 2015, $Nil (December 31, 2014 - $4.8 million) of precious metal loan principal was designated as FVTPL and $Nil (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:

	September 30, 2015		December 31, 2014	
	Number of Loans	**($ in thousands)**	Number of Loans	($ in thousands)
Resource loans				
Canada *	**7**	**67,443**	8	80,496
United States of America	**1**	**4,670**	1	4,066
Mexico	**1**	**6,820**	1	13,000
Australia	**1**	**4,760**	1	7,083
Chile	**1**	**6,672**	2	8,845
Brazil	**1**	**3,295**	1	4,589
Peru	**1**	**1,868**	—	—
Romania	**1**	**2,500**	—	—
Total resource loan principal	**14**	**98,028**	14	118,079
Resource debentures				
Canada	**1**	**1,000**	1	2,000
United States of America	**—**	**—**	1	5,500
Total resource debenture principal	**1**	**1,000**	2	7,500
Real estate loans				
Canada	**—**	**—**	1	4,389
Total real estate loan principal	**—**	**—**	1	4,389
Total loan principal	**15**	**99,028**	17	129,968

*As at September 30, 2015, $Nil (December 31, 2014 - $4.8 million) of precious metal loan principal was designated as FVTPL and $Nil (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 $9.4 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 September 30, 2015 and December 31, 2014, all past due loans were assessed for impairment. As at September 30, 2015 the Company determined that one of its resource loans was impaired. Consequently, a loan loss provision of $3.9 million was recorded in the quarter, leading to total year-to-date loan loss provisions of $3.9 million (December 31, 2014 - $0.8 million) being recorded on the "Gains (losses) on proprietary investments and loans" line in the income statement.

Loan commitments

As at September 30, 2015, the Company had $55.9 million in loan commitments (December 31, 2014 - $46.0 million).

6. OTHER ASSETS, INCOME AND EXPENSES

Other assets consist primarily of: (i) proceeds receivable on the redemption of certain seeded funds held as part of proprietary investments; (ii) a $3.5 million (December 31, 2014 - $3.5 million) non-interest bearing related party demand note between the Company and Sprott Continental Holdings Limited, a company controlled by Eric Sprott; (iii) receivables from funds and managed companies for which the Company has incurred expenses on their behalf; and (iv) one time deferred costs of $5.4 million (December 31, 2014 - $Nil) which includes legal, proxy solicitation, investor relations and transfer agent fees, pertaining to a potential transaction with *Central GoldTrust* and *Silver Bullion Trust*. These deferred costs will be expensed if the transaction is unsuccessful.

Other income on a three months ended basis primarily includes: (i) foreign exchange gains of $7.6 million (September 30, 2014 - $3.2 million); (ii) royalty income on energy related assets held in proprietary investments of $1.5 million (September 30, 2014 - $Nil); and (iii) a one-time arrangement fee earned on a new loan within SRLC. Other income on a nine months ended basis includes: (i) foreign exchange gains of $13.6 million (September 30, 2014 - $2.9 million); (ii) royalty income on energy related assets held in proprietary investments of $3.0 million (September 30, 2014 - $Nil); and (iii) a one-time arrangement fee earned on a new loan within SRLC.

Other expenses relate to energy assets held as part of proprietary investments. Specifically: (i) operating expenses of $0.5 million (September 30, 2014 - $Nil), on a three months ended basis and $1.5 million (September 30, 2014 - $Nil), on a nine months ended basis; and (ii) depletion and impairment charges of $2.7 million (September 30, 2014 - $Nil), on a three months ended basis and $4.1 million (September 30, 2014 - $Nil), on a nine months ended basis.

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. 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 Assets under Management (AUM) not fall below $5.5 billion, calculated on the last day of each fiscal quarter.

There was no loan payable as at September 30, 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 share-base consideration	136,064	543
Issuance of share capital on conversion of RSU	1,400	4
Acquired for equity incentive plan	(1,475,838)	(2,506)
Released on vesting of equity incentive plan	947,908	4,832
At September 30, 2015	**245,630,860**	**417,541**

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	2,352
Expensing of earn-out shares over the vesting period	(1,146)
Issuance of share capital on share-base consideration	(543)
Issuance of share capital on conversion of RSU	(4)
Excess on repurchase of common shares for equity incentive plan *	(1,743)
Released on vesting of common shares for equity incentive plan	(4,832)
At September 30, 2015	**36,283**

* 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 September 30, 2015 (September 30, 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, September 30, 2015	**2,650**	**9.71**
Options exercisable, September 30, 2015	**2,650**	**9.71**

Options outstanding and exercisable as at September 30, 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	2.6	2,450
4.85	50	4.3	50
6.60	150	5.1	150
4.85 to 10.00	**2,650**	**2.8**	**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; and (iii) from time-to-time, purchases from 2176423 Ontario Ltd., a company controlled by Eric Sprott, pursuant to the terms and conditions of a previously announced share transaction. For the nine months ended September 30, 2015, the Trust purchased from 2176423 Ontario Ltd., 1.0 million shares for $3.0 million (December 31, 2014 - 1.0 million shares for $3.0 million) under the terms and conditions of a previously announced share transaction. 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 three and nine months ended September 30, 2015 (three and nine months ended September 30, 2014 - Nil). The Trust purchased 1.0 million and 1.5 million common shares for the three and nine months ended September 30, 2015 (three and nine months ended September 30, 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	1,475,838
Released on vesting	(947,908)
Unvested common shares held by the Trust, September 30, 2015	**2,836,923**

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 0.1 million common shares of the Company were 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 was charged to the consolidated statements of operations over the period of the service condition, being 3 years and was adjusted each reporting period to reflect the best available estimate of the number of equity instruments expected to ultimately vest. Upon issuance of the common shares, the amount equal to the fair value of the shares at the maturity date of the transaction, originally recorded against contributed surplus was credited to capital stock. On August 18, 2015, 136,064 common shares of the Company were issued to employees of Sprott Toscana.

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 and nine months ended September 30, 2015, the Company recorded share-based compensation expense of $0.8 million and $1.2 million, (three and nine months ended September 30, 2014 - $0.2 million and $2.5 million, respectively) with a corresponding increase to contributed surplus ($ in thousands).

	For the three months ended		For the nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
Earn-out shares	**(7)**	(553)	**(1,146)**	57
EPSP / EIP	**780**	749	**2,352**	2,406
	773	196	**1,206**	2,463

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		For the nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
Numerator ($ in thousands):				
Net income (loss) - basic and diluted	**(49,190)**	4,502	**(35,527)**	19,752
Denominator (Number of shares in thousands):				
Weighted average number of common shares	**247,455**	248,337	**247,419**	248,241
Weighted average number of unvested shares purchased by the Trust	**(2,674)**	(1,831)	**(1,935)**	(1,572)
Weighted average number of common shares - basic	**244,781**	246,506	**245,484**	246,669
Weighted average number of additional purchase consideration	**—**	—	**—**	22
Weighted average number of unvested shares purchased by the Trust	**—**	1,831	**—**	1,572
Weighted average number of outstanding RSU	**—**	1	**—**	2
Weighted average number of shares issuable under acquisition consideration payable	**—**	338	**—**	338
Weighted average number of common shares - diluted	**244,781**	248,676	**245,484**	248,603
Net income (loss) per common share				
Basic	**(0.20)**	0.02	**(0.14)**	0.08
Diluted	**(0.20)**	0.02	**(0.14)**	0.08

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. As at September 30, 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 nine months ended	
	September 30, 2015	September 30, 2014
Current income tax expense		
Based on taxable income of the current year	**4,047**	3,880
Other	**770**	(522)
	4,817	3,358
Deferred income tax expense (recovery)		
Total deferred income tax expense	**5,203**	3,085
Total deferred income tax recovery	**(158)**	(285)
	5,045	2,800
Income tax expense reported in the statements of operations	**9,862**	6,158

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 nine months ended	
	September 30, 2015	September 30, 2014
Income before income taxes	**(25,665)**	25,910
Tax calculated at domestic tax rates applicable to profits in the respective countries	**(11,436)**	6,862
Tax effects of:		
Non-deductible stock-based compensation	**—**	103
Non-taxable capital (gains) and losses	**762**	(691)
Capital losses not benefited	**2,166**	—
Goodwill impairment	**11,288**	—
Adjustments in respect of previous years	**611**	(807)
Other temporary differences not benefited	**9,640**	909
Non-capital losses not previously benefited	**(2,638)**	(275)
Rate differences and other	**(531)**	57
Tax charge	**9,862**	6,158

The weighted average statutory tax rate was 44.6% (September 30, 2014 - 26.5%). The higher tax rate year-over-year was due to a large non-deductible goodwill impairment charge within one of our U.S. domiciled entities.

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 nine months ended September 30, 2015

	At December 31, 2014	Recognized in income	Recognized in other comprehensive income	Recognized in equity	At September 30, 2015
Deferred income tax assets					
Prepaid taxes and unrealized losses	8,835	(10,042)	1,207	—	—
Other stock-based compensation	3,663	(98)	2	—	3,567
Non-capital losses	1,174	(1,034)	—	—	140
Other	1,633	(2,708)	58	—	(1,017)
Total deferred income tax assets	**15,305**	**(13,882)**	**1,267**	**—**	**2,690**
Deferred income tax liabilities					
Fund management contracts	7,890	(4,497)	569	—	3,962
Deferred sales commissions	680	(42)	—	—	638
Unrealized gains	625	(787)	—	—	(162)
Transitional partnership income	6,624	(2,944)	—	—	3,680
Proceeds receivable	1,396	—	—	—	1,396
Other	1,368	(567)	—	—	801
Total deferred income tax liabilities	**18,583**	**(8,837)**	**569**	**—**	**10,315**
Net deferred income tax assets (liabilities)	**(3,278)**	**(5,045)**	**698**	**—**	**(7,625)**

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 September 30, 2015 and December 31, 2014 ($ in thousands).

September 30, 2015	Level 1	Level 2	Level 3	Total
Recurring measurements:				
Cash and cash equivalents	124,093	—	—	124,093
Public equities and share purchase warrants	25,575	2,716	—	28,291
Mutual funds and alternative investment strategies	57,913	30,446	—	88,359
Fixed income securities	—	2,814	980	3,794
Private holdings*	—	—	12,317	12,317
Obligations related to securities sold short	(42,992)	—	—	(42,992)
Total net recurring fair value measurements	**164,589**	**35,976**	**13,297**	**213,862**

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 and foreclosed properties, 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 - September 30, 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	September 30, 2015
Private holdings	9,280	4,385	(1,055)	(293)	—	—	—	—	12,317
Precious metal loans	5,662	—	(5,854)	—	—	377	248	(433)	—
Fixed income securities	981	—	—	(1)	—	—	—	—	980
	15,923	**4,385**	**(6,909)**	**(294)**	**—**	**377**	**248**	**(433)**	**13,297**

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 nine months ended September 30, 2015, $Nil 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 $89.0 million (December 31, 2014 - $116.2 million) and a fair value of $88.8 million (December 31, 2014 - $120.0 million). 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 nine months ended September 30, 2015:

Record date	Payment Date	Cash dividend per share ($)	Total dividend amount ($ in thousands)
August 20, 2015 - regular dividend Q2 - 2015	September 4, 2015	0.03	7,454
May 22, 2015 - regular dividend Q1 - 2015	June 8, 2015	0.03	7,450
March 16, 2015 - regular dividend Q4 - 2014	March 30, 2015	0.03	7,412
Dividends paid [1]			22,316

[1] Subsequent to the quarter-end, on November 11, 2015, a dividend of $0.03 per common share was declared for the quarter ended September 30, 2015. This dividend is payable on December 7, 2015 to shareholders of record at the close of business on November 20, 2015.

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, which 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). Effective July 1, 2015, to ensure the ongoing usefulness of the adjusted base EBITDA measure as an indicator of core earnings, the Company began excluding the impact of foreign exchange gains and losses from this performance measure. Adjusted base EBITDA in the comparative figures of the following tables can be reconciled to previously published reports by excluding the impact of foreign exchange gains and losses from the "Other adjustments" section of the table.

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	September 30, 2015						
	SAM	Global Companies	SRLC	Consulting	Corporate and Other	Adjustments and Eliminations	Consolidated
Revenue							
Management fees	15,743	1,872	—	1,089	72	—	18,776
Performance fees	94	—	—	—	—	—	94
Commissions	—	929	—	—	1,011	—	1,940
Interest income	33	19	3,545	11	345	—	3,953
Trailer fee income	—	—	—	—	499	(398)	101
Gains (losses) on proprietary investments and loans	(1,983)	(652)	(4,321)	—	(6,309)	—	(13,265)
Other income	2,424	(761)	4,722	1,620	2,897	(48)	10,854
Total revenue	**16,311**	**1,407**	**3,946**	**2,720**	**(1,485)**	**(446)**	**22,453**
Expenses							
Compensation and benefits	4,297	1,346	249	553	1,328	—	7,773
Stock-based compensation	470	—	145	6	152	—	773
Trailer fees	3,620	—	—	—	—	(398)	3,222
Sub-advisor and referral fees	996	126	—	53	—	(48)	1,127
Selling, general and administrative	4,437	980	223	402	1,442	—	7,484
Depreciation, amortization and impairment of intangibles	600	3,128	—	9,352	30	—	13,110
Impairment of goodwill	—	28,505	—	—	—	—	28,505
Other expenses	—	—	—	3,209	—	—	3,209
Total expenses	**14,420**	**34,085**	**617**	**13,575**	**2,952**	**(446)**	**65,203**
Income (loss) before income taxes for the period	**1,891**	**(32,678)**	**3,329**	**(10,855)**	**(4,437)**	**—**	**(42,750)**
Provision for income taxes							6,440
Net income (loss) for the period							**(49,190)**
Adjustments:							
Interest expense	—	—	—	—	—	—	—
Provision for income taxes	—	—	—	—	—	—	6,440
Depreciation and amortization	600	1,028	—	10	30	—	1,668
EBITDA	**2,491**	**(31,650)**	**3,329**	**(10,845)**	**(4,407)**	**—**	**(41,082)**
Other adjustments:							
Impairment (reversal) of intangibles	—	2,100	—	9,342	—	—	11,442
Impairment of goodwill	—	28,505	—	—	—	—	28,505
(Gains) losses on proprietary investments and loans	1,983	652	458	—	6,309	—	9,402
(Gains) losses on foreign exchange (1)	(1,674)	215	(3,498)	95	(2,718)	—	(7,580)
Non-cash stock based compensation	—	—	—	(7)	—	—	(7)
Other	(52)	(3)	(181)	1,627	(179)	—	1,212
Adjusted EBITDA	**2,748**	**(181)**	**108**	**212**	**(995)**	**—**	**1,892**
Less:							
Performance fees	(94)	—	—	—	—	—	(94)
Performance fee related expenses	45	—	—	—	—	—	45
Adjusted base EBITDA	**2,699**	**(181)**	**108**	**212**	**(995)**	**—**	**1,843**

(1) (Gains) losses on foreign exchange include translation gains and losses relating to certain U.S. dollar denominated cash, receivable and loan balances. In the fiscal 2015 comparative periods, we experienced foreign exchange gains of $6.9 million for the three months ended March 31, 2015 and losses of $0.8 million for the three months ended June 30, 2015.

For the three months ended	September 30, 2014						
	SAM	Global Companies	SRLC	Consulting	Corporate and Other	Adjustments and Eliminations	Consolidated
Revenue							
Management fees	16,224	2,238	—	1,800	11	—	20,273
Performance fees	270	—	—	200	—	—	470
Commissions	—	1,684	—	—	329	—	2,013
Interest income	12	14	4,715	8	584	(6)	5,327
Trailer fee income	—	—	—	—	633	(545)	88
Gains (losses) on proprietary investments and loans	(623)	(930)	(2,126)	—	(612)	—	(4,291)
Other income	1,060	(56)	2,235	79	1,133	(235)	4,216
Total revenue	**16,943**	**2,950**	**4,824**	**2,087**	**2,078**	**(786)**	**28,096**
Expenses							
Compensation and benefits	4,566	1,833	1,976	311	1,196	—	9,882
Stock-based compensation	585	—	67	(575)	119	—	196
Trailer fees	3,899	—	—	—	—	(545)	3,354
Sub-advisor and referral fees	878	72	140	72	9	(196)	975
Selling, general and administrative	3,002	906	199	387	1,130	(45)	5,579
Depreciation, amortization and impairment of intangibles	577	947	—	9	3	—	1,536
Impairment of goodwill	—	—	—	—	—	—	—
Other expenses	—	—	—	—	—	—	—
Total expenses	**13,507**	**3,758**	**2,382**	**204**	**2,457**	**(786)**	**21,522**
Income (loss) before income taxes for the period	**3,436**	**(808)**	**2,442**	**1,883**	**(379)**	**—**	**6,574**
Provision for income taxes							2,072
Net income (loss) for the period							**4,502**
Adjustments:							
Interest expense	—	—	—	—	—	—	—
Provision for income taxes	—	—	—	—	—	—	2,072
Depreciation and amortization	577	947	—	9	3	—	1,536
EBITDA	**4,013**	**139**	**2,442**	**1,892**	**(376)**	**—**	**8,110**
Other adjustments:							
Impairment of intangibles	—	—	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—	—	—
(Gains) losses on proprietary investments and loans	623	930	1,939	—	612	—	4,104
(Gains) losses on foreign exchange [(1)]	(436)	58	(1,515)	(74)	(1,188)	—	(3,155)
Non-cash stock based compensation	—	—	—	(553)	—	—	(553)
Other	—	—	—	—	—	—	—
Adjusted EBITDA	**4,200**	**1,127**	**2,866**	**1,265**	**(952)**	**—**	**8,506**
Less:							
Performance fees	(270)	—	—	(200)	—	—	(470)
Performance fee related expenses	168	—	—	50	—	—	218
Adjusted base EBITDA	**4,098**	**1,127**	**2,866**	**1,115**	**(952)**	**—**	**8,254**

(1) (Gains) losses on foreign exchange include translation gains and losses relating to certain U.S. dollar denominated cash, receivable and loan balances. In the fiscal 2015 comparative periods, we experienced foreign exchange gains of $6.9 million for the three months ended March 31, 2015 and losses of $0.8 million for the three months ended June 30, 2015.

SPROTT INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the three and nine months ended September 30, 2015 and 2014

For the nine months ended	September 30, 2015						
	SAM	Global Companies	SRLC	Consulting	Corporate and Other	Adjustments and Eliminations	Consolidated
Revenue							
Management fees	47,337	5,581	—	3,738	175	—	56,831
Performance fees	95	—	—	127	—	—	222
Commissions	—	2,974	—	—	2,519	—	5,493
Interest income	49	59	13,276	23	1,185	—	14,592
Trailer fee income	—	—	—	—	1,580	(1,301)	279
Gains (losses) on proprietary investments and loans	(4,586)	(1,080)	(4,656)	—	(2,236)	—	(12,558)
Other income	3,603	(867)	8,312	2,821	5,763	(141)	19,491
Total revenue	**46,498**	**6,667**	**16,932**	**6,709**	**8,986**	**(1,442)**	**84,350**
Expenses							
Compensation and benefits	13,005	4,409	3,776	958	3,616	—	25,764
Stock-based compensation	1,454	—	405	(1,106)	453	—	1,206
Trailer fees	10,788	—	—	—	—	(1,301)	9,487
Sub-advisor and referral fees	2,632	218	—	149	11	(141)	2,869
Selling, general and administrative	11,053	2,587	600	1,076	4,429	—	19,745
Depreciation, amortization and impairment of intangibles	1,742	5,718	—	9,365	42	—	16,867
Impairment of goodwill	—	28,505	—	—	—	—	28,505
Other expenses	—	—	—	5,572	—	—	5,572
Total expenses	**40,674**	**41,437**	**4,781**	**16,014**	**8,551**	**(1,442)**	**110,015**
Income (loss) before income taxes for the period	**5,824**	**(34,770)**	**12,151**	**(9,305)**	**435**	**—**	**(25,665)**
Provision for income taxes							9,862
Net income (loss) for the period							**(35,527)**
Adjustments:							
Interest expense	—	—	—	—	84	—	84
Provision for income taxes	—	—	—	—	—	—	9,862
Depreciation and amortization	1,742	2,987	—	23	42	—	4,794
EBITDA	**7,566**	**(31,783)**	**12,151**	**(9,282)**	**561**	**—**	**(20,787)**
Other adjustments:							
Impairment (reversal) of intangibles	—	2,731	—	9,342	—	—	12,073
Impairment of goodwill	—	28,505	—	—	—	—	28,505
(Gains) losses on proprietary investments and loans	4,586	1,080	793	—	2,236	—	8,695
(Gains) losses on foreign exchange (1)	(2,477)	334	(5,977)	6	(5,501)	—	(13,615)
Non-cash stock based compensation	—	—	—	(1,146)	—	—	(1,146)
Other	(217)	(3)	(661)	2,549	(399)	—	1,269
Adjusted EBITDA	**9,458**	**864**	**6,306**	**1,469**	**(3,103)**	**—**	**14,994**
Less:							
Performance fees	(95)	—	—	(127)	—	—	(222)
Performance fee related expenses	54	—	—	31	—	—	85
Adjusted base EBITDA	**9,417**	**864**	**6,306**	**1,373**	**(3,103)**	**—**	**14,857**

(1) (Gains) losses on foreign exchange include translation gains and losses relating to U.S. dollar denominated cash, receivable and loan balances. In the fiscal 2015 comparative periods, we experienced foreign exchange gains of $6.9 million for the three months ended March 31, 2015 and losses of $0.8 million for the three months ended June 30, 2015.

SPROTT INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the three and nine months ended September 30, 2015 and 2014

For the nine months ended	September 30, 2014						
	SAM	Global Companies	SRLC	Consulting	Corporate and Other	Adjustments and Eliminations	Consolidated
Revenue							
Management fees	46,872	6,923	—	5,792	174	—	59,761
Performance fees	430	—	—	770	—	—	1,200
Commissions	—	5,099	—	—	1,338	—	6,437
Interest income	66	38	12,818	38	1,546	(9)	14,497
Trailer fee income	—	—	—	—	1,983	(1,719)	264
Gains (losses) on proprietary investments and loans	1,158	(259)	(435)	—	2,245	—	2,709
Other income	1,447	(31)	2,731	1,827	873	(397)	6,450
Total revenue	**49,973**	**11,770**	**15,114**	**8,427**	**8,159**	**(2,125)**	**91,318**
Expenses							
Compensation and benefits	13,515	5,698	4,102	2,572	2,978	—	28,865
Stock-based compensation	1,812	406	208	(330)	367	—	2,463
Trailer fees	11,265	—	—	—	—	(1,719)	9,546
Sub-advisor and referral fees	2,200	215	(3)	72	9	(196)	2,297
Selling, general and administrative	8,482	2,494	1,776	979	4,055	(210)	17,576
Depreciation, amortization and impairment of intangibles	1,764	2,841	—	35	21	—	4,661
Other expenses	—	—	—	—	—	—	—
Total expenses	**39,038**	**11,654**	**6,083**	**3,328**	**7,430**	**(2,125)**	**65,408**
Income (loss) before income taxes for the period	**10,935**	**116**	**9,031**	**5,099**	**729**	**—**	**25,910**
Provision for income taxes							6,158
Net income (loss) for the period							**19,752**
Adjustments:							
Interest expense	—	—	—	—	—	—	—
Provision for income taxes	—	—	—	—	—	—	6,158
Depreciation and amortization	1,764	2,841	—	35	21	—	4,661
EBITDA	**12,699**	**2,957**	**9,031**	**5,134**	**750**	**—**	**30,571**
Other adjustments:							
Impairment of intangibles	—	—	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—	—	—
(Gains) losses on proprietary investments and loans	(1,158)	259	500	—	(2,245)	—	(2,644)
(Gains) losses on foreign exchange [(1)]	(353)	34	(1,520)	(84)	(930)	—	(2,853)
Non-cash stock based compensation	—	403	—	(346)	—	—	57
Other	—	—	—	—	—	—	—
Adjusted EBITDA	**11,188**	**3,653**	**8,011**	**4,704**	**(2,425)**	**—**	**25,131**
Less:							
Performance fees	(430)	—	—	(770)	—	—	(1,200)
Performance fee related expenses	306	—	—	193	—	—	499
Adjusted base EBITDA	**11,064**	**3,653**	**8,011**	**4,127**	**(2,425)**	**—**	**24,430**

(1) (Gains) losses on foreign exchange include translation gains and losses relating to certain U.S. dollar denominated cash, receivable and loan balances. In the fiscal 2015 comparative periods, we experienced foreign exchange gains of $6.9 million for the three months ended March 31, 2015 and losses of $0.8 million for the three months ended June 30, 2015.

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		For the nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
Canada	**21,046**	25,146	**77,683**	79,548
United States	**1,407**	2,950	**6,667**	11,770
	22,453	28,096	**84,350**	91,318

13. COMMITMENTS

Besides the Company's long-term lease agreement, 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 September 30, 2015, the Company had $55.9 million of loan commitments (December 31, 2014 - $46.0 million) and no investment purchase commitments in the proprietary investments portfolio (December 31, 2014 - $0.8 million).

14. CONTINGENCY

Central GoldTrust and *Silver Bullion Trust* has commenced an action to, among other things, enjoin the *Sprott Physical Gold Trust* and the *Sprott Physical Silver Trust* from completing the offer to exchange. Management of the Company believes that the claims in the action are without merit.

CORPORATE INFORMATION

Head Office
Sprott Inc.
Royal Bank Plaza, South Tower
200 Bay Street
Suite 2700, P.O. Box 27
Toronto, Ontario M5J 2J1
Telephone: 416.362.7172
Toll Free: 1.888.362.7172

Directors & Officers
Eric S. Sprott, Chairman
Peter Grosskopf, Chief Executive Officer and Director
Jack C. Lee, Lead Director
Rick Rule, Director
James T. Roddy, Director
Marc Faber, Director
Alex Adamson, Director
Sharon Ranson, Director
Rosemary Zigrossi, Director
Steven Rostowsky, Chief Financial Officer and Corporate Secretary

Transfer Agent & Registrar
Equity Transfer & Trust Company
200 University Avenue, Suite 400
Toronto, Ontario M5H 4H1
Toll Free: 1.866.393.4891
www.equitytransfer.com

Legal Counsel
Baker & McKenzie LLP
Brookfield Place, Suite 2100
181 Bay Street, P.O. Box 874
Toronto, Ontario, Canada M5J 2T3

Auditors
Ernst & Young LLP
Ernst & Young Tower
P.O. Box 251, 222 Bay Street
Toronto-Dominion Centre
Toronto, Ontario M5K 1J7

Investor Relations
Shareholder requests may be directed to Investor Relations by e-mail at ir@sprott.com or via telephone at 416.203.2310 or toll free at 1.877.403.2310

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

Sprott INC.

www.sprottinc.com