Sprott Inc. Third Quarter Report 2014

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November 13, 2014

Dear Shareholders,

After delivering solid performance through the first eight months of the year, most of our funds have experienced a setback that began in September, as precious metals prices and energy prices declined sharply amid a broad sell-off in equities. However, our investment performance remained positive through the first three quarters of 2014 with $170 million in market value appreciation. Our overall Assets Under Management ("AUM") have proved resilient and, as of September 30, 2014, were $7.4 billion, compared to $7.3 billion at the end of the third quarter of 2013 and $7.8 billion as of June 30, 2014.

As we look to the future, we continue to take steps to reposition our Canadian diversified business for long-term growth. Under John Wilson's leadership, Sprott Asset Management has moved towards a team-based investment approach with a focus on idea sharing and better risk management. We have also broadened our product shelf to offer our clients a wider range of investment options. During the quarter, we added a new specialty income fund, the Sprott Bridging Income Fund LP and expanded our passive products business with the launch of our first ETF, the Sprott Gold Miners ETF ("SGDM"). Since inception in July, SGDM has outperformed its main competitor and has successfully grown its AUM despite the challenging precious metals markets.

Last week, we announced the hiring of two new portfolio managers who will deepen our Toronto-based investment team. James Bowen and Jonathan Wiesblatt are experienced investment professionals with strong backgrounds in valuation analysis, financial modeling and security selection. They most recently managed a long/short hedge fund for a Toronto-based investment firm.

Earlier this week, we announced another significant addition to our team, entering into an agreement to have veteran portfolio manager and business builder Whitney George join Sprott from Royce & Associates LLC ("Royce"), a firm that he helped grow to become one of the largest and most successful small-cap managers in the US. Whitney will be based in New York and will play a key role in growing our US and international businesses. In addition, we have signed a letter of intent with Royce to transfer two funds with combined AUM of approximately $285 million to Sprott, pending regulatory and shareholder approval. Whitney is joining Sprott because he believes in the long-term growth potential of our platform and has indicated that he intends to become a significant equity investor in the firm.

Despite the poor performance of precious metals and resource equities over the past two years, we remain convinced that excessive levels of debt and the unprecedented actions of central bankers will eventually have unintended consequences. When this happens, we believe that precious metals will rise by serving as a hedge against weak currencies and economic stagnation or stagflation. While our thesis may take time to play out, we have positioned the business to benefit through multiple strategies and distribution channels when the sector does return to favour. At the same time, we have made good progress laying the groundwork for new, more diversified strategies, which have the potential to perform and achieve scale.

We believe that our team and platform are well positioned to manage a much larger asset base and we are confident in our ability to continue advancing our business plan. We are also committed to prudent expense management and will not hesitate to cut expenses further should the current market conditions persist into 2015.

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

Sincerely,

Peter Grosskopf
Chief Executive Officer

Management's Discussion and Analysis

Three and nine months ended September 30, 2014

Sprott INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion & Analysis ("MD&A") of financial condition and results of operations, dated November 11, 2014, presents an analysis of the consolidated financial condition of Sprott Inc. (the "Company") and its subsidiaries as of September 30, 2014 compared with December 31, 2013, and the consolidated results of operations for the three and nine months ended September 30, 2014, compared with the three and nine months ended September 30, 2013. The Board of Directors approved this MD&A on November 11, 2014. All note references in this MD&A are to the notes to the Company's 2014 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.

This MD&A and interim financial statements should be read in conjunction with the MD&A and annual audited consolidated financial statements ("annual financial statements") for the year ended December 31, 2013.

FORWARD LOOKING STATEMENTS

Certain statements in this MD&A, and in particular the Outlook section, contain forward-looking information (collectively referred to herein as the "Forward-Looking Statements") within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify Forward-Looking Statements. In particular, but without limiting the forgoing, this MD&A contains Forward-Looking Statements pertaining to: (i) management's intentions and expectations with respect to the Company's lending services and financing activities; (ii) expectations relating to the redeployment of capital from maturing loans; (iii) the acceleration of sales of the Sprott Gold Miners Exchange Traded Funds and the Sprott Bridging Income Fund LP; (iv) expectations relating to the yield generated by the Company's investments, and commitments to invest, in oil and gas working interests and royalty contracts and the Company's objective to include such investments in a new yield product that is currently under development; (v) the Company's commitment to its strategy of continuing to be a leading resources investment organization while at the same time diversifying revenue sources, expanding product lines and prudently managing expenses; (vi) the Company's belief that management fees and interest income will continue to be sufficient to satisfy ongoing operational needs; and (vii) 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) future exchange rates will remain consistent with the current environment; (ii) the price of precious metals will increase; (iii) the resource sector will recover; (iv) sales of the Sprott Gold Miners Exchange Traded Funds and the Sprott Bridging Income Fund LP will accelerate as their attributes become more widely known and accepted in the various distribution channels for these funds; (v) the impact of increasing competition in each business in which the Company operates will not be material; (vi) quality management will be available; (vii) the effects of regulation and tax laws of governmental agencies will be consistent with the current environment; and (viii) those assumptions disclosed herein under the heading "Significant Accounting Policies, 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) litigation risk; (x) employee errors or misconduct could result in regulatory sanctions or reputational harm; (xi) failure to implement effective information security policies, procedures and capabilities; (xii) failure to develop effective business resiliency plans; (xiii) failure to obtain or maintain sufficient insurance coverage on favourable economic terms; (xiv) foreign exchange risk relating to the relative value of the U.S. dollar; (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 27, 2014; 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.

PRESENTATION OF FINANCIAL INFORMATION

These interim financial statements for the three and nine months ended September 30, 2014, including the required comparative information, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically IAS 34 *Interim Financial Reporting* which relates to interim financial reporting as issued by the International Accounting Standards Board (“IASB”).

Financial results, including related historical comparatives contained in this MD&A, unless otherwise specified herein, are based on the interim financial statements. The Canadian dollar is the Company's functional and reporting currency for purposes of preparing the interim financial statements given that the Company conducts most of its operations in that currency. Accordingly, all dollar references in this MD&A are in Canadian dollars, unless otherwise specified. The use of the term "prior period" refers to the quarter-ended and year-to-date ended September 30, 2013 as applicable unless stated otherwise.

KEY PERFORMANCE INDICATORS (NON-IFRS FINANCIAL MEASURES)

The Company measures the success of its business using a number of key performance indicators that are not measurements in accordance with IFRS and should not be considered as an alternative to net income (loss) or any other measure of performance under IFRS. Non-IFRS financial measures do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

Our key performance indicators include:

Assets Under Management

Assets Under Management ("AUM") refers to the total net assets of the Company's public mutual funds, alternative investment strategies, offshore funds and bullion funds (the “Funds”), managed accounts (“Managed Accounts”), which include the accounts managed by Sprott Asset Management LP (“SAM”), Resource Capital Investment Corporation ("RCIC") and Sprott Asset Management USA Inc. ("SAM US") and managed companies (“Managed Companies”) managed by Sprott Consulting LP (“SC”), and Toscana Capital Corporation (“TCC”) and Toscana Energy Corporation ("TEC") (collectively, “Sprott Toscana”) on which management fees, performance fees and/or carried interests are calculated. The Company believes that AUM is an important measure since it earns management fees, calculated as a percentage of AUM, and may earn performance fees or carried interests, calculated as a percentage of: (i) Funds', Managed Accounts' and Managed Companies' excess AUM performance over a relevant benchmark; (ii) the increase in net asset values of Funds over a predetermined hurdle, if any; or (iii) the net profit in Funds over the performance period. The Company monitors the level of its AUM because it drives the amount of management fees it will earn. The amount of performance fees and carried interests the Company earns is related to both investment performance and its AUM.

Assets Under Administration

Assets Under Administration or AUA refers to client assets held in accounts at Sprott Private Wealth LP ("SPW") or Sprott Global Resource Investments, Ltd. ("SGRIL"). AUA is a measure used by management to assess the performance of these broker-dealer companies within the group.

Investment Performance (Market Value Appreciation (Depreciation) of Investment Portfolios)

Investment performance is a key driver of AUM. The Company's investment track record through varying economic conditions and market cycles has been and will continue to be an important factor in its success. 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 fees. Alternatively, poor absolute and/or relative investment performance will likely lead to a reduction in AUM, and hence, fee revenue.

Net Sales

AUM fluctuates due to a combination of investment performance and net sales (gross sales net of redemptions). Net sales, together with investment performance determine the level of AUM which, as discussed above, is the basis on which management fees are charged and to which performance fees or carried interests may be applied.

EBITDA and Adjusted base EBITDA

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

	For the three months ended		For the nine months ended	
($ in thousands)	**September 30, 2014**	September 30, 2013	**September 30, 2014**	September 30, 2013
Net income (loss) for the period	**4,502**	13,470	**19,752**	8,850
Adjustments:				
Interest expense	**—**	—	**—**	—
Provision (recovery) for income taxes	**2,072**	(3,717)	**6,158**	(5,375)
Depreciation and amortization	**1,536**	1,812	**4,661**	5,883
EBITDA	**8,110**	11,565	**30,571**	9,358
Other adjustments:				
Impairment (reversal) of intangible assets	**—**	—	**—**	5,362
Impairment of goodwill	**—**	—	**—**	—
(Gains) and losses on proprietary investments and loans	**4,104**	(861)	**(2,644)**	11,655
Non-cash stock based compensation	**(553)**	1,270	**57**	4,113
Gain on Bargain Purchase	**—**	(5,457)	**—**	(5,457)
Adjusted EBITDA	**11,661**	6,517	**27,984**	25,031
Less:				
Performance fees	**(470)**	(892)	**(1,200)**	(2,382)
Performance fee related expenses	**218**	319	**499**	618
Adjusted base EBITDA	**11,409**	5,944	**27,283**	23,267

Stock-based compensation relating to the Company's Employee Profit Sharing Plan ("EPSP") is treated as a cash expense when calculating adjusted EBITDA and adjusted base EBITDA. EBITDA and adjusted EBITDA include performance fees and performance fee related expenses, whereas adjusted base EBITDA does not. Performance fees and performance fee related expenses do not typically form a material part of EBITDA and adjusted EBITDA until the end of the fiscal year, which is when the majority of these fees and related expenses are earned and paid. The Company believes that adjusted base EBITDA is the most relevant measure as it allows the Company to assess its ongoing business without the impact of interest expense, income taxes, depreciation, amortization as well as other non-cash items and items that, while being cash, may be ancillary to the Company's core business operations or not be indicative of a run-rate cash flow from operations (such as performance fees and related expenses). Adjusted base EBITDA is a useful indicator of the Company's ability to pay sustainable dividends and invest in the business and continuing operations. The above terminology differs from what was used prior to the first quarter of 2014 in order to comply with the December 11, 2013 guidance provided by the Ontario Securities Commission ("OSC") under staff notice 52-722 *Report on Staff's Review of Non-GAAP Financial Measures and Additional GAAP Measures*.

EBITDA in various forms is a measure commonly used in the 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.

OVERVIEW

Operating Segments Overview

The Company operates primarily through five operating segments: SAM; Global Companies; SRLC; Consulting, Corporate & Other. The Company is primarily an independent asset management company dedicated to achieving superior returns for its clients over the long term. The Company's business model is based foremost on delivering excellence in investment management services to its clients. Each operating segment is described in greater detail below:

<u>SAM</u>

SAM 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 fees and performance fees. SAM is registered with the OSC as an investment fund manager ("IFM"), portfolio manager ("PM") and exempt market dealer ("EMD"). SAM is also registered with the U.S. Securities and Exchange Commission ("SEC") as a registered investment advisor.

<u>Global Companies.</u>

Sprott U.S. Holdings Inc. is the parent of the Global Companies (SGRIL; SAM US; RCIC). SGRIL is a California-based limited partnership that operates as a securities broker-dealer and is registered with the Financial Industry Regulatory Authority ("FINRA"). SGRIL earns commissions and other fees from the sale and purchase of stocks by its clients, new and follow-on offerings of limited partnerships managed by RCIC and from the sale of private placements to its clients. SAM US is registered with the SEC and provides discretionary investment management services. SAM US earns revenue in the form of management fees from the management of Managed Accounts. RCIC is the general partner and discretionary asset manager to the Exploration Capital Partners and Resource Income Partners families of limited partnerships. RCIC earns revenue in the form of management fees and carried interests in Funds it manages.

<u>SRLC</u>

SRLC is a lender to companies in the mining and energy sectors with a focus on later-stage resource property developers or early stage commodity or power producers. Through this business, the Company provides lending services in addition to its core business of asset management. It is management's intention to continue providing these services either as a part of the Company's invested capital and/or as professional services to new AUM expected to be raised in future lending vehicles to be managed by the Company. Management may also redeploy capital from maturing loans into other ventures of the Company, either for acquisitions, seeding of new products or organic expansion. SRLC earns revenue in the form of interest income and other fees on its lending activities as well as realizing on the upside potential of bonus arrangements with resource borrowers which are generally tied to the revenue or the value of the common shares of the borrower.

<u>Consulting</u>

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

SC is the consulting business through which the Company manages the majority of its private equity and debt strategies. These strategies are primarily executed through Managed Companies. Through this business, the Company is able to provide investors with access to counter-cyclical merchant banking and private equity style investments. SC currently provides its consulting services to Sprott Resource Corporation ("SRC"). SC earns the majority of its revenues through management fees and performance fees from SRC.

Sprott Toscana is based in Calgary, Alberta Canada and operates through two wholly-owned subsidiaries: TEC and TCC. TEC manages the Toscana Energy Income Corporation ("TEIC"), a public company focused on investing in medium and long-term oil and gas assets, unitized production interests and royalties along with acting as a technical advisor and co-manager of the Energy Income Fund limited partnerships. TCC previously managed the Toscana Financial Income Trust ("TFIT") until the wind-up of TFIT on June 26, 2014. TFIT was a private mutual fund trust that provided mezzanine debt financing to mid-sized private and public oil and gas companies. These financing activities will continue via SRLC going forward. Since the July 3, 2012 acquisition of Sprott Toscana, the majority of its management and performance fees were earned through TEIC.

Sprott Korea Corporation co-manages a 10-year private equity fund for South Korea's National Pension Service alongside Woori Asset Management, the asset manager of Korea's largest bank, Woori Financial Group. Revenues and expenses attributable to this activity are captured as part of the Consulting segment.

<u>Corporate and Other</u>

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.

SPW provides broker-dealer services that serve as a unique distribution channel for the delivery of the Company's Funds and other investment opportunities to private clients. SPW also serves as a platform to brand and grow the Company's wealth management business. SPW earns most of its revenues via intercompany trailer fee payments from SAM (intercompany fees are eliminated on consolidation) and from commissions earned on new and follow-on offerings of Funds managed by SAM and through various private placements. SPW is an investment dealer and a member of the Investment Industry Regulatory Organization of Canada ("IIROC").

Significant Sources of Revenue

Significant sources of revenue for the Company include: management fees, performance fees, unrealized and realized gains (losses) on proprietary investments and loans, commission income and interest income:

<u>Management fees</u>

Management fees earned from the management of Funds, Managed Accounts and Managed Companies are the Company's primary source of revenues. Management fees are calculated as a percentage of AUM. Management fees are less variable and more predictable than performance fees and carried interests (discussed below). Management fees are generally closely correlated with changes in AUM and are recorded in the financial statements when earned. However, the rate of change in management fees may not mirror the rate of change in AUM for two reasons: (i) multi-series or multi-class structures are offered in some Funds whereby the management fee differs among the applicable series or classes; and (ii) equity mutual funds have the highest rate of management fees, followed by alternative investment strategies and offshore funds. The Company introduced a suite of income funds that have lower management fees than equity mutual funds, alternative strategies and offshore funds. In addition, the Company has a substantial amount of its total AUM in bullion funds that have the lowest rate of management fees within the Company's suite of fund products. Fees for managing the various Managed Accounts and Managed Companies are negotiated on a case-by-case basis. Therefore, the weighting of AUM among the various Funds, Managed Accounts and Managed Companies can materially impact management fees as a percentage of AUM.

<u>Performance fees</u>

Performance fees are calculated as a percentage of the return earned by Funds, Managed Accounts and Managed Companies. Carried interests are calculated as a percentage of profits earned by monetizing events in Funds managed by RCIC. Accordingly, growth in fees is based on both the growth in AUM and the absolute or relative return, as applicable, earned by Funds, Managed Accounts and Managed Companies. The majority of performance fees are determined as of December 31 each year. However, performance fees are accrued in the relevant underlying Funds, Managed Accounts and Managed Companies, as applicable, to properly reflect the performance fee that would be payable, if any, based on the Net Asset Value of that Fund, Managed Account or Managed Company. Where an investor redeems an alternative investment strategy or an offshore fund, any performance fee attributable to those units redeemed is paid to SAM as manager of the Funds. These crystallized performance fees, as well as the related allocation to the employee bonus pool, are accrued in the financial statements of SAM for the applicable month. At SC, performance fee generation is usually based on monetizing events at the Managed Companies. These performance fees can be significant when realized. At RCIC, carried interests are accrued in the Funds, as applicable, to properly reflect the carried interest that would be payable, if any, based on the Net Asset Value of the Fund in question. Carried interests are usually realized towards the end of the term of a Fund and can be significant when realized. Carried interests are only recorded in the financial statements when realized.

<u>Unrealized and realized gains (losses) on proprietary investments and loans</u>

Management of investable capital continues to be an important activity for the Company and will continue to have a significant impact on the Company's overall results. Unrealized and realized gains (losses) on proprietary investments and loans arise from investments of the Company's own capital in Funds it manages as well as loans, investments in public and private securities and other products.

<u>Commission income</u>

Commission income is specific to SPW and SGRIL and is generated from the trading of securities by clients and from the sale of new and follow-on offerings of products or companies managed by SAM, RCIC or SC, and through private placements of unrelated companies to clients of SPW and SGRIL. Commission income is recorded in the financial statements in the month in which the service is rendered.

<u>Interest income</u>

Interest income is most applicable to SRLC. SRLC provides financing in various forms such as: (i) term and bridge loans whereby interest payments are determined through a prescribed interest rate. These loans may also be subject to additional fees in the form of cash and/or securities of the borrower. Terms generally range from 12 to 48 months and the loans are typically used for production expansion, working capital, construction, acquisitions and general corporate purposes; (ii) precious metals loans which generally follow the same terms, structure and purposes as term and bridge loans, however loan interest and/or principal payments are based on predetermined units of measurement of a stated precious metal; and (iii) other credit facilities, including convertible debt and standby lines of credit. In most cases, loans are secured by first or second priority charges against the underlying mineral rights and related assets of the borrower. For certain qualified borrowers, SRLC may provide a credit facility without having direct charges on collateral. SRLC generally aims to provide loans where the loan does not exceed 50% of the security value. Additional security such as guarantees, general security agreements and assignments of contracts or sale agreements may also be taken.

Operating Expenses

The most significant expenses of the Company are compensation and benefits (including stock-based compensation), trailer fees and general and administrative costs:

Compensation benefits

Employees are paid either a base salary and/or commissions, such commissions being based on sales, trading revenues or other measurable activities. In addition, employees may be eligible to share in a bonus pool, with the size of such discretionary bonuses being tied to both individual performance and the overall financial performance of the Company. A portion of the bonus pool may be paid in equity of the Company through the Company's EPSP and Equity Incentive Plan ("EIP").

Trailer fees

Trailer fees are paid to dealers that distribute units of a Fund. Such dealers may receive a trailer fee (annualized but paid monthly or quarterly) based on a percentage of the value of the assets held in the respective Fund by the dealer's clients.

General and administrative expenses

General and administrative expenses consist primarily of rent, marketing, regulatory fees, sub-advisory fees, fund expenses absorbed by SAM on behalf of certain Funds that it manages, legal and professional fees, insurance, trading costs, donations, directors fees as well as other costs such as quote and news services, printing and systems maintenance.

BUSINESS HIGHLIGHTS AND GROWTH INITIATIVES

Investment Performance

After a good first quarter and a solid second quarter, the investment performance of most Funds and Managed Accounts turned decidedly negative in the third quarter as precious metals and oil prices fell significantly, particularly in September. This resulted in much of the strong investment performance through the first six months of the year reversing in the third quarter. Despite a challenging quarter, investment performance is still positive through September 30, 2014 as reflected in overall market appreciation over the last nine months of approximately $170 million.

Product and Business Line Expansion

During the quarter, SAM launched two new funds: the Sprott Gold Miners Exchange Traded Funds (NYSE: SGDM); and the Sprott Bridging Income Fund LP. These are differentiated products in their respective market places and the Company expects sales to accelerate as their attributes become more widely known and accepted in the various distribution channels for these Funds.

Sprott Inc., directly or through its subsidiaries has invested and/or is committed to invest, a portion of its capital in oil and gas working interests and royalty contracts. While the Company expects these investments to generate a good yield over time, the ultimate objective is to include them in a new yield product that is currently under development.

OUTLOOK

As always, the Company's overall results are closely aligned to the performance of its Funds, Managed Accounts and Managed Companies. The Company experienced overall negative investment performance in the third quarter, reducing AUM in the process. Sales tend to follow investment performance, consequently, sales momentum slowed through the quarter as performance waned. AUM and sales trends have set up a challenging fourth quarter. Nonetheless, the Company remains committed to its strategy of continuing to be a leading resources investment organization while at the same time diversifying revenue sources, expanding product lines and prudently managing expenses.

FINANCIAL HIGHLIGHTS

For the three and nine months ended September 30, 2014

- AUM as at September 30, 2014 was $7.4 billion, reflecting an increase of $27.4 million (0.4%) from September 30, 2013, $0.4 billion (5.7%) from December 31, 2013 and a decrease of $0.5 billion (6.1%) from June 30, 2014. Average AUM for the three and nine months ended September 30, 2014 was $7.8 billion and $7.7 billion, respectively, reflecting an increase of $0.4 billion (4.9%) and a decrease of $0.7 billion (8.0%), respectively, from average AUM levels in the prior periods.
- AUA as at September 30, 2014 was $2.2 billion, reflecting a decrease of $0.4 billion (16.3%) on a three months ended basis and $0.4 billion (17.0%) from last year on a nine months ended basis.
- Total revenues were $28.1 million on a three months ended basis and $91.3 million on a nine months ended basis, reflecting a decrease of $12.1 million (30.1%) and an increase of $7.0 million (8.3%), respectively, from the prior periods.
- Total expenses were $21.5 million on a three months ended basis and $65.4 million on a nine months ended basis, reflecting a decrease of $8.9 million (29.3%) and $15.4 million (19.1%), respectively, from the prior periods.
- Net income was $4.5 million ($0.02 per share) on a three months ended basis and $19.8 million ($0.08 per share) on a nine months ended basis, reflecting a decrease of $9.0 million (66.6%) and an increase of $10.9 million (123.2%), respectively, from the prior periods.
- Adjusted base EBITDA was $11.4 million on a three months ended basis and $27.3 million on a nine months ended basis, reflecting an increase of $5.5 million (91.9%) and $4.0 million (17.3%) respectively, from the prior periods.
- Invested capital stood at $321.9 million, reflecting a $7.7 million (2.5%) increase from December 31, 2013. The increase was due largely to: (i) year-to-date net unrealized and realized gains in the Company's proprietary investments portfolio; and (ii) year-to-date FX gains on cash holdings. The annualized return on invested capital (excluding cash, real estate loans, and lines of credit) was 12.9% and on investable capital (excluding only real estate loans and lines of credit) was 8.7%.

SUMMARY FINANCIAL INFORMATION

For the three and nine months ended September 30, 2014

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)	**2014**	2013	**2014**	2013
Assets Under Management	**7,363,019**	7,335,625	**7,363,019**	7,335,625
Assets Under Administration	**2,170,883**	2,615,204	**2,170,883**	2,615,204
Net Sales (Redemptions)	**60,857**	24,496	**257,273**	(393,128)
EBITDA	**8,110**	11,565	**30,571**	9,358
EBITDA Per Share - basic and fully diluted	**0.03**	0.05	**0.12**	0.05
Adjusted base EBITDA	**11,409**	5,944	**27,283**	23,267
Adjusted base EBITDA Per Share - basic and fully diluted	**0.05**	0.03	**0.11**	0.12

Summary Balance Sheets	As at	
	September 30	December 31
($ in thousands)	**2014**	2013
Total Assets	**448,040**	455,720
Total Liabilities	**25,889**	35,422
Shareholders' Equity	**422,151**	420,298

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)	**2014**	2013	**2014**	2013
Total revenue	**28,096**	40,192	**91,318**	84,324
Total expenses	**21,522**	30,439	**65,408**	80,849
Income (loss) before income taxes	**6,574**	9,753	**25,910**	3,475
Provision (recovery) for income taxes	**2,072**	(3,717)	**6,158**	(5,375)
Net income (loss)	**4,502**	13,470	**19,752**	8,850
Adjustments:				
Interest expense	**—**	—	**—**	—
Provision (recovery) for income taxes	**2,072**	(3,717)	**6,158**	(5,375)
Depreciation and amortization	**1,536**	1,812	**4,661**	5,883
EBITDA	**8,110**	11,565	**30,571**	9,358
Other adjustments:				
Impairment (reversal) of intangible assets	**—**	—	**—**	5,362
Impairment of goodwill	**—**	—	**—**	—
(Gains) and losses on proprietary investments and loans	**4,104**	(861)	**(2,644)**	11,655
Non-cash stock based compensation	**(553)**	1,270	**57**	4,113
Gain on Bargain Purchase	**—**	(5,457)	**—**	(5,457)
Adjusted EBITDA	**11,661**	6,517	**27,984**	25,031
Less:				
Performance fees	**(470)**	(892)	**(1,200)**	(2,382)
Performance fee related expenses	**218**	319	**499**	618
Adjusted base EBITDA	**11,409**	5,944	**27,283**	23,267
Earnings Per Share - basic and diluted	**0.02**	0.06	**0.08**	0.05
EBITDA Per Share - basic and diluted	**0.03**	0.05	**0.12**	0.05
Adjusted base EBITDA Per Share - basic and diluted	**0.05**	0.03	**0.11**	0.12

RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2014

Assets Under Management, Investment Performance and Net Sales

The majority of the Company's Funds and Managed Accounts experienced negative performance during the quarter and positive performance on a year-to-date basis. AUM as at September 30, 2014 was $7.4 billion, reflecting an increase of $27.4 million (0.4%) from September 30, 2013, $0.4 billion (5.7%) from December 31, 2013 and a decrease of $0.5 billion (6.1%) from June 30, 2014. The increase in AUM on a year-to-date basis was due to an increase in market values of $0.2 billion and net sales of $0.3 billion, which were only partially offset by the removal of $31 million of AUM. The decrease in AUM on a quarter-over-quarter basis was due to a decrease in market values of $0.6 billion, which was partially offset by net sales of $60.9 million and the addition of $18 million of AUM from the acquisition of a new fund. Average AUM for the three and nine months ended September 30, 2014 was $7.8 billion and $7.7 billion, respectively, reflecting an increase of $0.4 billion (4.9%) and a decrease of $0.7 billion (8.0%), respectively, from average AUM levels in the prior periods.

Breakdown of AUM by investment product type:

	September 30, 2014		September 30, 2013	
Product Type	**$ (in millions)**	**% of AUM**	$ (in millions)	% of AUM
Bullion Funds	**3,283**	**44.6%**	3,855	52.5%
Mutual Funds	**1,864**	**25.3%**	1,453	19.8%
Alternative Investment Strategies	**823**	**11.2%**	978	13.3%
Managed Companies	**911**	**12.4%**	556	7.6%
Managed Accounts	**121**	**1.6%**	130	1.8%
Fixed Term Limited Partnerships	**361**	**4.9%**	364	5.0%
Total	**7,363**	**100%**	7,336	100%

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

$ (in millions)	**AUM June 30, 2014**	**Net Sales / (Redemptions)**	**Net Market Value Change**	**Acquisitions / (Divestitures)**	**AUM September 30, 2014**
Bullion Funds	3,603	(22)	(298)	—	3,283
Mutual Funds	1,908	95	(139)	—	1,864
Alternative Investment Strategies	866	(12)	(49)	18	823
Managed Companies	938	—	(27)	—	911
Managed Accounts	136	—	(15)	—	121
Fixed Term Limited Partnerships	391	—	(30)	—	361
Total	7,842	61	(558)	18	7,363

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

$ (in millions)	AUM December 31, 2013	Net Sales / (Redemptions)	Net Market Value Change	Acquisitions / (Divestitures)	AUM September 30, 2014
Bullion Funds	3,542	(295)	36	—	3,283
Mutual Funds	1,483	224	104	53	1,864
Alternative Investment Strategies	938	(117)	37	(35)	823
Managed Companies	521	415	24	(49)	911
Managed Accounts	122	3	(4)	—	121
Fixed Term Limited Partnerships	361	27	(27)	—	361
Total	6,967	257	170	(31)	7,363

Revenues

Management fees were $20.3 million on a three months ended basis and $59.8 million on a nine months ended basis, reflecting an increase of $0.8 million (4.0%) and a decrease of $7.1 million (10.7%), respectively, from the prior periods. These results are consistent with changes in average AUM previously discussed. Management fees as a percentage of average AUM was 1.0% for each of the three and nine month periods ended, which was down 0.1% from the prior periods. Management fees include fees earned from precious metal physical trusts which amounted to $3.3 million on a three months ended basis and $9.8 million on a nine months ended basis, compared to $3.6 million and $11.7 million in the prior periods.

Performance fees were $0.5 million on a three months ended basis and $1.2 million on a nine months ended basis, reflecting a decrease of $0.4 million (47.3%) and a decrease of $1.2 million (49.6%), respectively, from the prior periods. Last year, performance fees were mainly attributable to SRLC and Carried Interests from RCIC. This year, performance fees were attributable to crystallized performance fees received on redemption of an alternative investment strategies fund.

Commission revenues were $2.0 million on a three months ended basis and $6.4 million on a nine months ended basis, reflecting an increase of $0.5 million (36.3%) and $1.4 million (28.0%) from the prior periods. The increase was due to increased private placement activity in SGRIL and SPW.

Interest income was $5.3 million on a three months ended basis and $14.5 million on a nine months ended basis, reflecting an increase of $2.0 million (61.1%) and $9.5 million (188.3%), respectively, from the prior periods. Interest income earned by the Company is generated primarily by SRLC which was acquired by the Company on July 23, 2013. Prior to the acquisition, the Company's lending activities were conducted through SRLC but as a Managed Company, thereby generating management fee income for the Company rather than interest income.

Unrealized and realized losses on proprietary investments and loans were $4.3 million on a three months ended basis reflecting a decrease of $5.6 million from the prior period. The decrease was due to market value depreciation across most proprietary investments held by the Company in the current period compared to gains in the prior period. On a nine months ended basis, unrealized and realized gains on proprietary investments and loans were $2.7 million, reflecting an increase of $13.9 million from the prior period. The increase on a nine months ended basis was due to market value appreciation across most proprietary investments held compared to losses in the prior period.

Other income was $4.3 million on a three months ended basis and $6.7 million on a nine months ended basis, reflecting a decrease of $9.4 million (68.6%) and $9.5 million (58.5%), respectively, from the prior periods. The decrease on a three months ended basis was a result of: (i) a $7.5 million break-fee received on termination of a management contract in the prior period; and (ii) a $5.5 million gain on bargain purchase recorded on the acquisition of SRLC in the prior period. These decreases were partially offset by $3.2 million of foreign exchange gains in the current quarter on U.S. dollar denominated cash deposits, receivables and loans coupled with a $0.4 million increase in dividend income.The decrease on a nine months ended basis was a result of: (i) the $7.5 million break-fee previously described; (ii) the $5.5 million gain on bargain purchase previously described; and (iii) $1.2 million of Other income related to the sale of a note receivable in the prior period. These decreases were partially offset by: (i) a $1.5 million break-fee received on the termination of the TFIT management contract in the second quarter of this year; and (ii) $2.8 million in net foreign exchange gains in the current period on U.S. dollar denominated cash deposits, receivables and loans.

Expenses

Changes in specific expense categories are described below:

Compensation and benefits

The table below summarizes the components of compensation and benefits:

	For the three months ended September 30		For the nine months ended September 30	
($ in thousands)	**2014**	2013	**2014**	2013
Salaries and benefits	**5,608**	6,720	**18,223**	19,930
Discretionary bonus-cash component	**3,543**	2,755	**7,539**	6,298
Discretionary bonus-equity component (1)	**580**	694	**1,830**	2,058
Commissions	**731**	614	**2,340**	1,967
Transition expenses	**—**	2,700	**—**	2,700
Other compensation expense (2)	**—**	4,542	**763**	4,542
	10,462	18,025	**30,695**	37,495

(1) Discretionary bonus-equity component is included in stock-based compensation on the Company's unaudited interim condensed consolidated statements of operations.

(2) Other compensation expense relates to the $1.5 million break-fee received on termination of the TFIT management contract (2013 - one-time compensation expense relates to $7.5 million break-fee received on termination of a management contract).

Total compensation and benefits as reported in the Company's unaudited interim condensed consolidated statements of operations were $9.9 million on a three months ended basis and $28.9 million on a nine months ended basis, reflecting a decrease of $7.4 million (43.0%) and $6.6 million (18.5%), respectively, from the prior periods. The decreases in compensation and benefits during the three and nine month periods was primarily a result of: (i) higher compensation expense associated with the break-fee received on termination of a management contract in the prior periods, partially offset by compensation expense associated with the break-fee received on termination of the TFIT contract in the second quarter of 2014; (ii) Transition expenses relating to the departure of a Company executive in the third quarter of last year; and (iii) a change in the compensation structure for a Company executive in the first quarter of 2014. These decreases in compensation expense were partially offset by a change in discretionary bonus methodology to reflect interest and fee income from SRLC following its acquisition in the third quarter of 2013.

Stock-based compensation

Stock-based compensation reported in the Company's unaudited interim condensed consolidated statements of operations was $0.2 million on a three months ended basis and $2.5 million on a nine months ended basis, reflecting a decrease of $2.1 million (91.6%) and $5.0 million (66.8%), respectively, from the prior periods. The decline was the result of the following: (i) a reduction in the expensing of earn-out shares for Sprott Toscana as the Company approaches the end of the vesting period; (ii) a reduction in the expensing of earn-out shares for Global Companies as earn-out shares were fully amortized by February 3, 2014; and (iii) a reduction in stock-based compensation relating to employees hired in prior periods which is accounted for on a graded vesting schedule.

Trailer fees

Trailer fees were $3.4 million on a three months ended basis and $9.6 million on a nine months ended basis, reflecting an increase of $0.6 million (21.4%) and $0.5 million (5.2%), respectively, from the prior periods. Trailer fees increased on a three months ended basis as there was an increase in average trailer fee paying AUM. On a nine months ended basis, there was a drop in trailer fee paying AUM, however, that decline was more than offset by a decline in the amount of trailers being paid intercompany to SPW.

General and administrative

General and administrative expenses were $6.5 million on a three months ended basis and $19.8 million on a nine months ended basis, reflecting an increase of $0.4 million (5.9%) and $2.2 million (12.5%), respectively, from the prior periods. These increases were the result of: (i) an increase in sub-advisor fees; (ii) higher marketing costs; (iii) property taxes paid by SRLC on legacy foreclosed properties; and (iv) an increase in rent as the Company took on additional leased space during the first and third quarter of 2013 along with additional rent and occupancy costs related to SRLC.

Amortization of intangibles

Amortization of intangibles was $1.3 million on a three months ended basis and $4.1 million on a nine months ended basis, reflecting a decrease of $0.2 million (14.3%) and $1.1 million (21.3%), respectively, from the prior periods. The decrease was mainly the result of lower amortization of carried interests as a result of prior period write-downs of carried interest in the Global Companies' operating segment. 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 intangibles

For the three and nine month periods ended, there were no indicators of impairment for goodwill and intangibles. For the nine months ended September 30, 2013, an impairment charge of $5.4 million was recognized.

The underlying inputs and assumptions that determine the recoverable amounts of goodwill, fund management contracts and carried interests are related to the resource sector and commodity prices which can exhibit significant volatility. As a result, recoverable amounts may demonstrate significant fluctuations in value over the year. Management will continue to monitor the recoverable amount of these intangible assets on a quarterly basis, and if appropriate, may record future impairment losses or reversals. See Note 5 of the interim financial statements for further details.

Amortization of property and equipment

Amortization of property and equipment for the three and nine months ended was $0.2 million and $0.6 million, respectively, compared to $0.2 million and $0.7 million in the prior periods.

Net Income and Adjusted base EBITDA

Net income was $4.5 million on a three months ended basis and $19.8 million on a nine months ended basis, reflecting a decrease of $9.0 million (66.6%) and an increase of $10.9 million (123.2%), respectively from the prior periods. The decrease on a three months ended basis was primarily due to: (i) net unrealized and realized losses experienced in the Company's proprietary investments portfolio compared to gains in the prior period; and (ii) a gain on bargain purchase recorded on acquisition of SRLC in the prior period. These losses and one-time items were only partially offset by higher commission and interest income as well as foreign exchange gains in the current period on U.S. dollar denominated cash deposits, receivables and loans. The increase on a nine months ended basis was due to: (i) net unrealized and realized gains experienced in the Company's proprietary investments compared to losses in the prior period; (ii) higher interest and commission income in the current period; (iii) lower total expenses; and (iv) an impairment charge on carried interests in the Global Companies segment in the prior period. This improved performance on a nine months ended basis was only partially offset by lower management fees in the current period and last year's one-time gain on bargain purchase previously noted.

Adjusted base EBITDA was $11.4 million on a three months ended basis and $27.3 million on a nine months ended basis, reflecting an increase of $5.5 million (91.9%) and $4.0 million (17.3%), respectively, from the prior periods. This improved performance was largely the result of: (i) stronger commission and interest income; and (ii) foreign exchange gains on U.S. dollar denominated cash deposits, receivables and loans, which more than offset management fees and increases in general and administrative expenses.

Balance Sheet

Cash and cash equivalents were $88.7 million, a decrease of $27.0 million (23.3%) from December 31, 2013. The decrease was primarily due to: (i) new loan originations in SRLC (including SRLC's purchase of loans from TFIT pursuant to its unwind in the second quarter of this year); (ii) the normal course funding of proprietary investments; and (iii) payment of quarterly dividends. These cash outflows were partially offset by the generation and retention of operating cash flows in the normal course.

Fees receivable were $10.5 million, reflecting a decrease of $3.3 million (23.8%) from December 31, 2013. The decrease was primarily due to the receipt of year-end performance fees in the first quarter of 2014.

Other assets were $12.2 million, reflecting a decrease of $8.5 million (40.9%) from December 31, 2013. The decrease was primarily due to the current period collection of a prior period receivable relating to the redemption of units of a Fund held as part of proprietary investments.

Proprietary investments were $109.5 million, reflecting an increase of $15.3 million (16.2%) from December 31, 2013. The increase was due to: (i) additional investments made in the equity securities of a Managed Company; (ii) investments made in certain fixed income products; (iii) bonus shares received on origination of a new loan in SRLC; (iv) additional investments made in certain private holdings; and (v) general market value appreciation on a year-to-date basis. These increases were partially offset by the sale or redemption of certain investments.

Loans receivable were $123.6 million, reflecting an increase of $19.4 million (18.6%) from December 31, 2013. The increase was primarily due to an increase in new loan originations as well as SRLC's purchase of loans from TFIT pursuant to its unwind in the second quarter of this year, partially offset by repayments of loans in existence at December 31, 2013.

Intangible assets were $34.3 million, reflecting an increase of $1.7 million (5.1%) from December 31, 2013. The increase was primarily the result of: (i) the purchase of funds from Arrow Capital Management Inc. during the first quarter of the year; (ii) the addition of carried interest rights relating to a new fixed term limited partnership launched by RCIC; and (iii) net increases in deferred sales commissions, all partially offset by the amortization of finite life management contracts and carried interests.

Goodwill was $48.7 million, reflecting an increase of $2.3 million (5.1%) from December 31, 2013. The increase was due entirely to foreign exchange gains on translation of the Company's U.S. dollar denominated goodwill recorded in Global Companies, the Company's U.S.-based operating segment.

Deferred income tax assets (net of deferred income tax liabilities) were $2.2 million ($5.2 million - December 31, 2013). The net decrease was due primarily to the ongoing use of tax loss carryforwards against current period income, coupled with current period tax payments on previously deferred taxable income.

Accounts payable and accrued liabilities were $10.1 million, reflecting a decrease of $3.1 million (23.4%) from December 31, 2013. The decrease was the result of higher year-end sub-advisor fees and harmonized sales tax paid out during the first quarter of 2014, partially offset by higher syndicate fees payable and higher professional fee accruals for 2014.

Compensation and employee bonuses payable as at September 30, 2014 were $5.9 million, reflecting a decrease of $4.0 million (40.3%) from December 31, 2013. The decrease was the result of the timing of 2014 bonus payments relative to 2013.

RESULTS OF OPERATIONS - REPORTABLE SEGMENTS

SAM Segment

The SAM segment provides asset management services to the Company's branded Funds and Managed Accounts.

Results of operations:

	For the three months ended		For the nine months ended	
($ in thousands)	**September 30, 2014**	September 30, 2013	**September 30, 2014**	September 30, 2013
Revenue				
Management fees	**16,224**	15,271	**46,872**	51,828
Performance fees	**270**	32	**430**	36
Interest income	**12**	48	**66**	180
Other	**437**	769	**2,605**	(2,782)
Total revenue	**16,943**	16,120	**49,973**	49,262
Expenses				
General and administrative	**9,031**	10,094	**26,009**	29,101
Trailer fees	**3,899**	3,643	**11,265**	12,436
Amortization and impairment of intangibles, property and equipment	**577**	595	**1,764**	1,688
Total expenses	**13,507**	14,332	**39,038**	43,225
Income before income taxes for the period	**3,436**	1,788	**10,935**	6,037
Adjustments:				
Interest expense	**—**	—	**—**	—
Provision (recovery) for income taxes	**—**	—	**—**	—
Depreciation and amortization	**577**	595	**1,764**	1,688
EBITDA	**4,013**	2,383	**12,699**	7,725
Other adjustments:				
Impairment (reversal) of intangible assets	**—**	—	**—**	—
Impairment of goodwill	**—**	—	**—**	—
(Gains) and losses on proprietary investments and loans	**623**	(602)	**(1,158)**	3,531
Non-cash stock based compensation	**—**	—	**—**	—
Adjusted EBITDA	**4,636**	1,781	**11,541**	11,256
Less:				
Performance fees	**(270)**	(32)	**(430)**	(36)
Performance fee related expenses	**168**	29	**306**	32
Adjusted base EBITDA	**4,534**	1,778	**11,417**	11,252

For the three and nine months ended September 30, 2014

Revenues

Management fees were $16.2 million on a three months ended basis and $46.9 million on a nine months ended basis, reflecting an increase of $1.0 million (6.2%) and a decrease of $5.0 million (9.6%), respectively, from the prior periods. Changes in revenues on both a three and nine months ended basis were consistent with their respective year-over-year average AUM movements as previously discussed.

Performance fees of $0.3 million on a three months ended basis and $0.4 million on a nine months ended basis continue to be immaterial. Current period performance fees represent crystallized performance fees received on redemption of an alternative investment strategies fund.

Interest income was nominal. Interest income is primarily generated from treasury bills and cash deposits with banks and brokerages.

Other revenues were $0.4 million on a three months ended basis and $2.6 million on a nine months ended basis, reflecting a decrease of $0.3 million (43.2%) and an increase of $5.4 million (193.6%), respectively, from the prior periods. The decrease on a three months ended basis was the result of net unrealized and realized losses from proprietary investments that were only partially offset by foreign exchange gains in the current period on U.S. dollar denominated cash deposits and receivables. The increase on a nine months ended basis was a result of net unrealized and realized gains from proprietary investments coupled with foreign exchange gains as compared to net unrealized and realized losses in the prior period.

Expenses

General and administrative expenses (which include compensation and benefits expenses) were $9.0 million on a three months ended basis and $26.0 million on a nine months ended basis, reflecting a decrease of $1.1 million (10.5%) and $3.1 million (10.6%), respectively, on a three and nine months ended basis. The decrease on a three and nine months ended basis was the result of: (i) a decline in compensation and benefits as a result of a change in compensation structure for a Company executive and the departure of certain employees; and (ii) lower stock-based compensation and fund subsidies. These declines were only partially offset by an increase in sub-advisory fees and marketing costs.

Trailer fees were $3.9 million on a three months ended basis and $11.3 million on a nine months ended basis, reflecting an increase of $0.3 million (7.0%) and a decrease of $1.2 million (9.4%), respectively, from the prior periods. The increase on a three months ended basis was the result of an increase in average trailer fee paying AUM. On a nine months ended basis there was a drop in trailer fee paying AUM, however, that decline was more than offset by a decline in the amount of trailers being paid intercompany to SPW.

Depreciation and amortization was $0.6 million on a three months ended basis and $1.8 million on a nine months ended basis, which was virtually unchanged on a three months ended basis and increased by $0.1 million (4.5%) on a nine months ended basis. While depreciation and amortization was flat on a three months ended basis, the increase on a nine months ended basis was due to amortization of higher deferred sales commissions in the current period.

Adjusted base EBITDA

Adjusted base EBITDA was $4.5 million and $11.4 million, reflecting an increase of $2.8 million (155.0%) and $0.2 million (1.5%), respectively, from the prior periods. The increase on a three months ended basis was mainly due to higher management fees, foreign exchange gains and lower compensation and benefits expenses. The increase on a nine months ended basis was due to lower compensation and benefits and foreign exchange gains, which more than offset lower management fees net of trailers.

Global Companies Segment

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

Results of operations:

	For the three months ended		For the nine months ended	
(in $ thousands)	**September 30, 2014**	September 30, 2013	**September 30, 2014**	September 30, 2013
Revenue				
Management fees	**2,238**	2,197	**6,923**	7,175
Performance fees	**—**	302	**—**	302
Commissions	**1,684**	1,284	**5,099**	3,987
Interest income	**14**	13	**38**	46
Other	**(986)**	571	**(290)**	(809)
Total revenue	**2,950**	4,367	**11,770**	10,701
Expenses				
General and administrative	**2,811**	3,635	**8,813**	11,093
Amortization and impairment of intangibles, property and equipment	**947**	1,191	**2,841**	9,477
Total expenses	**3,758**	4,826	**11,654**	20,570
Income (loss) before income taxes for the period	**(808)**	(459)	**116**	(9,869)
Adjustments:				
Interest expense	**—**	—	**—**	—
Provision (recovery) for income taxes	**—**	—	**—**	—
Depreciation and amortization	**947**	1,191	**2,841**	4,115
EBITDA	**139**	732	**2,957**	(5,754)
Other adjustments:				
Impairment (reversal) of intangible assets	**—**	—	**—**	5,362
Impairment of goodwill	**—**	—	**—**	—
(Gains) and losses on proprietary investments and loans	**930**	(569)	**259**	840
Non-cash stock based compensation	**—**	1,091	**403**	3,239
Adjusted EBITDA	**1,069**	1,254	**3,619**	3,687
Less:				
Performance fees	**—**	(302)	**—**	(302)
Performance fee related expenses	**—**	75	**—**	75
Adjusted base EBITDA	**1,069**	1,027	**3,619**	3,460

For the three and nine months ended September 30, 2014

Revenues

Management fees were $2.2 million on a three months ended basis and $6.9 million on a nine months ended basis, which was virtually unchanged on a three months ended basis and decreased by $0.3 million (3.5%) on a nine months ended basis. While management fees were largely unchanged on a three months ended basis, the decrease on a nine months ended basis was the result of lower management fees generated on a lower level of average AUM at RCIC over the period.

Commission revenues were $1.7 million on a three months ended basis and $5.1 million on a nine months ended basis, reflecting an increase of $0.4 million (31.2%) and $1.1 million (28.4%), respectively, from the prior periods. Improved commission income was the result of more private placement activity in SGRIL.

Interest income was nominal. Interest income is primarily generated from cash deposits with banks and brokerages.

Other revenue was negative $1.0 million on a three months ended basis and negative $0.3 million on a nine months ended basis, reflecting a decrease of $1.6 million (272.7%) and an increase $0.5 million (64.2%), respectively, from the prior periods. The majority of the decrease on a three months ended basis was due to net unrealized and realized losses from proprietary investments compared to gains in the prior period. The improvement on a nine months ended basis relates to lower net unrealized and realized losses from proprietary investments.

Expenses

General and administrative expenses (which include compensation and benefits expenses) were $2.8 million on a three months ended basis and $8.8 million on a nine months ended basis, reflecting a decrease of $0.8 million (22.7%) and $2.3 million (20.6%), respectively, from the prior periods. The decrease in general and administrative expenses was mainly due to a reduction in stock-based compensation as a result of earn-out shares attributable to the acquisition of the Global Companies in 2011 fully vesting on February 3, 2014. The decrease was partially offset by an increase in non-stock based employee compensation and benefits, specifically commission expense, which increased commensurately with the increase in commission revenues over the periods.

Depreciation, amortization and impairment was $0.9 million on a three months ended basis and $2.8 million on a nine months ended basis, reflecting a decrease of $0.2 million (20.5%) and $6.6 million (70.0%), respectively, from the prior periods. The decrease was due to a reduction in amortization expense pertaining to carried interests previously written-down in the second quarter of 2013. During the current period, the recoverable amount of goodwill, fund management contracts and carried interests aligned with their respective carrying values, therefore no impairment charge or impairment charge reversal was recognized.

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

Adjusted base EBITDA

Adjusted base EBITDA was $1.1 million on a three months ended basis and $3.6 million on a nine months ended basis, which remained virtually unchanged on a three months ended basis and increased by $0.2 million (4.6%) on a nine month ended basis. The increase on a nine months ended basis was due primarily to stronger commission income which was only partially offset by an increase in cash operating expenses.

SRLC

The SRLC segment provides loans to companies in the mining and energy sectors. SRLC was acquired by the Company effective July 23, 2013 and as a result, its operations are presented for the three and nine months ended September 30, 2014 with partial period comparative information.

Results of operations:

	For the three months ended		For the nine months ended	
($ in thousands)	**September 30, 2014**	September 30, 2013 (1)	**September 30, 2014**	September 30, 2013 (1)
Revenue				
Interest income	**4,715**	3,036	**12,818**	3,036
Other	**109**	5,890	**2,296**	5,890
Total revenue	**4,824**	8,926	**15,114**	8,926
Expenses				
General and administrative	**2,382**	1,545	**6,083**	1,545
Amortization property and equipment	**—**	1	**—**	1
Total expenses	**2,382**	1,546	**6,083**	1,546
Income before income taxes for the period	**2,442**	7,380	**9,031**	7,380
Adjustments:				
Interest expense	**—**	—	**—**	—
Provision (recovery) for income taxes	**—**	—	**—**	—
Depreciation and amortization	**—**	1	**—**	1
EBITDA	**2,442**	7,381	**9,031**	7,381
Other adjustments:				
Impairment (reversal) of intangible assets	**—**	—	**—**	—
Impairment of goodwill	**—**	—	**—**	—
(Gains) and losses on proprietary investments and loans	**1,939**	506	**500**	506
Non-cash stock based compensation	**—**	—	**—**	—
Gain on Bargain Purchase	**—**	(5,457)	**—**	(5,457)
Adjusted EBITDA	**4,381**	2,430	**9,531**	2,430
Less:				
Performance fees	**—**	—	**—**	—
Performance fee related expenses	**—**	—	**—**	—
Adjusted base EBITDA	**4,381**	2,430	**9,531**	2,430

(1) for the period July 23, 2013 to September 30, 2013

For the three and nine months ended September 30, 2014

Revenues

Interest income was $4.7 million on a three months ended basis and $12.8 million on a nine months ended basis, reflecting an increase of $1.7 million (55.3%) and $9.8 million, respectively, from the prior periods. The increases were due to a full three and nine months of interest income reported in 2014 compared to only two months of revenue reported in the prior periods since the acquisition of SRLC closed on July 23, 2013.

Other revenues were $0.1 million on a three months ended basis and $2.3 million on a nine months ended basis reflecting a decrease of $5.8 million (98.1%) and $3.6 million (61.0%), respectively, from the prior periods. The decreases were largely due to the gain on bargain purchase of $5.5 million related to the acquisition of SRLC which made up the majority of the Other revenue category in the prior periods, and to a lesser extent, higher net unrealized and realized losses from proprietary investments in the current period. The decreases were only partially offset by foreign exchange gains in the current period on U.S. dollar denominated cash deposits, receivables and loans.

Expenses

General and administrative expenses (which includes compensation and benefits expenses) were $2.4 million on a three months ended basis and $6.1 million on a nine months ended basis, reflecting an increase of $0.8 million (54.2%) and $4.5 million (293.7%), respectively, from the prior periods. The increases were due to a full three and nine months of expenses reported in 2014 compared to only two months of expenses reported in the prior periods since the acquisition of SRLC closed on July 23, 2013.

Adjusted base EBITDA

Adjusted base EBITDA was $4.4 million on a three months ended basis and $9.5 million on a nine months ended basis, reflecting an increase of $2.0 million (80.3%) and $7.1 million, respectively, from the prior periods. The increases were due to a full three and nine months of income and expenses being reported in 2014 compared to only two months of income and expenses being reported in the prior periods since the acquisition of SRLC closed on July 23, 2013.

Consulting Segment

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

Results of operations:

	For the three months ended		For the nine months ended	
($ in thousands)	**September 30, 2014**	September 30, 2013	**September 30, 2014**	September 30, 2013
Revenue				
Management fees	**1,800**	1,980	**5,792**	7,830
Performance fees	**200**	558	**770**	2,043
Interest income	**8**	11	**38**	28
Other	**79**	7,147	**1,827**	7,349
Total revenue	**2,087**	9,696	**8,427**	17,250
Expenses				
General and administrative	**148**	5,837	**3,246**	9,607
Trailer fees	**47**	—	**47**	—
Amortization of property and equipment	**9**	9	**35**	27
Total expenses	**204**	5,846	**3,328**	9,634
Income before income taxes for the period	**1,883**	3,850	**5,099**	7,616
Adjustments:				
Interest expense	**—**	—	**—**	—
Provision (recovery) for income taxes	**—**	—	**—**	—
Depreciation and amortization	**9**	9	**35**	27
EBITDA	**1,892**	3,859	**5,134**	7,643
Other adjustments:				
Impairment (reversal) of intangible assets	**—**	—	**—**	—
Impairment of goodwill	**—**	—	**—**	—
(Gains) and losses on proprietary investments and loans	**—**	490	**—**	521
Non-cash stock based compensation	**(553)**	170	**(346)**	848
Gain on Bargain Purchase	**—**	—	**—**	—
Adjusted EBITDA	**1,339**	4,519	**4,788**	9,012
Less:				
Performance fees	**(200)**	(558)	**(770)**	(2,044)
Performance fee related expenses	**50**	215	**193**	511
Adjusted base EBITDA	**1,189**	4,176	**4,211**	7,479

For the three and nine months ended September 30, 2014

Revenues

Management fees were $1.8 million on a three months ended basis and $5.8 million on a nine months ended basis, reflecting a decrease of $0.2 million (9.1%) and $2.0 million (26.0%), respectively, from the prior periods. The decreases were due to the removal of AUM relating to loan assets previously managed under a management services agreement with SRLC. Since the July 23, 2013 acquisition of SRLC by the Company, those loan assets have been included as part of the consolidated assets of the Company and generate interest income in SRLC as a separate business segment. The decreases were partially offset by management fees from Sprott Korea Corporation.

Performance fees were $0.2 million on a three months ended basis and $0.8 million on a nine months ended basis, reflecting a decrease of $0.4 million (64.2%) and a decrease of $1.3 million (62.3%), respectively, from the prior periods. Performance fees earned in the current period relate to Sprott Toscana. In the prior periods, the majority of performance fees recognized were a result of fees recorded in the first quarter of 2013 relating to SRC and to a lesser extent from Sprott Toscana and SRLC.

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

Other revenues were $0.1 million on a three months ended basis and $1.8 million on a nine months ended basis, reflecting a decrease of $7.1 million (98.9%) and $5.5 million (75.1%), respectively, from the prior periods. The decreases were due to a break-fee of $7.5 million received on termination of a management services agreement in the prior periods, partially offset by: (i) a reduction in net unrealized and realized losses from proprietary investments in the current period; and (ii) a $1.5 million break-fee received during the second quarter of 2014 on termination of the TFIT management contract.

Expenses

General and administrative expenses (which include compensation and benefits expenses) were $0.1 million on a three months ended basis and $3.2 million on a nine months ended basis, reflecting a decrease of $5.7 million (97.5%) and $6.4 million (66.2%), respectively, from the prior periods. The decreases were mainly due to: (i) $4.5 million of compensation and benefits associated with the break-fee received on the termination of a management services agreement in the prior periods; (ii) a reduction in current period earn-out share expenses related to Sprott Toscana as the Company reaches the end of the vesting period; and (iii) a reduction in current period compensation and benefits due to lower head count and bonusable earnings. These expense reductions were partially offset by the TFIT-related break-fee payout previously described.

Depreciation and amortization was nominal on both a three and nine months ended basis.

Adjusted base EBITDA

Adjusted base EBITDA was $1.2 million on a three months ended basis and $4.2 million on a nine months ended basis, reflecting a decrease of $3.0 million (71.5%) and $3.3 million (43.7%), respectively, from the prior periods. The decreases are due the break-fee net of compensation expense received on termination of a management services agreement in the prior periods and lower management fees in the current period as a result of SRLC income now being reported as a separate business segment from the Consulting Segment.

Corporate and Other Segment

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

Results of operations:

	For the three months ended		For the nine months ended	
($ in thousands)	**September 30, 2014**	September 30, 2013	**September 30, 2014**	September 30, 2013
Revenue				
Management fees	**11**	54	**174**	78
Performance fees	**—**	—	**—**	—
Commissions	**329**	193	**1,338**	1,042
Interest income	**584**	198	**1,546**	1,739
Trailer fee income	**633**	901	**1,983**	3,464
Other	**521**	688	**3,118**	(4,615)
Total revenue	**2,078**	2,034	**8,159**	1,708
Expenses				
General and administrative	**2,454**	4,824	**7,409**	9,345
Amortization of property and equipment	**3**	16	**21**	52
Total expenses	**2,457**	4,840	**7,430**	9,397
Income (loss) before income taxes for the period	**(379)**	(2,806)	**729**	(7,689)
Adjustments:				
Interest expense	**—**	—	**—**	—
Provision (recovery) for income taxes	**—**	—	**—**	—
Depreciation and amortization	**3**	16	**21**	52
EBITDA	**(376)**	(2,790)	**750**	(7,637)
Other adjustments:				
Impairment (reversal) of intangible assets	**—**	—	**—**	—
Impairment of goodwill	**—**	—	**—**	—
(Gains) and losses on proprietary investments and loans	**612**	(686)	**(2,245)**	6,257
Non-cash stock based compensation	**—**	9	**—**	26
Adjusted EBITDA	**236**	(3,467)	**(1,495)**	(1,354)
Less:				
Performance fees	**—**	—	**—**	—
Performance fee related expenses	**—**	—	**—**	—
Adjusted base EBITDA	**236**	(3,467)	**(1,495)**	(1,354)

For the three and nine months ended September 30, 2014

Revenues

Management fees on a three and nine months basis were not material in either the current or prior periods.

Commission revenues were $0.3 million on a three months ended basis and $1.3 million on a nine months ended basis, reflecting an increase of $0.1 million (70.5%) and $0.3 million (28.4%), respectively, from the prior periods. The increases were the result of more private placement activity in SPW.

Interest income was $0.6 million on a three months ended basis and $1.5 million on a nine months ended basis, reflecting an increase of $0.4 million (194.9%) and a decrease of $0.2 million (11.1%), respectively, from the prior periods. The increase on a three months ended basis was primarily due to higher interest earned on SPW brokerage accounts and higher interest income from loans receivable in Corporate. The decrease on a nine months ended basis was primarily due to lower interest earning cash deposits with banks and brokerage, which were only partially offset by higher interest income from loans receivable in Corporate.

Trailer fee income was $0.6 million on a three months ended basis and $2.0 million on a nine months ended basis, reflecting a decrease of $0.3 million (29.7%) and $1.5 million (42.8%), respectively, from the prior periods. The decreases were due to a decline in the average trailer paying AUA of SPW. Trailer fee income received by SPW from the SAM segment is an intercompany revenue, and as such, is eliminated on consolidation against the related trailer fee expense in SAM.

Other income was $0.5 million on a three months ended basis and $3.1 million on a nine months ended basis, reflecting a decrease of $0.2 million (24.3%) and an increase of $7.7 million (167.6%), respectively, from the prior periods. The decrease on a three months ended basis was due to net unrealized and realized losses from proprietary investments in the current period, which were only partially offset by foreign exchange gains in the current period on U.S. dollar denominated cash deposits and receivables. The increase on a nine months ended basis was due to net unrealized and realized gains on proprietary investments in the current period coupled with foreign exchange gains on U.S. dollar denominated cash deposits and receivables, which were only partially offset by revenue earned on early redemption of a loan receivable in the prior period.

Expenses

General and administrative expenses (which include compensation and benefits expenses) were $2.5 million on a three months ended basis and $7.4 million on a nine months ended basis, reflecting a decrease of $2.4 million (49.1%) and $1.9 million (20.7%), respectively, from the prior periods. The decreases were mainly due to prior period transition expenses associated with the departure of a Company executive that were only partially offset by higher discretionary bonus expenses as a result of a change in discretionary bonus methodology to reflect interest and fee income from SRLC following its acquisition in the third quarter of 2013.

Depreciation and amortization was nominal on both a three month and six month ended basis.

Adjusted base EBITDA

Adjusted base EBITDA was $0.2 million on a three months ended basis and negative $1.5 million on a nine months ended basis, reflecting an increase of $3.7 million (106.8%) and a decrease of $0.1 million (10.4%), respectively, from the prior periods due to the variances previously described.

SUMMARY OF QUARTERLY RESULTS

($ in thousands)	As at 31-Dec-12	As at 31-Mar-13	As at 30-Jun-13	As at 30-Sept-13	As at 31-Dec-13	**As at 31-Mar-14**	**As at 30-Jun-14**	**As at 30-Sept-14**
Assets Under Management	9,931,151	9,109,795	7,146,770	7,335,625	6,966,524	**7,694,545**	**7,842,005**	**7,363,019**

($ in thousands, except per share amounts)	3 Months ended 31-Dec-12	3 Months ended 31-Mar-13	3 Months ended 30-Jun-13	3 Months ended 30-Sept-13	3 Months ended 31-Dec-13	**3 Months ended 31-Mar-14**	**3 Months ended 30-Jun-14**	**3 Months ended 30-Jun-14**
Income Statement Information								
Revenue								
Management fees	29,242	25,951	21,458	19,497	17,792	**19,372**	**20,116**	**20,273**
Performance fees	9,769	1,348	141	892	6,613	**270**	**460**	**470**
Commissions	3,303	1,936	1,616	1,477	1,191	**1,924**	**2,500**	**2,013**
Interest income	705	759	968	3,306	4,815	**5,354**	**3,816**	**5,327**
Unrealized and realized gains (losses) on proprietary investments and loans	(1,789)	(3,049)	(9,466)	1,323	(3,286)	**4,350**	**2,650**	**(4,291)**
Other income	9,319	616	1,854	13,697	2,923	**1,601**	**809**	**4,304**
Total revenue	50,549	27,561	16,571	40,192	30,048	**32,871**	**30,351**	**28,096**
Net income (loss)	3,297	2,090	(6,710)	13,470	(90,111)	**10,239**	**5,011**	**4,502**
EBITDA	6,663	5,864	(8,071)	11,565	(87,690)	**13,236**	**9,225**	**8,110**
Adjusted base EBITDA	24,462	9,344	7,982	5,944	9,499	**9,060**	**6,816**	**11,409**
Basic earnings (loss) per share	0.02	0.01	(0.04)	0.06	(0.37)	**0.04**	**0.02**	**0.02**
Diluted earnings (loss) per share	0.02	0.01	(0.04)	0.06	(0.37)	**0.04**	**0.02**	**0.02**
Basic and diluted EBITDA per share	0.04	0.03	(0.05)	0.05	(0.36)	**0.05**	**0.04**	**0.03**
Basic and diluted adjusted base EBITDA per share	0.14	0.05	0.04	0.03	0.04	**0.04**	**0.03**	**0.05**

Dividends

On August 6, 2014, a dividend of $0.03 per common share was declared for the quarter ended June 30, 2014. This dividend was paid on September 3, 2014 to shareholders of record at the close of business on August 18, 2014.

On May 14, 2014, a dividend of $0.03 per common share was declared for the quarter ended March 31, 2014. This dividend was paid on June 6, 2014 to shareholders of record at the close of business on May 23, 2014.

On March 25, 2014, a dividend of $0.03 per common share was declared for the quarter ended December 31, 2013. This dividend was paid on April 23, 2014 to shareholders of record at the close of business on April 8, 2014.

Capital Stock

Including 2.3 million common shares currently held in the EPSP Trust (December 31, 2013 - 2.0 million), which are eliminated on consolidation under IFRS, total capital stock issued and outstanding was 248.3 million (December 31, 2013 - 247.9 million). There were no changes to capital stock between September 30, 2014 and November 11, 2014.

The 0.4 million increase in common shares since December 31, 2013 was largely due to: (i) the issuance of 0.2 million common shares from treasury to partially fund the acquisition of fund management contracts from Arrow Capital Management Inc. in the first quarter of this year; and (ii) the issuance of 0.2 million common shares from treasury in accordance with the share purchase agreement relating to the Global Companies acquisition.

Earnings per share for the three and nine months ended September 30, 2014 and September 30, 2013 have been calculated using the weighted average number of shares outstanding during the respective periods. Basic and diluted earnings per share for the three and nine months ended September 30, 2014 were $0.02 and $0.08 compared to $0.06 and $0.05, respectively, for the prior periods. 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 Sprott Toscana earn-out vesting period, and outstanding restricted stock units.

A total of 2,650,000 stock options have been issued pursuant to our stock option plan, all of which are exercisable.

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, in the form of management fees and interest income.

The Company has a 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. See Note 7 of the interim financial statements for further details.

SPW and SAM are required to maintain a minimum amount of regulatory capital calculated in accordance with the rules of IIROC and of the OSC, respectively. In addition, SGRIL is registered with 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, Contingencies and Provisions

Besides the Company's long-term lease agreement, it does not typically have material off-balance sheet contractual arrangements and obligations. Occasionally however, there may be commitments to provide loans arising from the SRLC business segment or commitments to make investments in the proprietary investments portfolio of the Company. As at September 30, 2014, the Company had $11.2 million of such loan commitments arising from SRLC (December 31, 2013 - $1.9 million) and $2.9 million of investment purchase commitments in the proprietary investments portfolio (December 31, 2013 - $Nil). For additional information on the Company's commitments, contingencies and provisions, see Note 14 and 17 of the annual financial statements.

Significant Accounting Policies, Judgments and Estimates

The interim financial statements have been prepared in accordance with IFRS standards in effect as at September 30, 2014, specifically IAS 34 *Interim Financial Reporting*.

Compliance with IFRS requires the Company to exercise judgment, make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may vary. Significant accounting policies, items that require the use of judgment, estimates and assumptions are described in Note 2 of the December 31, 2013 annual financial statements and have been applied consistently to the interim financial statements as at September 30, 2014.

Managing Risk - Financial

Market risk (including price risk, interest rate risk and foreign currency risk), credit risk, liquidity risk and concentration risk are all described in detail in Note 11 to the interim financial statements.

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 the Funds. 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 and 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. For the periods ended September 30, 2014, the Company's CEO and CFO concluded that the Company's DC&P and ICFR were properly designed and were operating effectively.

Independent Review Committee

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

Insurance

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

Internal Controls and Procedures

SAM, SPW, SGRIL and SAM US 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 SEC.

Consolidated Financial Statements

Three and nine months ended September 30, 2014

Sprott INC.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

As at *($ in thousands of Canadian dollars)*		**September 30 2014**	December 31 2013
Assets			
Current			
Cash and cash equivalents		**88,706**	115,670
Fees receivable		**10,515**	13,793
Loans receivable	*(Note 6)*	**48,826**	54,402
Other assets		**8,174**	17,071
Income taxes recoverable		**1,866**	3,545
Total current assets		**158,087**	204,481
Proprietary investments	*(Note 3)*	**109,530**	94,268
Loans receivable	*(Note 6)*	**74,820**	49,850
Other assets		**4,055**	3,613
Property and equipment, net	*(Note 4)*	**6,449**	7,010
Intangible assets	*(Note 5)*	**34,258**	32,597
Goodwill	*(Note 5)*	**48,724**	46,378
Deferred income taxes	*(Note 8)*	**12,117**	17,523
		289,953	251,239
Total assets		**448,040**	455,720
Liabilities and Shareholders' Equity			
Current			
Accounts payable and accrued liabilities		**10,070**	13,151
Compensation and employee bonuses payable		**5,949**	9,973
Total current liabilities		**16,019**	23,124
Deferred income taxes	*(Note 8)*	**9,870**	12,298
Total liabilities		**25,889**	35,422
Shareholders' equity			
Capital stock	*(Note 7)*	**414,668**	410,420
Contributed surplus	*(Note 7)*	**41,275**	45,664
Retained earnings (deficit)		**(50,842)**	(48,244)
Accumulated other comprehensive income		**17,050**	12,458
Total shareholders' equity		**422,151**	420,298
Total liabilities and shareholders' equity		**448,040**	455,720

See accompanying notes

Eric Sprott
Director, Chairman

James Roddy
Director, Chair of Audit Committee

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

($ in thousands of Canadian dollars, except for per share amounts)		For the three months ended **September 30 2014**	For the three months ended September 30 2013	For the nine months ended **September 30 2014**	For the nine months ended September 30 2013
Revenue					
Management fees		**20,273**	19,497	**59,761**	66,906
Performance fees		**470**	892	**1,200**	2,381
Commissions		**2,013**	1,477	**6,437**	5,029
Interest income		**5,327**	3,306	**14,497**	5,029
Unrealized and realized gains (losses) on proprietary investments and loans		**(4,291)**	1,323	**2,709**	(11,192)
Other income		**4,304**	13,697	**6,714**	16,171
Total revenue		**28,096**	40,192	**91,318**	84,324
Expenses					
Compensation and benefits		**9,882**	17,331	**28,865**	35,437
Stock-based compensation	*(Note 7)*	**196**	2,347	**2,463**	7,422
Trailer fees		**3,401**	2,802	**9,593**	9,117
General and administrative		**6,507**	6,147	**19,826**	17,628
Amortization of intangibles	*(Note 5)*	**1,346**	1,570	**4,072**	5,171
Impairment of intangibles	*(Note 5)*	**—**	—	**—**	5,362
Amortization of property and equipment	*(Note 4)*	**190**	242	**589**	712
Total expenses		**21,522**	30,439	**65,408**	80,849
Income before income taxes for the period		**6,574**	9,753	**25,910**	3,475
Provision (recovery) for income taxes	*(Note 8)*	**2,072**	(3,717)	**6,158**	(5,375)
Net income for the period		**4,502**	13,470	**19,752**	8,850
Basic and diluted earnings per share	*(Note 7)*	**$ 0.02**	$ 0.06	**$ 0.08**	$ 0.05

See accompanying notes

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	For the three months ended		*For the nine month ended*	
	September 30	September 30	**September 30**	September 30
($ in thousands of Canadian dollars)	**2014**	2013	**2014**	2013
Net income for the period	**4,502**	13,470	**19,752**	8,850
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation gain (loss) on foreign operations (taxes of $Nil)	**4,312**	(3,290)	**4,592**	6,430
Total other comprehensive income (loss)	**4,312**	(3,290)	**4,592**	6,430
Comprehensive income	**8,814**	10,180	**24,344**	15,280

See accompanying notes

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

For the nine months ended September 30, 2014 and 2013 ($ in thousands of Canadian dollars, other than number of shares)		Number of Shares Outstanding	Capital Stock	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income	Total Equity
At December 31, 2013		**245,945,857**	**410,420**	**45,664**	**(48,244)**	**12,458**	**420,298**
Shares acquired for equity incentive plan	*(Note 7)*	**(1,000,000)**	**(1,686)**	**(1,315)**	**—**	**—**	**(3,001)**
Shares released on vesting of equity incentive plan	*(Note 7)*	**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**
Regular dividends paid	*(Note 10)*	**—**	**—**	**—**	**(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**
At December 31, 2012		169,049,677	215,474	42,808	58,609	818	317,709
Business acquisition		68,962,896	166,201	—	—	—	166,201
Shares acquired for equity incentive plan		(448,500)	(697)	(559)	—	—	(1,256)
Shares released on vesting of equity incentive plan		634,164	3,754	(3,754)	—	—	—
Foreign currency translation gain on foreign operations		—	—	—	—	6,430	6,430
Additional purchase consideration		177,500	1,090	(1,376)	—	—	(286)
Stock-based compensation		—	—	7,422	—	—	7,422
Deferred tax asset on stock-based compensation		—	—	(632)	—	—	(632)
Shares issued from treasury		7,577,159	24,638	(5)	—	—	24,633
Regular dividends paid		—	—	—	(18,151)	—	(18,151)
Net income		—	—	—	8,850	—	8,850
Balance, September 30, 2013		245,952,896	410,460	43,904	49,308	7,248	510,920

See accompanying notes

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the nine months ended September 30 ($ in thousands of Canadian dollars)	**2014**	2013
Operating Activities		
Net income for the period	**19,752**	8,850
Add (deduct) non-cash items:		
Losses (gains) on proprietary investments and loans	**(2,709)**	11,192
Stock-based compensation	**2,463**	7,422
Amortization of property, equipment and intangible assets	**4,661**	5,883
Impairment of intangible assets	**—**	5,362
Gain on bargain purchase	**—**	(5,457)
Deferred income taxes (recovery)	**2,800**	(8,767)
Other items	**(8,344)**	(7,830)
Income taxes	**3,358**	3,392
Income taxes paid	**(1,352)**	(15,292)
Changes in:		
Fees receivable and other assets	**11,789**	9,611
Loans receivable	**(22,242)**	11,082
Accounts payable, accrued liabilities, compensation and employee bonuses payable	**(7,140)**	(23,466)
Effect of foreign exchange on cash balances	**919**	506
Cash provided by operating activities	**3,955**	2,488
Investing Activities		
Purchase of proprietary investments	**(48,468)**	(37,506)
Sale of proprietary investments	**47,054**	4,272
Purchase of property and equipment	**(12)**	(562)
Deferred sales commissions paid	**(1,463)**	(1,202)
Cash paid for acquisitions	**—**	(20,806)
Cash acquired on acquisition	**—**	88,307
Purchase of intangible assets	**(2,679)**	(828)
Cash provided by (used in) investing activities	**(5,568)**	31,675
Financing Activities		
Acquisition of common shares for equity incentive plan	**(3,001)**	(1,256)
Shares issued from treasury	**—**	24,500
Dividends paid	**(22,350)**	(18,151)
Cash provided by (used in) financing activities	**(25,351)**	5,093
Net increase (decrease) in cash and cash equivalents during the period	**(26,964)**	39,256
Cash and cash equivalents, beginning of the period	**115,670**	77,400
Cash and cash equivalents, end of the period	**88,706**	116,656
Cash and cash equivalents:		
Cash	**83,857**	99,171
Short-term deposits	**4,849**	17,485
	88,706	116,656

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, 2014 ("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, 2013 ("annual financial statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The interim financial statements of the Company were authorized for issue by a resolution of the Board of Directors on November 11, 2014.

Basis of presentation

The 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, 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 otherwise indicated.

Principles of consolidation

The 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 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 U.S. Holdings Inc., parent company of: (i) Rule Investments Inc. (the owner 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 interim financial statements;
- Sprott Resource Lending Corp. ("SRLC");
- Toscana Energy Corporation ("TEC") and Toscana Capital Corporation ("TCC") (Collectively, "Sprott Toscana");
- Sprott Genpar Ltd.;
- SAMGENPAR Ltd.;
- Sprott Inc. 2011 Employee Profit Sharing Plan Trust (the "Trust").

Investments in funds

Investments in funds ("Fund" or "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* 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, offshore funds, bullion funds and physical trusts, all of which, meet the definition of structured entities under IFRS. The principal place of business of the Funds is Toronto, Ontario, which is where the ultimate manager of all the funds resides. As at September 30, 2014, assets under management in public mutual funds was $1.9 billion (December 31, 2013 - $1.5 billion); alternative investment strategies $644 million (December 31, 2013 - $765 million); offshore funds $179 million (December 31, 2013 - $173 million); bullion funds $233 million (December 31, 2013 - $239 million); and physical trusts $3.1 billion (December 31, 2013 - $3.3 billion). The Company had investments in 20 Funds (December 31, 2013 - 37) with an average ownership interest of 8.5% (December 31, 2013 - 7.6%). 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.

Accounting policies adopted January 1, 2014

Amendments to IAS 32, *Financial Instruments: Presentation* ("IAS 32")

The amendments to IAS 32 clarify the criteria that should be considered in determining whether an entity has a legally enforceable right of set off in respect of its financial instruments. Amendments to IAS 32 are applicable to annual periods beginning on or after January 1, 2014, with retrospective application required. The adoption of amendments to IAS 32 did not have a material impact on the Company's interim financial statements.

IFRIC 21, *Levies* ("IFRIC 21")

In May 2013, the IFRS Interpretations Committee ("IFRIC"), with the approval of the IASB, issued IFRIC 21. IFRIC 21 provides guidance on when to recognize a liability to pay a levy imposed by the government that is accounted for in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014 and is to be applied retrospectively. The adoption of IFRIC 21 did not have a material impact on the Company's interim financial statements.

Future changes in accounting policies

IFRS 9, *Financial Instruments* ("IFRS 9")

IFRS 9 was issued by the International Accounting Standards Board on July 24, 2014 and will replace IAS 39, *Financial instruments: Recognition and Measurement* (IAS 39). IFRS 9 requires financial instrument classification and related measurement practices to be based primarily on an entity's business model objectives when managing those financial assets and on the extent to which contractual cash flows exist within the financial assets. The standard also introduces a new expected loss impairment model. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is evaluating the potential impacts of this new standard on the financial statements.

IFRS 15, *Revenue from Contracts and Customers* ("IFRS 15")

IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. The Company is evaluating the potential impacts of this new standard on the financial statements.

3. PROPRIETARY INVESTMENTS

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

	September 30, 2014	December 31, 2013
Gold bullion	**6,945**	6,532
Public equities and share purchase warrants	**13,536**	4,097
Mutual funds and alternative investment strategies*	**71,779**	69,429
Fixed income securities	**9,765**	7,223
Private holdings	**7,505**	6,987
Total proprietary investments	**109,530**	94,268

*Investments in mutual funds and alternative investment strategies are primarily managed by SAM or RCIC. As at September 30, 2014, the underlying investments related to the Company's investments in mutual funds and alternative investment strategies primarily consisted of cash and short-term investments of $12.7 million (December 31, 2013 - $24.2 million), equities of $29.7 million (December 31, 2013 - $22.4 million), short equity positions of $58.4 million (December 31, 2013 - $70.0 million), fixed income securities of $62.7 million (December 31, 2013 - $86.4 million), bullion of $3.9 million (December 31, 2013 - $4.0 million), loans of $1.3 million (December 31, 2013 - $Nil) and derivatives of $10.6 million (December 31, 2013 - $Nil). The underlying securities of these funds are classified as held for trading and recognized at fair value through profit or loss.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following ($ in thousands):

	Artwork	Furniture and fixtures	Computer hardware and software	Leasehold improvements	Total
Cost					
At December 31, 2012	2,007	2,902	2,049	7,280	14,238
Business acquisition	38	—	2	—	40
Additions, net of disposals	—	34	71	576	681
December 31, 2013	2,045	2,936	2,122	7,856	14,959
Additions	—	12	—	—	12
Net exchange differences	—	24	19	15	58
September 30, 2014	**2,045**	**2,972**	**2,141**	**7,871**	**15,029**
Accumulated amortization					
At December 31, 2012	—	(2,282)	(1,925)	(2,771)	(6,978)
Charge for the period	—	(240)	(131)	(555)	(926)
Net exchange differences	—	(19)	(23)	(3)	(45)
December 31, 2013	—	(2,541)	(2,079)	(3,329)	(7,949)
Charge for the period	—	(114)	(33)	(442)	(589)
Net exchange differences	—	(19)	(19)	(4)	(42)
September 30, 2014	**—**	**(2,674)**	**(2,131)**	**(3,775)**	**(8,580)**
Net book value at:					
December 31, 2013	2,045	395	43	4,527	7,010
September 30, 2014	**2,045**	**298**	**10**	**4,096**	**6,449**

5. 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, 2012	134,675	14,327	23,464	30,386	4,340	207,192
Net additions	—	—	—	828	1,970	2,798
Net exchange differences	8,474	—	1,415	2,130	—	12,019
December 31, 2013	143,149	14,327	24,879	33,344	6,310	222,009
Net additions	—	2,660	—	813	1,463	4,936
Net exchange differences	7,118	—	1,189	1,819	—	10,126
At September 30, 2014	**150,267**	**16,987**	**26,068**	**35,976**	**7,773**	**237,071**
Accumulated amortization and impairment losses						
At December 31, 2012	(8,935)	—	(8,632)	(16,418)	(2,214)	(36,199)
Amortization charge for the period	—	—	(3,025)	(2,198)	(1,565)	(6,788)
Net impairment charge for the period	(87,960)	—	—	(10,360)	—	(98,320)
Net exchange differences	124	—	(485)	(1,366)	—	(1,727)
December 31, 2013	(96,771)	—	(12,142)	(30,342)	(3,779)	(143,034)
Amortization charge for the period	—	—	(2,410)	(390)	(1,272)	(4,072)
Net exchange differences	(4,772)	—	(553)	(1,658)	—	(6,983)
At September 30, 2014	**(101,543)**	**—**	**(15,105)**	**(32,390)**	**(5,051)**	**(154,089)**
Net book value at:						
December 31, 2013	46,378	14,327	12,737	3,002	2,531	78,975
September 30, 2014	**48,724**	**16,987**	**10,963**	**3,586**	**2,722**	**82,982**

Net book value	**September 30, 2014**	December 31, 2013
Intangibles	**34,258**	32,597
Goodwill	**48,724**	46,378
	82,982	78,975

Impairment assessment of goodwill

The Company identified six cash generating units ("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, 2014, the Company allocated goodwill across the CGUs as follows ($ in thousands):

CGU	**Allocated Goodwill**	
	September 30, 2014	December 31, 2013
SAM	**21,500**	20,400
Global Companies	**24,024**	22,778
SRLC	**—**	—
Corporate	**—**	—
SC	**3,200**	3,200
SPW	**—**	—
	48,724	46,378

Goodwill is tested for impairment at least annually, which for the Company is during the fourth quarter of each year. During the first, second, and third quarters, goodwill is assessed for indicators of impairment. As at September 30, 2014, there were no indicators of impairment of goodwill for any of the Company's CGUs.

Impairment assessment of indefinite life fund management contracts

As at September 30, 2014 the Company had indefinite life fund management contracts within the SAM CGU of $4.2 million (December 31, 2013 - $1.5 million) and within the SC CGU of $12.8 million (December 31, 2013 - $12.8 million). There were no indicators of impairment for the period.

Impairment assessment of finite life fund management contracts

As at September 30, 2014, the Company had finite life fund management contracts of $11.0 million within the Global Companies CGU (December 31, 2013 - $12.7 million). There were no indicators of impairment for the period.

Impairment assessment of carried interests

As at September 30, 2014, the Company had carried interests of $3.6 million within the Global Companies CGU (December 31, 2013 - $3.0 million). There were no indicators of impairment for the period.

Impairment assessment of deferred sales commissions

As at September 30, 2014, the Company had deferred sales commissions of $2.7 million within the SAM CGU (December 31, 2013 - $2.5 million). There were no indicators of impairment for the period.

6. LOANS RECEIVABLE

Components of loans receivable

Loans receivable are reported 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.

The carrying value of the Company's loan portfolio consists of the following ($ in thousands):

	September 30, 2014	December 31, 2013
Resource loans		
Loan principal	**119,321**	96,423
Accrued interest	**2**	50
Deferred revenue	**(7,212)**	(3,919)
Mark-to-market	**856**	1,035
Amortized cost, before loan loss provisions	**112,967**	93,589
Loan loss provisions	**—**	—
Carrying value of resource loans receivable	**112,967**	93,589
Less: current portion	**(43,437)**	(50,013)
Total non-current resource loans receivable	**69,530**	43,576
Resource debentures		
Debenture principal	**8,500**	6,500
Accrued interest	**155**	12
Deferred revenue	**(118)**	(238)
Amortized cost, before impairments	**8,537**	6,274
Impairments	**(2,247)**	—
Carrying value of resource debentures receivable	**6,290**	6,274
Less: current portion	**(1,000)**	—
Total non-current resource debentures receivable	**5,290**	6,274
Real estate loans		
Loan principal	**4,389**	4,389
Accrued interest	**620**	222
Amortized cost, before loan loss provision	**5,009**	4,611
Loan loss provision	**(620)**	(222)
Carrying value of real estate loans receivable	**4,389**	4,389
Less: current portion	**(4,389)**	(4,389)
Total non-current real estate loans receivable	**—**	—
Total carrying value of loans receivable	**123,646**	104,252
Less: current portion	**(48,826)**	(54,402)
Total carrying value of non-current loans receivable	**74,820**	49,850

Impaired loans and loan loss provisions

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

As at September 30, 2014, the Company performed a comprehensive review of each loan measured at amortized cost in its loan portfolio to determine the requirement for specific loan loss provisions. The carrying values of the Company's impaired loans and specific loan loss provisions are as follows:

	September 30, 2014		December 31, 2013	
	Number of Loans	**($ in thousands)**	Number of Loans	($ in thousands)
Resource debentures				
Amortized cost, before impairments	**1**	**5,500**	—	—
Impairments	—	**(2,247)**	—	—
Total carrying value of impaired debenture	**1**	**3,253**	—	—
Real estate loans				
Amortized cost, before loan loss provision	**1**	**5,009**	1	4,611
Loan loss provision	—	**(620)**	—	(222)
Total carrying value of impaired loan, net of loan loss provision	**1**	**4,389**	1	4,389
Total carrying value of impaired loans, net of loan loss provisions	**2**	**7,642**	1	4,389

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

	For the three months ended		For the nine months ended	
	September 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Interest on impaired loans	**134**	88	**398**	88
Loan loss provision on real estate loans				
Balance, beginning of period	**486**	—	**222**	—
Loan loss expense on real estate loan	**134**	88	**398**	88
Balance, end of period	**620**	88	**620**	88

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, 2014		December 31, 2013	
	Number of Loans	**($ in thousands)**	Number of Loans	($ in thousands)
Resource loans				
Metals and mining *	**10**	**74,794**	11	90,564
Energy and other	**5**	**44,527**	3	5,859
Total resource loan principal	**15**	**119,321**	14	96,423
Resource debentures				
Energy and other	**2**	**8,500**	2	6,500
Total resource debenture principal	**2**	**8,500**	2	6,500
Real estate loans				
Land under development	**1**	**4,389**	1	4,389
Total real estate loan principal	**1**	**4,389**	1	4,389
Total loan principal	**18**	**132,210**	17	107,312

* As at September 30, 2014, $9.7 million of the precious metal loans were designated as FVTPL which includes principal and interest while the remaining $1.2 million were classified as held-to-maturity (HTM). As at December 31, 2013, $11.7 million were designated as FVTPL and $3.0 million of the precious metal loans were 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, 2014		December 31, 2013	
	Number of Loans	**($ in thousands)**	Number of Loans	($ in thousands)
Resource loans *				
Canada	**9**	**83,484**	8	40,145
United States of America	**1**	**3,919**	2	19,331
Mexico	**1**	**13,000**	1	17,800
Australia	**1**	**8,333**	2	14,872
Chile	**2**	**8,926**	1	4,275
United Kingdom	**1**	**1,659**	—	—
Total resource loan principal	**15**	**119,321**	14	96,423
Resource debentures				
Canada	**1**	**3,000**	1	1,000
United States of America	**1**	**5,500**	1	5,500
Total resource debenture principal	**2**	**8,500**	2	6,500
Real estate loans				
Canada	**1**	**4,389**	1	4,389
Total real estate loan principal	**1**	**4,389**	1	4,389
Total loan principal	**18**	**132,210**	17	107,312

* As at September 30, 2014, $9.7 million of the precious metal loans were designated as FVTPL which includes principal and interest while the remaining $1.2 million were classified as HTM. As at December 31, 2013, $11.7 million were designated as FVTPL and $3.0 million of the precious metal loans were classified as HTM.

Priority of security charges

All of the Company's loans are senior secured with the exception of two resource loans, with a carrying value of $15.6 million, which are second secured.

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, 2014, all past due loans were considered impaired.

Loan commitments

As at September 30, 2014, the Company had $11.2 million in loan commitments (December 31, 2013 - $1.9 million).

7. 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, 2012	169,049,677	215,474
Additional purchase consideration	177,500	1,090
Issuance of share capital from private placement, net of costs and taxes	7,575,758	24,632
Issuance of share capital on conversion of RSU	1,401	6
Issuance of share capital on business acquisition	68,962,896	166,201
Acquired for equity incentive plan	(448,500)	(697)
Released on vesting of equity incentive plan	627,125	3,714
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 September 30, 2014	**246,021,326**	**414,668**

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, 2012	42,808
Expensing of Sprott Inc. stock options over the vesting period	30
Expensing of EPSP / EIP shares over the vesting period	3,922
Expensing of earn-out shares over the vesting period	6,312
Write-down of deferred tax asset on earn-out shares	(1,904)
Issuance of shares relating to additional purchase consideration	(1,234)
Issuance of share capital on conversion of RSU	(5)
Excess on repurchase of common shares for equity incentive plan *	(558)
Released on vesting of common shares for equity incentive plan	(3,707)
At December 31, 2013	45,664
Expensing of EPSP / EIP shares over the vesting period	2,406
Expensing of earn-out shares over the vesting period	57
Issuance of shares relating to additional purchase consideration	(1,614)
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	(3,921)
At September 30, 2014	**41,275**

* 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") shall not exceed 10% of the issued and outstanding shares of the Company as at the date of such 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 the 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 three and nine months ended September 30, 2014 (nil - September 30, 2013).

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, 2012	2,650	9.71
Options exercisable, December 31, 2012	2,583	9.80
Options outstanding, December 31, 2013	2,650	9.71
Options exercisable, December 31, 2013	2,650	9.71
Options outstanding, September 30, 2014	**2,650**	**9.71**
Options exercisable, September 30, 2014	**2,650**	**9.71**

Options outstanding and exercisable as at September 30, 2014 are as follows:

Exercise price ($)	Number of outstanding options (in thousands)	Weighted average remaining contractual life (years)	Number of options exercisable (in thousands)
10.00	2,450	3.9	2,450
4.85	50	5.5	50
6.60	150	6.4	150
4.85 to 10.00	**2,650**	**4.0**	**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 members. 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, 2014 (2013 - nil). The Trust purchased 1.0 million common shares for the three and nine months ended September 30, 2014 (2013 -0.4 million).

	Number of common shares
Common shares held by the Trust, December 31, 2012	2,159,823
Acquired	448,500
Released on vesting	(627,125)
Unvested 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, September 30, 2014	**2,308,993**

Earn-out shares

In connection with the acquisition of the Global Companies, up to an additional 8 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*, this potential award carries a service condition without a performance condition of equal term. As a result, the accounting guidance under IFRS 2 required the Company to estimate the fair value of the potential share-based award on the business acquisition date. The fair value determined by the Company of $13.0 million was determined using an acceptable valuation model that utilized several significant assumptions including the probability of continued employment of a senior employee on or after February 4, 2014, the stock price of the Company on February 4, 2016 and the cumulative earnings of the Global Companies for the five year period ending February 4, 2016. The fair value of this share-based award has been charged to the consolidated statements of operations equally over the period of the service condition, being 3 years, which ended February 4, 2014.

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

Additional purchase consideration

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

For the three and nine months ended September 30, 2014, the Company recorded share-based compensation expense of $0.2 million and $2.5 million, respectively, (2013 - $2.3 million and $7.4 million) with a corresponding increase to contributed surplus ($ in thousands).

	For the three months ended		For the nine months ended	
	September 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Earn-out shares	**(553)**	1,261	**57**	4,087
Stock option plan	**—**	9	**—**	26
EPSP / EIP	**749**	1,077	**2,406**	3,309
	196	2,347	**2,463**	7,422

Basic and diluted earnings (loss) per share

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

	For the three months ended		For the nine months ended	
	September 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Numerator ($ in thousands):				
Net income - basic and diluted	**4,502**	13,470	**19,752**	8,850
Denominator (Number of shares in thousands):				
Weighted average number of common shares	**248,337**	230,687	**248,241**	194,374
Weighted average number of unvested shares purchased by the Trust	**(1,831)**	(1,863)	**(1,572)**	(1,664)
Weighted average number of common shares - basic	**246,506**	228,824	**246,669**	192,710
Weighted average number of additional purchase consideration	**—**	177	**22**	200
Weighted average number of unvested shares purchased by the Trust	**1,831**	1,863	**1,572**	1,664
Weighted average number of outstanding RSU	**1**	3	**2**	3
Weighted average number of shares issuable under acquisition consideration payable	**338**	—	**338**	—
Weighted average number of common shares - diluted	**248,676**	230,867	**248,603**	194,577
Net income per common share				
Basic	**$ 0.02**	$ 0.06	**$ 0.08**	$ 0.05
Diluted	**$ 0.02**	$ 0.06	**$ 0.08**	$ 0.05

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. SPW is a member of the Investment Industry Regulatory Organization of Canada ("IIROC"), SAM is a registrant of the Ontario Securities Commission ("OSC") and the U.S. Securities and Exchange Commission ("SEC"), SAM US is registered with the SEC and SGRIL is a member of the Financial Industry Regulatory Authority ("FINRA"); as a result, all of these entities are required to maintain a minimum level of regulatory capital. To ensure compliance, management monitors regulatory and working capital on a regular basis. For the nine months ended September 30, 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.

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 million. Amounts may be borrowed under the facility through prime rate loans, which bear interest at the Bank's prime rate, or bankers' acceptances, which bear interest at bankers' acceptance rates plus 1.375%. Amounts may also be borrowed in U.S. dollars through base rate loans, which bear interest at the greater of the Bank's reference rate for loans made by it in Canada in U.S. funds and the federal funds effective rate plus 1.00%, or LIBOR loans which bear interest at LIBOR plus 1.375%.

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

The credit facility is fully and unconditionally guaranteed by SAM, a wholly-owned subsidiary of the Company. The credit facility contains a number of financial covenants that require the Company to meet certain financial ratios and financial condition tests. The Company is within its financial covenants with respect to its credit facility, which require that the funded debt-to-Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) ratio remain below 2:1, the funded debt-to-SAM EBITDA ratio remain below 1.5:1 and that the Company's AUM not fall below $5.5 billion, calculated on the last day of each calendar month.

The Company has not drawn on the credit facility as at September 30, 2014.

8. INCOME TAXES

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

For the nine months ended	**September 30, 2014**	September 30, 2013
Current income tax expense (recovery)		
Based on taxable income of the current period	**3,880**	4,587
Adjustments in respect of previous years	**(522)**	(1,195)
	3,358	3,392
Deferred income tax expense (recovery)		
Origination and reversal of temporary differences	**3,085**	(9,147)
Adjustments in respect of previous years	**(285)**	380
	2,800	(8,767)
Income tax expense (recovery) reported in the statements of operations	**6,158**	(5,375)

The tax on the Company's earnings before tax 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, 2014**	September 30, 2013
Income before income taxes	**25,910**	3,475
Tax calculated at domestic tax rates applicable to profits and (losses) in the respective countries	**6,862**	(481)
Tax effects of:		
Non-deductible stock-based compensation	**103**	806
Non-taxable capital (gains) or losses and unrealized (gains) or losses	**(691)**	1,400
Adjustments in respect of previous years	**(807)**	(816)
Temporary timing differences on deferred revenues not benefited	**909**	—
Non-capital losses not previously benefited	**(275)**	(6,387)
Rate differences and other	**57**	103
Tax charge (recovery)	**6,158**	(5,375)

The weighted average applicable tax rate was 26.5% (2013 -negative 13.8%). The increase was caused primarily by an increase in the profitability of the Global Companies resident in the US and taxable at a higher rate than the Canadian operations, partially offset by the utilization of non-capital losses.

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

For the three months ended September 30, 2014

	At December 31, 2013	Recognized in income	Recognized in other comprehensive income	Recognized in equity	Business acquisition	At September 30, 2014
Deferred income tax assets						
Prepaid taxes and unrealized losses	14,537	(1,018)	811	—	—	14,330
Additional purchase consideration	672	—	28	(700)	—	—
Other stock-based compensation	2,802	638	(5)	—	—	3,435
Non-capital losses	7,709	(5,528)	(33)	—	—	2,148
Other	449	661	(209)	(20)	—	881
Total deferred income tax assets	**26,169**	**(5,247)**	**592**	**(720)**	**—**	**20,794**
Deferred income tax liabilities						
Fund management contracts	8,793	(656)	(67)	—	—	8,070
Carried interests	335	(63)	17	—	—	289
Deferred sales commissions	671	51	—	—	—	722
Unrealized gains	(241)	926	(14)	—	—	671
Transitional partnership income	9,645	(3,021)	—	—	—	6,624
Proceeds receivable	1,223	155	—	—	—	1,378
Other	518	161	114	—	—	793
Total deferred income tax liabilities	**20,944**	**(2,447)**	**50**	**—**	**—**	**18,547**
Net deferred income tax assets (liabilities)	**5,225**	**(2,800)**	**542**	**(720)**	**—**	**2,247**

For the year ended December 31, 2013

	At December 31, 2012	Recognized in income	Recognized in other comprehensive income	Recognized in equity	Business acquisition	December 31, 2013
Deferred income tax assets						
Unrealized losses	15,481	(2,012)	1,068	—	—	14,537
Additional purchase consideration	1,258	—	48	(634)	—	672
Earn-out shares	1,799	—	56	(1,855)	—	—
Other stock-based compensation	1,769	1,032	1	—	—	2,802
Non-capital losses	—	4,751	—	—	2,958	7,709
Other	1,346	(905)	114	(106)	—	449
Total deferred income tax assets	**21,653**	**2,866**	**1,287**	**(2,595)**	**2,958**	**26,169**
Deferred income tax liabilities						
Fund management contracts	9,646	(1,232)	379	—	—	8,793
Carried interests	5,093	(4,948)	190	—	—	335
Deferred sales commissions	564	107	—	—	—	671
Unrealized gains	679	(917)	(3)	—	—	(241)
Transitional partnership income	9,645	—	—	—	—	9,645
Proceeds receivable	—	78	—	—	1,145	1,223
Other	(208)	972	(246)	—	—	518
Total deferred income tax liabilities	**25,419**	**(5,940)**	**320**	**—**	**1,145**	**20,944**
Net deferred income tax assets (liabilities)	**(3,766)**	**8,806**	**967**	**(2,595)**	**1,813**	**5,225**

9. 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, 2014 (2013 - $Nil) ($ in thousands):

September 30, 2014	Level 1	Level 2	Level 3	Total
Recurring measurements:				
Cash and cash equivalents	88,706	—	—	88,706
Precious metal loans	—	—	9,746	9,746
Gold bullion	6,945	—	—	6,945
Public equities and share purchase warrants	9,198	4,338	—	13,536
Mutual funds and alternative investment strategies	16,377	55,402	—	71,779
Fixed income securities	—	9,765	—	9,765
Private holdings	—	—	7,505	7,505
Total recurring fair value measurements	**121,226**	**69,505**	**17,251**	**207,982**

December 31, 2013	Level 1	Level 2	Level 3	Total
Recurring measurements:				
Cash and cash equivalents	115,670	—	—	115,670
Precious metal loans	—	—	11,658	11,658
Gold bullion	6,532	—	—	6,532
Public equities and share purchase warrants	3,503	594	—	4,097
Mutual funds and alternative investment strategies	16,132	53,296	—	69,428
Fixed income securities	—	7,223	—	7,223
Private holdings	—	—	5,353	5,353
Total recurring fair value measurements:	**141,837**	**61,113**	**17,011**	**219,961**

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, 2014

	December 31, 2013	Purchases and reclassifications	Settlements	Net unrealized gains included in net income	Net realized gains included in net income	Net realized gains included in other income	Net realized gains included in interest income	September 30, 2014
Private holdings	5,353	7,247	(7,914)	7	2,812	—	—	7,505
Precious metal loans	11,658	3,435	(7,398)	254	—	435	1,362	9,746
	17,011	**10,682**	**(15,312)**	**261**	**2,812**	**435**	**1,362**	**17,251**

Changes in the fair value of Level 3 measurements - December 31, 2013

	December 31, 2012	Purchases	Settlements	Net unrealized gains included in net income	Net realized gains and losses included in net income	Net realized gains (losses) included in other income	Net realized gains (losses) included in interest income	December 31, 2013
Private holdings	4,949	9,216	(8,277)	(1,165)	630	—	—	5,353
Precious metal loans	—	13,018	(2,317)	585	—	237	135	11,658
	4,949	**22,234**	**(10,594)**	**(580)**	**630**	**237**	**135**	**17,011**

During the nine months ended September 30, 2014, $0.1 million of financial assets was transferred from Level 2 to Level 1. This transfer represented the expiry of the trading restriction on the common shares of certain proprietary investments.

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 (excluding precious metal loans that were designated as FVTPL) had a carrying value of $113.9 million and a fair value of $115.5 million. Loans receivable (excluding precious metal loans) lack an available trading market, are not typically exchanged, and have been recorded at amortized cost. The fair value of the Company's resource loans is 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 of loans to take into account any significant changes in credit risks using observable market inputs in determining the counterparty credit risks of loans, net of loan loss provisions on the loans. The fair value of loans are not necessarily representative of the amounts realizable upon immediate settlement of the loans. The valuation techniques used for these amortized cost loans for which a fair value has been disclosed would fall under Level 3 of the fair value hierarchy.

10. DIVIDENDS

The following dividends were declared and paid by the Company during the nine months ended September 30, 2014:

Record date	Payment Date	Cash dividend per share ($)	Total dividend amount ($ in thousands)
August 18, 2014 - regular dividend Q2 - 2014	September 3, 2014	0.03	7,450
May 23, 2014 - regular dividend Q1 - 2014	June 6, 2014	0.03	7,450
April 8, 2014 - regular dividend Q4 - 2013	April 23, 2014	0.03	7,450
Dividends paid			22,350

11. RISK MANAGEMENT ACTIVITIES

The Company's financial instruments present a number of specific risks as identified below:

(a) Market risk

Market risk refers to the risk that a change in the level of one or more of market prices, interest rates, foreign exchange rates, indices, volatilities, correlations or other market factors, such as liquidity, will result in a change in the fair value of a financial instrument. The Company's financial instruments are classified as HFT, designated as FVTPL, HTM, available-for-sale, or as loans and receivables. Therefore, certain changes in fair value or permanent impairment, if any, affect reported earnings as they occur. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Company manages market risk through regular monitoring of its proprietary investments and loans receivable. 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. If the market values of proprietary investments classified as HFT increased or decreased by 5%, with all other variables held constant, this would have resulted in an increase or decrease in net income of approximately $4.4 million for the period (December 31, 2013 - $3.8 million). For more details about the Company's proprietary investments, refer to Note 3.

The Company's revenues are also exposed to price risk since management fees, performance fees and carried interests are correlated with assets under management, which fluctuates with changes in the market values of the assets in the funds and managed accounts managed by SAM, SC, Sprott Toscana, RCIC and SAM US.

Commodity price risk refers to uncertainty of the future market values and the amount of future income caused by the fluctuation in the price of specific commodities. The Company may, from time to time: (i) hold certain investments linked to the market prices of precious metals or oil and gas; and (ii) enter into certain precious metal loans, where the repayment is notionally tied to a specific commodity spot price at the time of the loan and downward changes to the price of the commodity can reduce the value of the loan and the amounts ultimately repaid to the Company.

As at September 30, 2014, the Company held precious metal loans with a carrying value of $9.7 million (December 31, 2013 - $11.7 million). The fair value of these loans is dependent on future gold prices. A 5% increase or decrease in the future price of gold, with all other variables held constant, would have resulted in an increase or decrease in net income of approximately $0.4 million for the period (December 31, 2013 - $0.6 million). As a mitigating factor, the Company may from time-to-time, implement certain hedging strategies such as imposing a minimum internal rate of return on a precious metal loan or fixing the loan payments at a predetermined price of gold over the full term of the loan.

As at September 30, 2014, the Company held gold bullion with a carrying value of $6.9 million (December 31, 2013 - $6.5 million). If the market value of gold bullion increased or decreased by 5%, with all other variables held constant, this would have resulted in an increase or decrease in net income of approximately $0.3 million for the period (December 31, 2013 - $0.3 million).

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. As a mitigating factor, the Company from time-to-time sets minimum interest rates or an interest rate floor in its variable rate loans. As at September 30, 2014 the Company's loan portfolio consisted only of fixed-rate loans. The Company is also exposed to changes in the value of a loan when that loan's interest rate is at a rate other than current market rates.

As at September 30, 2014, the Company had 15 fixed-rate resource-based loans, 2 fixed-rate resource-based debentures and 1 fixed rate real estate loan with an aggregate carrying value of $123.6 million (December 31, 2013 - $104.3 million). The Company's 15 fixed-rate resource loans and 2 fixed-rate resource debentures range in maturity dates from less than 6 months to 4 years and it has one real estate loan that is considered non-performing and one debenture that is partially impaired.

The carrying amounts of the Company's assets and liabilities in the following table are presented based on the earlier of contractual repricing and maturity dates as at September 30, 2014 ($ in thousands):

September 30, 2014	Floating Rate	Within 6 Months	6 to 12 Months	1 to 3 years	Over 3 years	Non-Interest Sensitive	Total
Total assets	88,706	34,054	9,407	48,925	41,025	225,923	448,040
Total liabilities and equity	—	—	—	—	—	(448,040)	(448,040)
Difference	88,706	34,054	9,407	48,925	41,025	(222,117)	—
Cumulative difference	88,706	122,760	132,167	181,092	222,117	—	—
Cumulative difference as a percentage of total assets	19.8%	27.4%	29.5%	40.4%	49.6%	—	—

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.

The Global Companies' assets are all denominated in USD with their impact being reported as part of Other Comprehensive Income in the interim financial statements. Excluding the impact of the Global Companies, as at September 30, 2014, approximately $40.5 million or 7.7% (December 31, 2013 - $46.8 million or 8.7%) of total Canadian assets were invested in proprietary investments priced in USD. Furthermore, a total of $36.0 million (December 31, 2013 - $17.4 million) of cash, $1.4 million (December 31, 2013 -$1.4 million) of accounts receivable, $34.4 million (December 31, 2013 - $5.8 million) of loans receivable and $0.4 million (December 31, 2013 - $0.6 million) of other assets were denominated in USD. As at September 30, 2014, if the exchange rate between USD and the Canadian dollar increased or decreased by 5%, with all other variables held constant, the increase or decrease in net income would have been approximately $3.1 million for the period (December 31, 2013 - $2.7 million).

(b) Credit risk

Credit risk is the risk that a borrower will not honor its commitments and a loss to the Company may result.

Proprietary investments

The Company incurs credit risk when entering into, settling and financing various proprietary transactions. As at September 30, 2014, the Company's most significant proprietary investments counterparty was National Bank Correspondent Network Inc. ("NBCN"), the carrying broker of SPW, which also acts as a custodian for most of the Company's proprietary investments. NBCN is registered as an investment dealer subject to regulation by IIROC; as a result, it is required to maintain minimum levels of regulatory capital at all times.

Loans receivable

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

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

As at September 30, 2014, the Company's exposure to on-balance sheet credit risk (loans receivable) was $123.6 million (December 31, 2013 - $104.3 million) and the Company had an $11.2 million exposure to off-balance sheet credit risk (loan commitments) (December 31, 2013 - $1.9 million). As at September 30, 2014, the largest loan in the Company's loan portfolio was a resource loan with a carrying value of $18.4 million or 14.9% of the Company's loans receivable (December 31, 2013 - $17.5 million or 16.8% of the Company's loans receivable). The Company will syndicate loans in certain circumstances if it wishes to reduce its exposure to a borrower or comply with loan exposure maximums. The Company reviews its policies regarding its lending limits on an ongoing basis. For precious metal loans, the Company performs the same due diligence procedures as it would for its resource loans and resource debentures.

Other

Credit risk is also 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. The majority of accounts receivable relate to management and performance fees receivable from the Funds, managed accounts and managed companies managed by the Company.

The Global Companies incur credit risk when entering into, settling and financing various proprietary transactions. As at September 30, 2014, the Global Companies' most significant counterparty was RBC Capital Markets LLC ("RBCCM"), the carrying broker of SGRIL and custodian of the net assets of the Funds managed by RCIC. RBCCM is registered as a broker-dealer and registered investment advisor subject to regulation by FINRA and the SEC; as a result, it is required to maintain minimal levels of regulatory capital at all times.

(c) 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. As at September 30, 2014, the Company had $88.7 million or 19.8% of its total assets in cash and cash equivalents. In addition, approximately $27.0 million or 24.7% of proprietary investments held by the Company are readily marketable and are recorded at their fair value.

The Company's exposure to liquidity risk as it relates to loans receivable arises 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. As at September 30, 2014, the Company had $11.2 million in funding commitments (December 31, 2013 - $1.9 million). 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 liquidity resources to ensure funds are readily available to meet its financial obligations as they come due, as well as ensuring adequate funds exist to support business strategies and operations growth. The Company manages liquidity risk by monitoring cash balances on a daily basis. To meet any liquidity shortfalls, actions taken by the Company could include: syndicating a portion of its loans; slowing its lending activities; drawing on available loan facilities; liquidating proprietary investments; and/or issuing common shares.

(d) Concentration risk

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

12. SEGMENTED INFORMATION

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

- SAM, which provides asset management services to the Company's branded Funds and managed accounts;
- Global Companies, which provides asset management services to the Company's branded Funds and managed accounts in the U.S. and also provides securities trading services to its clients;
- SRLC, which provides loans to companies in the mining and energy sectors;
- The Consulting segment includes the operations of SC, Sprott Toscana, and Sprott Korea Corporation, 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 been incurred), non-cash stock-based compensation and performance fees and performance fee related expenses (adjusted base EBITDA). Income taxes are managed on a consolidated basis and are not allocated to operating segments.

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

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

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

For the three months ended	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
Other	437	(986)	109	79	521	(235)	(75)
Total revenue	**16,943**	**2,950**	**4,824**	**2,087**	**2,078**	**(786)**	**28,096**
Expenses							
General and administrative	9,031	2,811	2,382	148	2,454	(241)	16,585
Trailer fees	3,899	—	—	47	—	(545)	3,401
Amortization and impairment of intangibles, property and equipment	577	947	—	9	3	—	1,536
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 (recovery) 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 (reversal) of intangible assets	—	—	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—	—	—
(Gains) and losses on proprietary investments and loans	623	930	1,939	—	612	—	4,104
Non-cash stock based compensation	—	—	—	(553)	—	—	(553)
Adjusted EBITDA	**4,636**	**1,069**	**4,381**	**1,339**	**236**	**—**	**11,661**
Less:							
Performance fees	(270)	—	—	(200)	—	—	(470)
Performance fee related expenses	168	—	—	50	—	—	218
Adjusted base EBITDA	**4,534**	**1,069**	**4,381**	**1,189**	**236**	**—**	**11,409**

For the three months ended	September 30, 2013						
	SAM	Global Companies	SRLC	Consulting	Corporate and Other	Adjustments and Eliminations	Consolidated
Revenue							
Management fees	15,271	2,197	—	1,980	54	(5)	19,497
Performance fees	32	302	—	558	—	—	892
Commissions	—	1,284	—	—	193	—	1,477
Interest income	48	13	3,036	11	198	—	3,306
Trailer fee income	—	—	—	—	901	(841)	60
Other	769	571	5,890	7,147	688	(105)	14,960
Total revenue	**16,120**	**4,367**	**8,926**	**9,696**	**2,034**	**(951)**	**40,192**
Expenses							
General and administrative	10,094	3,635	1,545	5,837	4,824	(110)	25,825
Trailer fees	3,643	—	—	—	—	(841)	2,802
Amortization and impairment of intangibles, property and equipment	595	1,191	1	9	16	—	1,812
Total expenses	**14,332**	**4,826**	**1,546**	**5,846**	**4,840**	**(951)**	**30,439**
Income (loss) before income taxes for the period	**1,788**	**(459)**	**7,380**	**3,850**	**(2,806)**	**—**	**9,753**
Provision for income taxes	—	—	—	—	—	—	(3,717)
Net income (loss) for the period	**—**	**—**	**—**	**—**	**—**	**—**	**13,470**
Adjustments:							
Interest expense	—	—	—	—	—	—	—
Provision (recovery) for income taxes	—	—	—	—	—	—	(3,717)
Depreciation and amortization	595	1,191	1	9	16	—	1,812
EBITDA	**2,383**	**732**	**7,381**	**3,859**	**(2,790)**	**—**	**11,565**
Other adjustments:							
Impairment (reversal) of intangible assets	—	—	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—	—	—
(Gains) and losses on proprietary investments and loans	(602)	(569)	506	490	(686)	—	(861)
Non-cash stock based compensation	—	1,091	—	170	9	—	1,270
Gain on Bargain Purchase	—	—	(5,457)	—	—	—	(5,457)
Adjusted EBITDA	**1,781**	**1,254**	**2,430**	**4,519**	**(3,467)**	**—**	**6,517**
Less:							
Performance fees	(32)	(302)	—	(558)	—	—	(892)
Performance fee related expenses	29	75	—	215	—	—	319
Adjusted base EBITDA	**1,778**	**1,027**	**2,430**	**4,176**	**(3,467)**	**—**	**5,944**

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
Other	2,605	(290)	2,296	1,827	3,118	(397)	9,159
Total revenue	**49,973**	**11,770**	**15,114**	**8,427**	**8,159**	**(2,125)**	**91,318**
Expenses							
General and administrative	26,009	8,813	6,083	3,246	7,409	(406)	51,154
Trailer fees	11,265	—	—	47	—	(1,719)	9,593
Amortization and impairment of intangibles, property and equipment	1,764	2,841	—	35	21	—	4,661
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 (recovery) 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 (reversal) of intangible assets	—	—	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—	—	—
(Gains) and losses on proprietary investments and loans	(1,158)	259	500	—	(2,245)	—	(2,644)
Non-cash stock based compensation	—	403	—	(346)	—	—	57
Adjusted EBITDA	**11,541**	**3,619**	**9,531**	**4,788**	**(1,495)**	**—**	**27,984**
Less:							
Performance fees	(430)	—	—	(770)	—	—	(1,200)
Performance fee related expenses	306	—	—	193	—	—	499
Adjusted base EBITDA	**11,417**	**3,619**	**9,531**	**4,211**	**(1,495)**	**—**	**27,283**

For the nine months ended	September 30, 2013						
	SAM	Global Companies	SRLC	Consulting	Corporate and Other	Adjustments and Eliminations	Consolidated
Revenue							
Management fees	51,828	7,175	—	7,830	78	(5)	66,906
Performance fees	36	302	—	2,043	—	—	2,381
Commissions	—	3,987	—	—	1,042	—	5,029
Interest income	180	46	3,036	28	1,739	—	5,029
Trailer fee income	—	—	—	—	3,464	(3,319)	145
Other	(2,782)	(809)	5,890	7,349	(4,615)	(199)	4,834
Total revenue	**49,262**	**10,701**	**8,926**	**17,250**	**1,708**	**(3,523)**	**84,324**
Expenses							
General and administrative	29,101	11,093	1,545	9,607	9,345	(204)	60,487
Trailer fees	12,436	—	—	—	—	(3,319)	9,117
Amortization and impairment of intangibles, property and equipment	1,688	9,477	1	27	52	—	11,245
Total expenses	**43,225**	**20,570**	**1,546**	**9,634**	**9,397**	**(3,523)**	**80,849**
Income (loss) before income taxes for the period	**6,037**	**(9,869)**	**7,380**	**7,616**	**(7,689)**	**—**	**3,475**
Provision for income taxes	—	—	—	—	—	—	(5,375)
Net income (loss) for the period	**—**	**—**	**—**	**—**	**—**	—	**8,850**
Adjustments:							
Interest expense	—	—	—	—	—	—	—
Provision (recovery) for income taxes	—	—	—	—	—	—	(5,375)
Depreciation and amortization	1,688	4,115	1	27	52	—	5,883
EBITDA	**7,725**	**(5,754)**	**7,381**	**7,643**	**(7,637)**	**—**	**9,358**
Other adjustments:							
Impairment (reversal) of intangible assets	—	5,362	—	—	—	—	5,362
Impairment of goodwill	—	—	—	—	—	—	—
(Gains) and losses on proprietary investments and loans	3,531	840	506	521	6,257	—	11,655
Non-cash stock based compensation	—	3,239	—	848	26	—	4,113
Gain on Bargain Purchase	—	—	(5,457)	—	—	—	(5,457)
Adjusted EBITDA	**11,256**	**3,687**	**2,430**	**9,012**	**(1,354)**	**—**	**25,031**
Less:							
Performance fees	(36)	(302)	—	(2,044)	—	—	(2,382)
Performance fee related expenses	32	75	—	511	—	—	618
Adjusted base EBITDA	**11,252**	**3,460**	**2,430**	**7,479**	**(1,354)**	**—**	**23,267**

Inter-segment revenues are eliminated upon 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 entity'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, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Canada	**25,146**	35,825	**79,548**	73,623
United States	**2,950**	4,367	**11,770**	10,701
	28,096	40,192	**91,318**	84,324

13. COMMITMENTS, CONTINGENCIES AND PROVISIONS

Besides the Company's long-term lease agreement, it does not typically have material off-balance sheet contractual arrangements and obligations. Occasionally however, there may be commitments to provide loans arising from the SRLC business segment or commitments to make investments in the proprietary investments portfolio of the Company. As at September 30, 2014, the Company had $11.2 million of such loan commitments arising from SRLC (December 31, 2013 - $1.9 million) and $2.9 million of investment purchase commitments in the proprietary investments portfolio (December 31, 2013 - $Nil). For additional information on the Company's commitments, contingencies and provisions, see Note 14 and 17 of the annual financial statements.

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

Sprott INC.

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