NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR

March 23, 2015

Wednesday, May 13, 2015 at 11:00 a.m. (Toronto time)
Baker & McKenzie LLP
Brookfield Place, Bay/Wellington Tower, 181 Bay Street, Suite 2100
Toronto, Ontario

SPROTT INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders (the "**Meeting**") of Sprott Inc. (the "**Corporation**") will be held at the offices of Baker & McKenzie LLP, Brookfield Place, Bay/Wellington Tower, 181 Bay Street, Suite 2100, Toronto, Ontario, on Wednesday, May 13, 2015 at 11:00 a.m. (Toronto time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2014 together with the auditors' report thereon (the "**2014 Financial Statements**");

2. to elect the directors for the ensuing year;

3. to reappoint Ernst & Young LLP as auditors of the Corporation and to authorize the board of directors of the Corporation (the "**Board**") to fix their remuneration and terms of engagement; and

4. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Particulars of the foregoing matters are set forth in the management information circular dated March 23, 2015 (the "**Circular**"). The Corporation has elected to use the notice-and-access provisions under National Instrument 51-102 - *Continuous Disclosure Obligations* and National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (collectively, the "**Notice-and-Access Provisions**") adopted by the Canadian Securities Administrators for this Meeting to reduce its mailing costs and volume of paper with respect to the materials distributed for the purpose of the Meeting. The Notice-and-Access Provisions are a set of rules that permit the Corporation to post the Meeting materials, 2014 Financial Statements and accompanying management's discussion and analysis ("**MD&A**") online rather than making a traditional physical delivery of such materials. Shareholders will still receive this Notice of Meeting, together with a form of proxy (the "**Proxy Instrument**") or voting instruction form ("**VIF**"), as the case may be, and a financial statement request form. The Corporation will not use procedures known as "stratification" in relation to the use of the Notice-and-Access Provisions.

Shareholders are directed to read the Circular carefully and in full in evaluating the matters for consideration at the Meeting. Further disclosure on the matters set out above may be found in the Circular in the section entitled "Particulars of Matters to be Acted Upon". The Circular, 2014 Financial Statements, MD&A and other relevant materials are available on the Corporation's website at www.sprottinc.com, for a minimum of one year, and under the Corporation's directory on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com. Any shareholder who wishes to receive a paper copy of such documents free of charge should contact the Corporation's registrar and transfer agent, TMX Equity Transfer Services, at 200 University Avenue, Suite 300, Toronto, Ontario, Canada, M5H 4H1, or by calling toll-free at 1-866-393-4891, Attention: Proxy Department. In order to be certain of receiving such materials in time to vote before the Meeting, the request should be received by TMX Equity Transfer Services by May 6, 2015. A shareholder may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

The record date for the determination of shareholders of the Corporation entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof is March 23, 2015 (the "**Record

Date”). Shareholders of the Corporation whose names have been entered in the register of shareholders of the Corporation at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

If you are a registered shareholder of the Corporation, and are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof in person, please date, sign and return the accompanying Proxy Instrument to TMX Equity Transfer Services, by mail or by hand delivery at 200 University Avenue, Suite 300, Toronto, Ontario, Canada, M5H 4H1, or by facsimile at (416) 595-9593, Attention: Proxy Department, at least 24 hours (excluding Saturdays, Sundays and holidays) before the Meeting time.

If you are not a registered shareholder of the Corporation, a VIF, instead of a form of proxy, may be enclosed. You must follow the instructions, including deadlines for submission, on the VIF in order to vote your shares.

Dated at Toronto, Ontario as of March 23, 2015.

BY ORDER OF THE BOARD

(signed) “*Eric S. Sprott*”

Eric S. Sprott
Chairman of the Board

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SPROTT INC.
MANAGEMENT INFORMATION CIRCULAR

*Unless otherwise stated, the information in this management information circular (the "**Circular**") is as of March 23, 2015.*

PROXY INSTRUCTIONS

This Circular is furnished in connection with the solicitation of proxies by the management of Sprott Inc. (the "Corporation") for use at the annual meeting of shareholders of the Corporation (the "Meeting") to be held at the offices of Baker & McKenzie LLP, Brookfield Place, Bay/Wellington Tower, 181 Bay Street, Suite 2100, Toronto, Ontario, on Wednesday, May 13, 2015 at 11:00 a.m. (Toronto time) and at any adjournment(s) or postponement(s) thereof, for the purposes set out in the foregoing Notice of Meeting (the "Notice").

It is expected that the solicitation of proxies will be primarily by mail, subject to the use of the Notice-and-Access Provisions (as defined below). Proxies may also be solicited personally by officers and directors of the Corporation (but not for additional compensation). The costs of solicitation will be borne by the Corporation. None of the directors of the Corporation have informed management in writing that he or she intends to oppose any action intended to be taken by management at the Meeting. Except as otherwise stated, the information contained herein is given as of the date hereof.

Notice-and-Access

The Corporation has decided to use the notice-and-access model ("**Notice-and-Access**") provided for under National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**") and National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") for the delivery of the Meeting materials to its shareholders. Under Notice-and-Access, instead of receiving printed copies of the Corporation's management information circular ("**Circular**"), shareholders will receive the Notice containing instructions on how to access such materials electronically. Together with the Notice, shareholders will receive a proxy (in the case of registered shareholders) or voting instruction form (in the case of non-registered shareholders) (collectively, the "**Printed Materials**"), enabling them to vote at the Meeting. The Corporation has not adopted a stratification procedure whereunder printed copies of the Meeting materials are delivered to certain shareholders and not to others.

"**Notice-and-Access Provisions**" means provisions concerning the delivery of proxy-related materials in Section 9.1.1 of NI 51-102, in the case of registered shareholders, and Section 2.7.1 of NI 54-101, in the case of non-registered or beneficial shareholders ("**Non-Registered Holders**"), which would allow an issuer to make available an information circular forming part of proxy-related materials to shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

The Notice-and-Access Provisions are a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and on a non-SEDAR website (usually the reporting issuer's website and sometimes the registrar and transfer agent's website) rather than delivering such materials by mail. The Notice-and-Access Provisions can be used to deliver materials for both special and general meetings. Registered and beneficial shareholders will be entitled to request delivery of a paper copy of the information circular at the reporting issuer's expense. Reporting issuers may still choose to continue to deliver such materials by mail.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Corporation. In order for the Corporation to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting the Meeting materials electronically on SEDAR and on a website that is not SEDAR, the Corporation must send a notice at least 30 days before the date of the Meeting to shareholders, including Non-Registered Holders, indicating that the proxy-related materials have been posted and explaining how a shareholder can access them or obtain from the Corporation, a paper copy of those materials. The Meeting materials have been posted under the Corporation's SEDAR directory at www.sedar.com and on the Corporation's website at www.sprottinc.com.

In order to use Notice-and-Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the Meeting materials to be posted on the applicable website and other materials to be delivered to shareholders. The requirements of that notice, which requires the Corporation to provide basic information about the Meeting and the matters to be voted on, to explain how a shareholder can obtain a paper copy of the Circular and any related financial statements and management's discussion and analysis, and to explain the Notice-and-Access Provisions process, have been built into the Notice forming part of the Printed Materials. The Printed Materials have been delivered to shareholders by the Corporation.

As the Corporation is a reporting issuer that is using the Notice-and-Access Provisions for the first time, it was required to file a notification at least 25 days prior to the Record Date (as defined herein) indicating its intent to use the Notice-and-Access Provisions.

Voting of Shares

Holders of common shares of the Corporation (the "**Common Shares**") may vote on all matters to come before the Meeting. The form of proxy forwarded to holders of Common Shares affords the shareholder the opportunity to specify the manner in which the proxy nominees are to vote with respect to any specific item by checking the appropriate space in order to indicate whether the Common Shares registered in the shareholder's name shall be: (i) voted for or withheld from voting for the directors to be named in this Circular; and (ii) voted for or withheld from voting for the appointment of auditors and authorizing the board of directors of the Corporation (the "**Board**") to fix their remuneration and terms of engagement.

The proxy must be signed by the holder of Common Shares or the shareholder's attorney duly authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as executors, administrators, trustees or in any other representative capacity should so indicate and give their full title as such.

The persons named in the enclosed form of proxy are officers of the Corporation and represent management. **Each shareholder has the right to appoint a person other than the persons named in the form of proxy, who need not be a shareholder, to attend and act for him, her or it and on his, her or its behalf at the Meeting.** A shareholder wishing to appoint some other person as a representative at the Meeting may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed form of proxy to the Corporation's registrar and transfer agent, TMX Equity Transfer Services, Attention: Proxy Department, at 200 University Avenue, Suite 300, Toronto, Ontario, Canada, M5H 4H1 or by faxing the completed form to (416) 595-9593 at least 24 hours (excluding Saturdays, Sundays and holidays) before the Meeting time.

Revocation of Proxies

A proxy given by a shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder or by the shareholder's attorney who is authorized by a document that is signed in writing or by electronic signature or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment(s) or postponement(s) thereof. The registered office of the Corporation is located at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, Toronto, Ontario, Canada, M5J 2J1.

MANNER IN WHICH PROXIES WILL BE VOTED

The management representatives designated in the form of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions of the shareholder as indicated on the proxy and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

In the absence of such direction, such Common Shares will be voted by the management representatives in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice, and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As at the date hereof, management of the Corporation knows of no such amendments, variations or other matters. **However, if any other matters should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the proxy nominee.**

VOTING BY BENEFICIAL SHAREHOLDERS

The information in this section is of significant importance to shareholders who do not hold their Common Shares in their own name. Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. More particularly, a person is not a registered shareholder in respect of Common Shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depositary Services Inc.) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners ("**NOBOs**"). Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners ("**OBOs**").

In accordance with the requirements of NI 54-101, the Corporation has elected to send copies of the Printed Materials directly to the NOBOs, and indirectly through clearing agencies and Intermediaries to the OBOs.

Distribution to NOBOs

The Printed Materials are being sent to both registered shareholders and Non-Registered Holders of Common Shares. If you are a Non-Registered Holder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send the Printed Materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. **Please return your voting instructions as specified in the request for voting instructions.**

Distribution to OBOs

Intermediaries are required to forward the Printed Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Printed Materials to the OBOs. Generally, OBOs who have not waived the right to receive Printed Materials will either:

(a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the OBO but which is otherwise not completed and must be deposited with the Corporation's registrar and transfer agent. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the OBO when submitting the proxy. In this case, the OBO who wishes to submit a proxy should otherwise properly complete the form of proxy and **deliver it to TMX Equity Transfer Services, Attention: Proxy Department, at 200 University Avenue, Suite 300, Toronto, Ontario, Canada, M5H 4H1**; or

(b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the OBO and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**proxy authorization form**") which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. **Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of Common Shares, of which 248,331,719 Common Shares were issued and outstanding as of the date hereof.

The close of business on March 23, 2015 has been fixed as the record date (the "**Record Date**") for the determination of shareholders entitled to receive notice of the Meeting and any adjournment(s) or postponement(s) thereof.

Each Common Share carries one vote in respect of each matter to be voted upon at the Meeting. Only holders of Common Shares of record at the close of business on the Record Date are entitled to vote at the Meeting or any adjournment(s) or postponement(s) thereof. The Corporation will prepare, or cause to be prepared, a list of shareholders ("**Shareholders List**") entitled to receive notice of the Meeting not later than 10 days after the Record Date. At the Meeting, the holders of Common Shares shown on the Shareholders List will be entitled to one vote per Common Share shown opposite their names on the Shareholders List.

Two persons present and each holding or representing by proxy at least one issued share of the Corporation shall be a quorum of any meeting of shareholders for the choice of a chair of the meeting and for the adjournment of the meeting to a fixed time and place but may not transact any other business; for all other purposes a quorum for any meeting shall be persons present not being less than two in number and holding or representing by proxy not less than 5% of the total number of the issued shares of the Corporation for the time being enjoying voting rights at such meeting.

As of the date hereof, the only persons or companies known by the Corporation to own beneficially, or control or direct, directly or indirectly, more than 10% of the Common Shares are as follows:

Name	Number of Common Shares Beneficially Owned or Controlled or Directed	Percentage of Outstanding Common Shares
Eric S. Sprott(1)	60,241,270	24.26%
Arthur Richards Rule IV(2)	25,678,222	10.34%

Notes:

(1) Eric S. Sprott, the Chairman of the Board, holds, in the aggregate, 60,241,270 Common Shares as follows: (a) 100,000 Common Shares directly; and (b) 60,141,270 Common Shares indirectly.

(2) Arthur Richards Rule IV, a director of the Corporation, owns 25,204 Common Shares directly, owns or holds 23,974,413 Common Shares indirectly and exercises direction or control over 1,602,160 Common Shares on behalf of Exploration Capital Partners 1998-B L.P, 500 Common Shares on behalf of Ethan Lewis, 500 Common Shares on behalf of Nicholas Lewis, 15,000 Common Shares on behalf of the Lewis Family Trust, 60,000 Common Shares on behalf of the Young Marital Trust and 445 Common Shares on behalf of Corinne Coury.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The audited financial statements of the Corporation for the fiscal year ended December 31, 2014, together with the report of the auditors thereon and the annual management's discussion and analysis, will be presented to the shareholders at the Meeting for their consideration.

2. Election of Directors

The Articles of the Corporation provide that the Board shall consist of a minimum of one and a maximum of ten directors. The Board has the authority to fix the number of directors within these limits. The number of directors was previously fixed at nine, but, as Mr. Paul H. Stephens has decided not to stand for re-election, the Board has resolved to reduce the number of directors to eight prior to the Meeting. Each nominee for election as a director is currently a director of the Corporation. The term of each of the Corporation's present directors expires at the Meeting and each director elected at the Meeting will hold office until the next annual general meeting of shareholders of the Corporation or until his or her successor is duly elected or appointed, unless he or she resigns, is removed or becomes disqualified in accordance with the Corporation's by-laws or governing legislation.

The persons named in the enclosed form of proxy intend to vote "for" the election of each of the below-named nominees unless otherwise instructed on a properly executed and validly deposited proxy. Management does not contemplate that any of the nominees named below will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

Shareholders can vote or withhold from voting on the election of each director on an individual basis. The Board has adopted a policy which requires voting with respect to the election of directors at any meeting of shareholders to be by individual nominee as opposed to by slate of directors, e.g. shareholders will be asked to vote in favour of, or withhold from voting, separately for each nominee.

On March 25, 2014, the Board adopted a majority voting policy (the "**Majority Voting Policy**") effective July 1, 2014. Under the Majority Voting Policy, a director nominee who is elected in an uncontested election with a greater number of votes "withheld" than votes "for" will be considered by the Board not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Such a nominee will be expected to provide forthwith his or her resignation to the Chairman of the Board for the consideration by the Corporate Governance and Nominating Committee of the Board (the "**CGN Committee**"). The CGN Committee shall consider the resignation offer and shall recommend to the Board whether or not to accept it. Unless special circumstances apply, the CGN Committee shall be expected to accept the resignation. The Board shall act on the CGN Committee's recommendation within 90 days of the date of the shareholders' meeting at which the election occurred. Following the Board's decision on the resignation, the Board will promptly disclose, by way of a press release, its decision (together with an explanation of the process by which the decision was made and, if applicable, the reasons for rejecting the tendered resignation). The resignation will be effective when accepted by the Board.

The following table sets out the name of each person proposed to be nominated for election as a director at the Meeting, all offices of the Corporation now held by such person, his or her principal occupation, the period of time for which he or she has been a director of the Corporation, the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by such person and the number of deferred share units ("**DSUs**") held by such person as at the date hereof. The information as to Common Shares owned or controlled has been provided by the person named. Biographical information for each nominee is also provided below.

Name, Municipality and Country of Residence	Position(s) with the Corporation	Principal Occupation	Service as Director	Common Shares beneficially owned, or controlled or directed, directly or indirectly	DSUs[6]
Eric S. Sprott Toronto, Ontario Canada	Chairman	Chairman of the Corporation	February 13, 2008	60,241,270[4]	~
Jack C. Lee[1][2][3] Calgary, Alberta Canada	Lead Director	Private Investor; President of Facet Resources Ltd. (private investment firm)	March 10, 2008	260,504	105,746
Peter Grosskopf, Toronto, Ontario Canada	Chief Executive Officer	CEO of the Corporation and CEO of Sprott	September 7, 2010	5,814,499	~

Name, Municipality and Country of Residence	Position(s) with the Corporation	Principal Occupation	Service as Director	Common Shares beneficially owned, or controlled or directed, directly or indirectly	DSUs[6]
	(“**CEO**”) and Director	Resource Lending Corp.(“**SRLC**”) (natural resource lending company)			
Marc Faber[3] Ampur Chaing Mai Thailand	Director	Managing Director of Marc Faber Ltd. (investment advisory and fund management firm)	January 19, 2010	20,000	81,041
Sharon Ranson[1][2] Toronto, Ontario Canada	Director	President of The Ranson Group Inc. (executive coaching and consulting services firm)	April 1, 2014	35,000	101,194
James T. Roddy[1][2][3] Toronto, Ontario Canada	Director	Corporate Director	March 10, 2008	77,504	81,041
Arthur Richards Rule IV Carlsbad, California USA	Director	President and CEO of Sprott US Holdings, Inc. (“**Sprott US**”) (resource investment company)	June 2, 2011	25,678,222[5]	~
Rosemary Zigrossi[1][2] Toronto, Ontario Canada	Director	President, Odaamis Inc. (consulting services firm)	April 1, 2014	35,000	89,330

Notes:

(1) Member of the Audit Committee of the Board (the “**Audit Committee**”).

(2) Member of the Human Resources and Compensation Committee of the Board (the “**HRC Committee**”).

(3) Member of the CGN Committee.

(4) Eric S. Sprott holds, in the aggregate, 60,241,271 Common Shares as follows: (a) 100,000 Common Shares directly; and (b) 60,141,271 Common Shares indirectly.

(5) Arthur Richards Rule IV owns 25,204 Common Shares directly, owns or holds 23,974,413 Common Shares indirectly and exercises direction or control over 1,602,160 Common Shares on behalf of Exploration Capital Partners 1998-B L.P, 500 Common Shares on behalf of Ethan Lewis, 500 Common Shares on behalf of Nicholas Lewis, 15,000 Common Shares on behalf of the Lewis Family Trust, 60,000 Common Shares on behalf of the Young Marital Trust and 445 Common Shares on behalf of Corinne Coury.

(6) For further information concerning the Corporation’s deferred share unit plan (the “**DSU Plan**”), see “*Director Attendance and Compensation – DSU Plan*”.

Except as noted below, each of the foregoing directors and officers has held the same principal occupation for the previous five years.

Eric S. Sprott

Eric S. Sprott has over 40 years of experience in the investment industry and has managed client funds for 37 years. Mr. Sprott entered the investment industry as a research analyst at Merrill Lynch Canada, Inc. In 1981, he founded Sprott Securities Limited (a predecessor to Sprott Securities Inc., now Cormark Securities Inc. (“**Cormark**”)). After establishing Sprott Asset Management Inc. (“**SAMI**”) in December

2001 as a separate entity, he divested his entire stake in Sprott Securities Inc. to its employees. From 2008 until September 2010, Mr. Sprott served as CEO of the Corporation, before stepping down to focus on his roles as Chairman of the Board, Chief Investment Officer ("**CIO**") of the Corporation and Senior Portfolio Manager of Sprott Asset Management LP ("**SAM**"). On January 20, 2015, as part of his transition away from day-to-day fund management, Mr. Sprott stepped down from his roles as CIO of the Corporation and Senior Portfolio Manager of SAM. Mr. Sprott currently serves as the Chairman and a director of Kirkland Lake Gold Inc.

Over the course of his career, Mr. Sprott has received numerous industry awards and, in 2012, he was awarded the Queen Elizabeth II Diamond Jubilee Medal by the Governor General. In 2013 he was appointed as a Member of the Order of Canada.

Mr. Sprott graduated with a Bachelor of Commerce from Carleton University in 1965 and was awarded an Honorary Doctorate from Carleton University in 2003. He received his Chartered Accountant designation in 1968 and was awarded the FCA designation in 2011. He has been elected Fellow of the Chartered Professional Accountants of Ontario (FCPA, FCA), a designation reserved for those who demonstrate outstanding career achievements and service to the community and profession.

Jack C. Lee

Jack C. Lee is President of Facet Resources Ltd., a private investment company. Mr. Lee has 42 years of experience in the oil and gas industry. He is currently Lead Director of the Corporation and serves as Chairman of Alaris Royalty Corp., Ithaca Energy Inc. and Gryphon Petroleum Corp. He was previously Vice Chairman of Penn West Energy Trust, Chairman of Canetic Resources Trust ("**Canetic**"), President and CEO of Acclaim Energy Trust ("**Acclaim**"), a predecessor of Canetic, and Chairman of CanEra Energy Corp. Prior thereto, Mr. Lee was President and CEO of Danoil Energy Ltd., a predecessor of Acclaim. Mr. Lee has a Bachelor of Arts and a Bachelor of Commerce, is a member of the Institute of Corporate Directors and holds the ICD.D designation.

Peter Grosskopf

Peter Grosskopf assumed the role of CEO of the Corporation in September 2010. Mr. Grosskopf has over 25 years of experience in the financial services industry and an extensive background as an advisor and underwriter to companies in a wide variety of sectors. In addition to his role at the Corporation, he also serves as CEO and a director of SRLC, President and a director of Sprott Consulting LP ("**SCLP**") and Managing Director and a director of Sprott Resource Corp. ("**SRC**"). Prior to joining Sprott, he was President of Cormark. Prior to joining Cormark, Mr. Grosskopf was one of the co-founders of Newcrest Capital Inc., which was acquired by the TD Bank Financial Group in 2000. Mr. Grosskopf holds a Bachelor of Arts degree and a Masters of Business Administration from the University of Western Ontario.

Marc Faber

Dr. Marc Faber is the Managing Director of Marc Faber Ltd., an investment advisory and fund management firm. He also acts as a director of Ivanhoe Mines Ltd, an international mining company with operations focused on the Asia Pacific region, and as a director and advisor to a number of private investment funds. Dr. Faber publishes a widely read monthly investment newsletter entitled "The Gloom, Boom & Doom Report" and is the author of several books including "Tomorrow's Gold – Asia's Age of Discovery". He is a regular contributor to several leading financial publications around the world, including Barron's. Dr. Faber has over 36 years of experience in the finance industry, including acting as manager of an investment bank in the U.S. where he routinely performed financial analysis on a range of companies. Dr. Faber received his PhD in Economics magna cum laude from the University of Zurich. He is a member of the Institute of Corporate Directors.

Sharon Ranson

Sharon Ranson is President of The Ranson Group Inc., a company offering executive coaching and consulting services. Ms. Ranson has experience as a director on numerous corporate and not-for-profit boards. Previously, she was on the Board of Governors for CI Investments, and was a director of Bank West, Western Life, Western Financial Insurance and MEGA Brands (TSX:MB). Her current not-for-profit boards include the Advisory Board for the School of Business at Queen's University and The Children's Book Bank. Ms. Ranson was an Adjunct Professor for the Master of Finance program at Queen's University. Prior to founding her current business in 2002, Ms. Ranson spent over 20 years in the financial services industry in executive positions where she worked at both large and small firms. She was a top ranked Financial Services Analyst and Director with RBC Dominion Securities and was a senior Portfolio Manager with TAL (CIBC). Ms. Ranson is a Chartered Accountant and holds the ICD.D designation. She graduated from Queen's University with a Bachelor of Commerce and holds a Masters of Business Administration from York University.

James T. Roddy

James T. Roddy has held a number of senior positions and directorships with companies in various industries. He served as President, CEO and a director of Ontario Bus Industries Inc. in 1994 and from 1989 to 1993 was President and Chief Operating Officer ("**COO**") and a director of Slater Industries Inc. From 1985 to 1989 he held various positions with Campeau Corporation, including President, Chief Financial Officer ("**CFO**"), COO and director, and served in the roles of CFO, Executive Vice President and COO and a director of Peoples Jewellers Limited between 1967 and 1984. Mr. Roddy has also held directorships with numerous public and not-for-profit corporations. He received his Chartered Accountant designation in 1967, is a member of the Institute of Corporate Directors and holds the ICD.D designation.

Arthur Richards Rule IV

Arthur Richards "Rick" Rule IV has over 35 years of experience in natural resource investing. He founded Global Resource Investments, Ltd. (now called Sprott Global Resources Investments, Ltd. ("**GRIL**")), a full service U.S. brokerage firm that specializes in natural resource companies, in 1993, Resource Capital Investment Corp. ("**RCIC**"), a manager of pooled investment vehicles that invest in natural resource companies, in 1998, and Terra Resource Investment Management (now Sprott Asset Management USA Inc. ("**SAM USA**")), a registered investment advisor that provides segregated managed accounts, in 2006. At GRIL, Mr. Rule leads a team that features professionals trained in resource related disciplines, such as geology and engineering, who work together to evaluate investment opportunities. Mr. Rule is the lead portfolio manager for the RCIC limited partnerships and also advises some of the SAM USA investment platforms. He is a leading American retail broker specializing in mining, energy, water utilities, forest products and agriculture.

Rosemary Zigrossi

Rosemary Zigrossi is a consultant to small to medium sized companies and to Promontory Financial Group Canada ("**Promontory**"). As a consultant and former Director at Promontory, Ms. Zigrossi advises clients in the asset management and banking industries in the area of risk management, regulatory compliance and governance. Prior to joining Promontory, Ms. Zigrossi was at the Ontario Teachers' Pension Plan ("**OTPP**") for almost two decades where she held various roles including Vice President, Asset Mix and Risk; Vice President, Venture Capital, a program she initiated; and Controller, responsible for building the Investment Finance department. She has extensive experience with investments in venture-capital-backed companies and private equity and has served as a member of the board of directors for companies in various industries, including information technology, communications, health care and life sciences and renewable energy. Prior to joining OTPP, Ms. Zigrossi was an Assistant Vice President at J.P. Morgan (Canada). Ms. Zigrossi serves on the boards of directors of the Business Development Bank, Russell Investments Corporate Class Inc. and the McMichael Canadian Art Collection. She is a member of the Investment Committee of Sustainable Development Technology Corporation and a past governor of Trent University. Ms. Zigrossi is a Chartered Accountant and CFA charter holder. She holds the ICD.D designation, graduated from the University of Toronto with a Bachelor of Commerce and attended the Harvard Business School's Program for Management Development.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Corporation, no proposed director is, or within the ten years prior to the date hereof has been, a director, CEO or CFO of any company (including the Corporation) that was subject to a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than thirty consecutive days issued while that person was acting in such capacity or issued thereafter but resulted from an event that occurred while that person was acting in such capacity.

To the knowledge of the Corporation, no proposed director is now, or within the ten years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than Jack C. Lee who was a director of an Alberta-based private company that has sought protection under the Companies' Creditors Arrangement Act.

Penalties or Sanctions and Personal Bankruptcies

To the knowledge of the Corporation, no proposed director has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

To the knowledge of the Corporation, no proposed director has, during the ten years prior to the date hereof, been bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

No indemnification under section 136 of the *Business Corporations Act* (Ontario) was paid or became payable in 2014.

3. Appointment of Auditors

Management proposes to re-appoint Ernst & Young LLP, 222 Bay Street, Toronto, Ontario, M5K 1J7, as auditors of the Corporation and to authorize the Board to fix the auditors' remuneration and terms of engagement. **In the absence of a contrary specification made in the form of proxy, the persons named in the enclosed form of proxy intend to vote "for" the appointment of Ernst & Young LLP as auditors of the Corporation and to authorize the Board to fix their remuneration and terms of**

engagement. Ernst & Young LLP was first appointed as auditors of the Corporation on February 13, 2008.

CORPORATE GOVERNANCE

Board of Directors

The Board is currently comprised of nine directors, six of whom are independent directors. The following are the Corporation's independent directors: Jack C. Lee, Marc Faber, Sharon Ranson, James T. Roddy, Paul H. Stephens and Rosemary Zigrossi. The following directors are not independent: Eric S. Sprott (who is the Chairman of the Board); Peter Grosskopf (who is CEO of the Corporation, CEO of SRLC, a wholly-owned subsidiary of the Corporation, and President of Sprott Consulting GP Inc., the general partner of SCLP and a wholly-owned subsidiary of the Corporation); and Arthur Richards Rule IV (who is President and CEO of Sprott US, a wholly-owned subsidiary of the Corporation).

As noted above, the Chairman of the Board is Eric S. Sprott who is, therefore, not considered to be independent of management. The Board has appointed Mr. Jack C. Lee as Lead Director. Mr. Lee is an independent director who has served on the Board since March 10, 2008. The Chairman of the Board, together with the Lead Director, is responsible for overseeing the performance by the Board of its duties, communicating periodically with committee chairs regarding the activities of their respective committees, and ensuring the Board functions in a cohesive manner and providing the leadership essential to achieve this.

The independent directors generally hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. Since the beginning of the Corporation's most recently completed fiscal year, in addition to the in camera sessions of the Audit Committee members (who are all independent directors), one such meeting has been held.

The Board discharges its responsibility for overseeing the management of the Corporation's business by delegating to the Corporation's senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its three standing committees: the Audit Committee, the CGN Committee and the HRC Committee. In addition to these regular committees, the Board may appoint *ad hoc* committees periodically to address certain issues of a more short-term nature.

Certain of the directors are also directors of other reporting issuers as set forth below:

Name	Reporting Issuer
Eric Sprott	Kirkland Lake Gold Inc.
Jack C. Lee	Alaris Royalty Corp. Ithaca Energy Inc.
Marc Faber	NovaGold Resources Inc. Ivanhoe Mines Ltd.
Peter Grosskopf	Sprott Resource Corp.

Board Mandate

The Board has adopted a written mandate that acknowledges its responsibility for the stewardship of the business and affairs of the Corporation. The Board reviews and assesses the adequacy of the Board mandate at least annually or otherwise, as it deems appropriate, and makes any necessary changes. A copy of this mandate is attached to this Circular as Schedule "A".

Position Descriptions

The Board is responsible for: (i) developing position descriptions for the Chairman of the Board, the chair of each Board committee and, together with the CEO of the Corporation, the CEO of the Corporation (which includes delineating management's responsibilities); (ii) developing and approving the corporate goals and objectives that the CEO of the Corporation is responsible for meeting; and (iii) developing a description of the expectations and responsibilities of the Corporation's directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.

Written descriptions for the positions of Chairman and the chair of each Board committee are set forth in the respective mandates for the Board and each committee. A written description of expectations and responsibilities is circulated on an annual basis to the Board and each member of the Board is required to sign an acknowledgment that he or she has read and understands the contents of such description.

The Board has developed a written position description for the CEO which delineates the role and responsibilities of such officer. The CEO is specifically charged with the responsibility of managing the strategic and operational agenda of the Corporation and for the execution of the directives and policies of the Board.

Orientation and Continuing Education

The Board is responsible for ensuring that all new directors fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors) and that they understand the nature and operation of the Corporation's business. Each member of the Board is provided with copies of all of the mandates of the Board (and its committees) as well as all governance-related policies of the Corporation. In order to provide members of the Board with a more comprehensive understanding of the operations of the group, each senior portfolio manager and other senior executives are provided with an opportunity to present to the Board at a regularly scheduled meeting. Board members are also encouraged to contact the CEO, the CFO or the General Counsel of the Corporation should they have any specific questions or concerns.

The Board does not have a formal continuing education program for its directors. All directors are encouraged to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each current member of the Board is an experienced director who is aware of his or her responsibility to maintain the skill and knowledge necessary to meet his or her obligations as a director. Directors have the resources to engage outside consultants to review matters on which they feel they require independent advice.

Ethical Business Conduct

The Board has approved policies and procedures (collectively, the "**Policies**") designed to ensure that the Corporation operates with the highest ethical and moral standards "best practices", including the Code of Business Conduct and Ethics which is available on SEDAR at www.sedar.com. The Policies include (i) a whistleblower policy, to ensure that the Corporation, its subsidiaries, directors, officers and employees comply with all applicable legal and regulatory requirements relating to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against the Corporation and its shareholders; and (ii) an insider trading policy, to ensure that the Corporation, its subsidiaries, directors, officers and employees comply with, or do not violate, insider trading obligations or restrictions under applicable securities laws. The directors of the Corporation encourage and promote an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to employees, directors and officers to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical conduct. SAM, Sprott Private Wealth LP ("**SPW**"), SAM USA and GRIL also have written policies and procedures that establish strict rules for professional conduct and management of conflicts of interest.

Nomination of Directors

In connection with the nomination or appointment of individuals as directors, the Board is responsible for: (i) considering what competencies and skills the Board, as a whole, should possess; (ii) assessing what competencies and skills each existing director possesses; and (iii) considering the appropriate size of the Board, with a view to facilitating effective decision making, all with regard to their diversity, gender, age, expertise, time availability and experience (industry, professional and public service). See also "*Corporate Governance - Diversity on the Board and in Executive Officer Positions*" below. The Board will also consider the recommendation of the CGN Committee. See "*Corporate Governance – CGN Committee*" below for further details regarding such committee, including its members and responsibilities.

Board Evaluation

The Board is responsible for ensuring that the Board, its committees and each individual director are regularly assessed regarding his, her or its effectiveness and contribution. These assessments consider, in the case of the Board or a committee thereof, its mandate and in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board.

Audit Committee

The Board has established an Audit Committee that is currently comprised of James T. Roddy (Chair), Jack C. Lee, Sharon Ranson and Rosemary Zigrossi. All members of the Audit Committee are independent and non-executive directors of the Corporation and meet the independence and financial literacy requirements of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). See "*Particulars of Matters to be Acted Upon – Election of Directors*" for a biographical description of each member of the Audit Committee. For further information regarding the Audit Committee, see the Corporation's Annual Information Form for the financial year ended December 31, 2014 (the "**AIF**") which is incorporated by reference into, and forms an integral part of, this Circular. The AIF is available on SEDAR at www.sedar.com. The Corporation will, upon request at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario, Canada, M5J 2J1, Attention: Chief Financial Officer, promptly provide a copy of the AIF free of charge to any securityholder of the Corporation.

CGN Committee

The Board has established a CGN Committee comprised of James T. Roddy (Chair), Jack C. Lee and Marc Faber. The overall purpose of the CGN Committee is to assist the Board in maintaining high standards of corporate governance by developing, recommending and monitoring effective guidelines and procedures applicable to the Corporation, and by establishing the process for identifying, recruiting, appointing and/or providing ongoing development for directors of the Corporation. Responsibilities include reviewing the mandates of the Board and its committees; periodically reviewing and evaluating the performance of all directors, committees and the Board as a whole; recommending new candidates for Board membership, making recommendations to the Board regarding the size and composition of the Board and qualification criteria for the selection of new Board members and ensuring that appropriate orientation and education programs are available for new Board members; reviewing annually the membership and chairs of all committees of the Board; and reviewing annually and recommending retainers and fees paid to Board members. All members of the CGN Committee meet the independence requirements of the applicable regulatory authorities.

HRC Committee

The Board has established an HRC Committee currently comprised of Jack C. Lee (Chair), Sharon Ranson, James T. Roddy and Rosemary Zigrossi, all of whom are independent directors within the meaning of Section 1.4 of NI 52-110. The overall purpose of the HRC Committee is to assist the Board in relation to compensation by developing, monitoring and assessing the Corporation's approach to the development and succession of key executives and the compensation of its directors, senior management and employees. This includes: recommending to the Board candidates for CEO, President and all other senior management positions and approving the terms of their appointment and termination or retirement; reviewing succession planning programs for the CEO, President and all other senior management and specific career planning of potential successors; reviewing, in consultation with the Chairman of the Board, and recommending to the Board for approval, the remuneration of the Corporation's CEO and senior executive officers; and determining (or delegating the authority to determine) and recommending to the Board for approval awards to the Corporation's employees of stock options ("**Options**") under the amended and restated stock option plan of the Corporation (the "**Option Plan**") as well as awards under the employee profit sharing plan of the Corporation (the "**EPSP**") and the equity incentive plan of the Corporation (the "**EIP**"), respectively. See also "*Executive Compensation – Compensation Discussion and Analysis – Compensation Process*".

Director Term Limits and Other Mechanisms of Board Renewal

Since the initial public offering ("**IPO**") of the Corporation in 2008, the number of directors on the Board has increased from seven to nine. Six of the nine current directors were elected within the past one to four years. The Corporation has not adopted term limits for members of the Board, but facilitates Board renewal by reviewing and evaluating the performance and independence of directors and committees annually and seeks to foster a balance between new perspectives and the experience of seasoned Board members.

Diversity on the Board and in Executive Officer Positions

The Corporation does not have a formal written policy with regard to considering diversity in identifying and nominating directors, including female directors. However, the CGN Committee, in accordance with its formal mandate, annually reviews the individual skills and experience of the directors, as well as the composition of the Board as a whole, and strives to nominate individuals with a variety of complementary and diverse skills so that, as a group, the Board will possess the appropriate talent, skills and expertise to oversee the Corporation's business. This assessment includes consideration of independence, diversity, age, skills, expertise, time availability and industry backgrounds in the context of the needs of the Board and the Corporation. While the CGN Committee seeks a broad range of perspectives and considers both the personal characteristics (gender, ethnicity, age) and experience (industry, professional, public service) of directors and prospective nominees to the Board, the Corporation also considers other business factors such as risk management and financial experience.

The addition in 2014 of two women to the Board, being over 20% of the Board, is consistent with the Board's commitment to promote gender diversity. The Corporation does not have a target regarding women on the Board, but the Board will continue to review potential director candidates with a view to maintaining or increasing representation of women on the Board.

Similarly, there are no formal targets set for women in executive officer positions. Female representation in senior management at the Corporation include the Chief Compliance Officer of SAM and SPW, the CFO of SPW, the CFO of Toscana Energy Corporation, the Treasurer of Rule Investment Inc., SAM USA and RCIC and the Secretary of Rule Investment Inc., SAM USA and RCIC, which represents approximately 19% of senior management. Other senior positions are occupied by members of visible minorities. Assessments of candidates for senior management positions with the Corporation and its subsidiaries take into account education, experience, and qualifications and suitability for the role without regard to gender, ethnicity, or sexual orientation; however, final selection of a candidate for a position will factor in diversity including gender and ethnicity.

DIRECTOR ATTENDANCE AND COMPENSATION

The Board meets regularly to review the activities and financial results of the Corporation and as necessary to review and consider significant impending actions of the Corporation. The Board met formally eight times during 2014 and once since the end of 2014. The attendance record of each director for all Board and committee meetings held since January 1, 2014 is as follows:

Directors	Board Meetings (Attended/Held)	Audit Committee Meetings (Attended/Held)	HRC Committee Meetings (Attended/Held)	CGN Committee Meetings (Attended/Held)
Eric S. Sprott	9/9	–	–	–
Jack C. Lee	9/9	5/5	7/7	4/4
Peter Grosskopf	9/9	–	–	–
Marc Faber(1)	9/9	2/2	–	2/2
Sharon Ranson(2)	7/7	3/3	4/4	–
James T. Roddy	9/9	5/5	7/7	4/4
Arthur Richards Rule IV	8/9	–	–	–
Paul H. Stephens	9/9	–	–	–
Rosemary Zigrossi(2)	7/7	3/3	4/4	–

Notes:

(1) Mr. Faber ceased to be a member of the Audit Committee on or about May 16, 2014 and was appointed to the CGN Committee on such date.

(2) Mses. Ranson and Zigrossi were elected to the Board on April 1, 2014 and were appointed to the Audit Committee and HRC Committee on May 16, 2014.

Director Compensation Table

The following table shows all compensation (before taxes and other statutory withholdings) provided to the directors for the year ended December 31, 2014.

Name(1)	Fees Earned ($)(3)	Share-based awards ($)(4)	Option-based awards ($)	Non-equity incentive plan compensation ($)	All other compensation ($)	Pension value ($)	Total ($)
Eric S. Sprott(2)	–	–	–	–	650,000	–	650,000
Jack C. Lee	145,500	74,750	–	–	–	–	220,250
Marc Faber	66,500	74,750	–	–	–	–	141,250
Sharon Ranson	67,500	240,750	–	–	–	–	308,250

Name(1)	Fees Earned ($)(3)	Share-based awards ($)(4)	Option-based awards ($)	Non-equity incentive plan compensation ($)	All other compensation ($)	Pension value ($)	Total ($)
James T. Roddy	140,500	74,750	–	–	–	–	215,250
Paul H. Stephens	62,000	–	–	–	–	–	62,000
Rosemary Zigrossi	67,500	240,750	–	–	–	–	308,250

Notes:

(1) Peter Grosskopf, CEO of the Corporation and CEO of SRLC, and Arthur Richards Rule IV, President and CEO of Sprott US, are also directors of the Corporation. Messrs. Grosskopf's and Rule's compensation in respect of the Corporation is fully disclosed in the Summary Compensation Table below dealing with the compensation of Named Executive Officers. Messrs. Grosskopf and Rule did not receive any additional compensation from the Corporation for service as a director of the Corporation.

(2) Eric S. Sprott's compensation of $650,000 represents his annual salary for serving as Senior Portfolio Manager of SAM and CIO of the Corporation in 2014.

(3) As noted below, each eligible director shall have the right, but not the obligation, to elect once each calendar year to receive all or 50% of such director's annual retainer for the immediately succeeding year in the form of DSUs. Mr. Lee elected to receive DSUs in respect of $72,750 of his $145,500 in director fees earned for the year ended December 31, 2014. Ms. Ranson and Mr. Stephens elected to receive all of their respective director fees earned for the year ended December 31, 2014 in the form of DSUs. Ms. Zigrossi elected to receive DSUs in respect of $33,750 of her $67,500 in director fees earned for the year ended December 31, 2014. A portion of the director fees earned in DSUs during the year ended December 31, 2014 were granted on January 15, 2015.

(4) Messrs. Lee, Faber and Roddy were each granted 25,000 DSUs at $2.99 per Common Share on February 11, 2014 and Msses. Ranson and Zigrossi were each granted 75,000 DSUs at $3.21 per Common Share on April 21, 2014.

Each independent member of the Board is paid such remuneration for their services as the Board may, from time to time, determine. Independent directors were entitled to the following compensation for service as directors of the Corporation in 2014:

- Annual retainer fee for each independent director: $50,000 (the Lead Director is entitled to an additional annual retainer fee of $30,000, for a total annual retainer fee of $80,000)
- Annual retainer fee for the Chair of the Audit Committee: $35,000
- Annual retainer fee for the Chair of the HRC Committee: $25,000
- Annual retainer fee for the Chair of the CGN Committee: $15,000
- Meeting attendance fees: $1,500 per meeting
- Reimbursement for out-of-pocket expenses for attending Board or committee meetings

In addition, effective January 1, 2014, the Chair of the HRC Committee has been authorized to approve the grant of 75,000 DSUs to each new non-executive director of the Corporation upon his or her election or appointment to the Board. As such, Messrs. Lee, Faber and Roddy, who were previously awarded a one-time grant of only 50,000 DSUs each, were each awarded an additional 25,000 DSUs on February 11, 2014 as part of the change in the compensation provided to non-executive directors. Mr. Stephens was previously awarded a one-time grant of 75,000 DSUs and, as such, was not awarded a similar additional one-time DSU grant. Msses. Ranson and Zigrossi were each awarded a one-time grant of 75,000 DSUs following their election to the Board in April 2014.

DSU Plan

In May 2012, the Corporation established a DSU Plan for the independent directors of the Corporation. The purpose of the DSU Plan is to advance the interests of the Corporation by: (i) providing additional incentives to eligible directors, as determined by the Board, by aligning their interests with those of the Corporation's shareholders; and (ii) promoting the success of the Corporation's business.

The Board designates the number of DSUs granted. The issue price for each DSU is the Market Price of the Common Shares calculated as of the date of the award. "**Market Price**" for the purpose of the DSU Plan means the volume-weighted average price of the Common Shares on the Toronto Stock Exchange (the "**TSX**") for the five trading days immediately preceding the relevant date. In the event that the Common Shares are not then listed and posted for trading on any exchange, the Market Price in respect thereof is the fair market value of the Common Shares as determined by the reasonable application by the Board of a reasonable valuation method.

Each eligible director shall have the right, but not the obligation, to elect once each calendar year to receive all or 50% of such director's annual retainer for the immediately succeeding year in the form of DSUs. If an eligible director does not make an election for all or part of a year, all of such director's annual retainer for the year is paid in cash.

A participant's account is credited with dividend equivalents in the form of additional DSUs on each dividend payment date in respect of which ordinary course cash dividends are paid on the Common Shares.

All DSUs awarded pursuant to the DSU Plan are settled in cash. Participants are entitled to payment when he or she ceases to be an eligible director of the Corporation.

Outstanding Option-Based and Share-Based Awards

The following table sets forth information concerning all option-based and share-based awards for each director outstanding at December 31, 2014, including awards granted before the financial year ended December 31, 2014. During the financial year ended December 31, 2014, the directors were granted 225,000 DSUs, earned 49,814 DSUs in director fees and were granted no option-based awards. In addition, the directors also earned 12,870 DSUs in dividend income during the financial year ended December 31, 2014 from prior DSU grants.

	Option-based Awards				Share-based Awards		
Name[(1)]	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[(2)]	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid or distributed ($)[(3)]
Jack C. Lee	50,000 50,000	10.00 6.60	May 6, 2018 November 9, 2020	– –	–	–	168,789[(4)]
Marc Faber	50,000	4.85	January 15, 2020	– –	–	–	156,609[(5)]
Sharon Ranson	–	–	–	–	–	–	85,424[(6)]
James T. Roddy	50,000 50,000	10.00 6.60	May 6, 2018 November 9, 2020	– –	–	–	156,609[(7)]

Name[(1)]	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[(2)]	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid or distributed ($)[(3)]
Paul H. Stephens	–	–	–	–	–	–	246,179[(8)]
Rosemary Zigrossi	–	–	–	–	–	–	81,855[(9)]

Notes:

(1) Non-independent directors are not entitled to option-based or share-based awards from the Corporation.

(2) Based on the December 31, 2014 TSX closing price of $2.44 per Common Share.

(3) Valued as at December 31, 2014. Although DSUs vest immediately upon being awarded, they cannot be paid out until 30 days following the date on which an independent director ceases to be independent of the Corporation, as determined in accordance with Section 1.4 of NI 52-110.

(4) In addition to the DSUs reflected in the above table, 7,930 DSUs were earned in director fees in the year ended December 31, 2014 but were not granted until January 15, 2015 and 1,242 DSUs were earned in dividend income during the year ended December 31, 2014 from prior DSU grants but were not granted until January 15, 2015.

(5) In addition to the DSUs reflected in the above table, 1,029 DSUs were earned in dividend income during the year ended December 31, 2014 from prior DSU grants but were not granted until January 15, 2015.

(6) In addition to the DSUs reflected in the above table, 10,932 DSUs were earned in director fees in the year ended December 31, 2014 but were not granted until January 15, 2015 and 1,146 DSUs were earned in dividend income during the year ended December 31, 2014 from prior DSU grants but were not granted until January 15, 2015.

(7) In addition to the DSUs reflected in the above table, 1,029 DSUs were earned in dividend income during the year ended December 31, 2014 from prior DSU grants but were not granted until January 15, 2015.

(8) In addition to the DSUs reflected in the above table, 5,556 DSUs were earned in director fees in the year ended December 31, 2014 but were not granted until January 15, 2015 and 1,591 DSUs were earned in dividend income during the year ended December 31, 2014 from prior DSU grants but were not granted until January 15, 2015.

(9) In addition to the DSUs reflected in the above table, 5,466 DSUs were earned in director fees in the year ended December 31, 2014 but were not granted until January 15, 2015 and 1,065 DSUs were earned in dividend income during the year ended December 31, 2014 from prior DSU grants but were not granted until January 15, 2015.

Incentive Plan Awards - Value Vested or Earned during the Year

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each of the Corporation's directors for the financial year ended December 31, 2014. Although DSUs vest immediately upon being awarded, they cannot be paid out until 30 days following the date on which an independent director ceases to be independent of the Corporation, as determined in accordance with Section 1.4 of NI 52-110.

Name[(1)]	Option-based Awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)
Jack C. Lee	–	133,079	–

Name[1]	Option-based Awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)
Marc Faber	–	81,070	–
Sharon Ranson	–	282,471	–
James T. Roddy	–	81,070	–
Paul H. Stephens	–	56,656	–
Rosemary Zigrossi	–	263,873	–

Note:

(1) Non-independent directors are not entitled to option-based or share-based awards from the Corporation.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Objectives of the Corporation's Compensation Programs

Our compensation programs are designed to attract, retain and motivate the best professionals in the marketplace. As the Corporation has grown, we have developed a core team of professionals who provide services to some or all of the operating entities within the Sprott group of companies. These "shared services" employees are rewarded by reference to the overall success of the Corporation, with a focus on their individual contributions and the external competitive environment.

SAM's strategy has been to selectively hire "best in class" portfolio managers and analysts supported by sales, trading, operations, finance and compliance personnel. We seek to align the interests of our key personnel with those of the investors in the investment funds and discretionary managed accounts that we manage and, in turn, shareholders of the Corporation.

SCLP has experienced changes to its business as a result of changes to the quantum and focus of the companies it manages. SCLP, Sprott Toscana (as defined below) and Sprott Korea Corporation hire personnel responsive to their respective needs to effectively provide the required services to their respective managed companies or funds, currently comprising of SRC, Toscana Energy Income Corporation and a private equity fund for South Korea's National Pension Service.

SPW's business continues to evolve and the Corporation continues to seek the right balance of skills and experience to service our private clients at the level that they expect of us.

SRLC compensates its senior management personnel through a base salary and discretionary bonus.

At GRIL, an indirect wholly-owned subsidiary of the Corporation, brokers are compensated primarily via a percentage of the commissions generated from the sale and purchase of securities on behalf of their clients. They may earn additional variable compensation based on overall corporate results.

At SAM USA and RCIC, indirect wholly-owned subsidiaries of the Corporation, variable compensation for senior investment employees is largely related to the earnings generated by the funds that they manage, thereby closely aligning investment management's interests with those of their investors.

We aim to pay competitive salaries but emphasize variable compensation as a means to align executive compensation with the financial performance of the Corporation and its operating subsidiaries. In 2011, we also added a deferred compensation element through the introduction of the EPSP (currently for Canadian employees other than Mr. Sprott) and the EIP (for U.S. employees) to further align the interests of our employees with those of our shareholders. See "*Securities Authorized for Issuance under Equity Compensation Plans*".

Elements of Compensation

The key elements of the compensation arrangements of our executive officers, investment professionals and other key employees are set out below.

Base Salary and Benefits

The Corporation's compensation structure has generally followed the tradition of a competitive base salary and greater participation in the profits of the Corporation through cash bonuses and, more recently, participation in the EPSP or EIP. There have been a few exceptions to that model for our executives and investment professionals, whereby for certain key hires, in order to attract them to the Corporation, compensation levels are guaranteed for a specified period (usually two years). Those compensation structures are reviewed at the end of the specified periods. As we have matured as a diversified investment management organization, and as we have grown, we compete for a broader range of talent across the investment management industry. As a result, we have reviewed our approach to ensure that our compensation practices provide competitive compensation for all employees, including Named Executive Officers ("**NEOs**"). The base salary is the fixed portion of each NEO's total compensation. It is designed to provide income certainty. In determining the base level of compensation for the Corporation's executives, weight is placed on the following factors: the particular responsibilities related to the position, salaries or fees paid by companies of similar size in the industry, level of experience of the executive and overall performance, and the time which the executive is required to devote to the Corporation in fulfilling his or her responsibilities.

In addition to the base salary, we provide all employees with a benefits program that includes medical, dental, life insurance and other benefits. We believe that providing this type of program is a necessary part of our overall compensation structure to attract and retain employees in the competitive environment for professional talent. We do not provide any other perquisites to our NEOs, nor do we have any pension or other post-retirement plans.

Cash Bonus and Other Variable Compensation

In connection with our IPO in 2008, we implemented a bonus compensation program (the "**Employee Bonus Pool**") providing that an aggregate amount equal to 25% of our net operating income, before the Employee Bonus Pool allocations, would be allocated to the Employee Bonus Pool, with a further amount of up to 25% of performance fees earned to be allocated to the Employee Bonus Pool.

Over the past seven years, our organization has grown and evolved. We have added new revenue streams such as commission revenue in SPW and GRIL and interest and other fee income from SRLC. In addition, the bonus compensation program that was generally appropriate for SAM's investment management activities is no longer appropriate as most of the portfolio managers who had significant Common Share ownership positions in the Corporation after the IPO are no longer with SAM. The historical Employee Bonus Pool structure is also not appropriate or responsive to the new activities of SPW nor is it appropriate or competitive for the SCLP or SRLC businesses. In order to remain competitive in attracting, retaining and motivating the professionals in these organizations, we need to structure our variable compensation payments differently.

We have also determined, based on our knowledge of the financial services industry in Canada and the U.S., that in order to better motivate sales-focused employees, a larger proportion of their variable compensation should be directly tied to gross or net sales than has historically been the case. As a result, in 2012, we introduced new sales compensation programs at both SAM and SPW. While these programs may result in higher total compensation for sales employees, higher compensation would only be the result of significant additional sales of products managed by SAM or SPW, as appropriate.

Senior management advises the Chair of the HRC Committee of the aggregate amount of the accrued Employee Bonus Pool on a quarterly basis. Individual bonus payments are paid at management's discretion and are based on an overall assessment by senior management of the individual's performance and absolute and/or relative contribution. While no specific criteria or metrics are set, with respect to portfolio managers, specific consideration is given to the performance fees generated by the fund(s) or strategies with which the portfolio manager is involved. In all cases, each employee is considered separately, taking into account personal performance, relative ranking among peers (both internally and with reference to external information, where available and appropriate) and salary base. The CEO of the Corporation, in consultation with senior management of the Corporation and the various operating subsidiaries, as appropriate, recommends the compensation levels for all senior management, including the NEOs, and these proposals are submitted for review by and discussion with the HRC Committee and based on the HRC Committee's recommendation, ultimately approved by the Board.

These incentives are designed to motivate executives to achieve personal business objectives, to be accountable for their relative contribution to the Corporation's performance, as well as attract and retain executives.

Equity Incentives

From the inception of SAMI, we have always believed in a philosophy of employee participation and ownership. As part of the compensation program at SAMI, employees were entitled to participate in a share purchase program. The number of shares to which an employee was entitled to purchase from time to time was determined by Mr. Sprott. At the time of the IPO, virtually all SAMI employees owned SAMI shares which were converted into Common Shares on the IPO. After the IPO, a number of the senior executives and investment professionals, including Mr. Sprott, re-invested a portion of their after-tax proceeds from the IPO into various Sprott funds thus further aligning their interests with those of our fund investors. However, many of the employees who acquired Common Shares pursuant to the IPO are either no longer with the Company or have sold some or all of such shares.

The Corporation has established the Option Plan, which is intended to aid in attracting, retaining and motivating our officers, employees and directors. Grants of Options pursuant to the Option Plan are approved by the Board upon the recommendation of the HRC Committee. See "*Securities Authorized for Issuance under Equity Compensation Plans – Option Plan*". The Corporation has also established the DSU Plan for the non-executive directors of the Corporation. See "*Director Attendance and Compensation – DSU Plan*".

We intend to continue to structure our compensation programs to attract, retain and motivate executives and investment professionals of the highest level of quality and effectiveness. We are focused on rewarding the types of performance that increase long-term shareholder value, including growing our assets under management, retaining investors in the Sprott funds, developing new investor relationships, improving operational efficiency and managing risks. In order to improve our ability to retain talent and to further align the interest of employees and those of our shareholders, as noted above, in 2011, we introduced the EPSP and EIP whereby a portion of the bonus allocated to certain employees are paid by way of Common Shares. The Common Shares are either issued from treasury or purchased in the open market and are available to the relevant employees over a specified vesting period. The portion of any individual award that is delivered in Common Shares may increase the size of the award as compared with a cash only bonus award. However, the total cost of bonus awards whether in cash or in shares, in aggregate, generally does not exceed 30% of EBITDA (defined below) before Employee Bonus Pool allocations and expensing of EPSP/EIP awards. An exception is where SRC or a company managed by Toscana Capital Corporation or Toscana Energy Corporation (collectively, "**Sprott Toscana**") generates significant performance fees. The HRC Committee approved a substantially higher share of performance fees for SCLP employees relating to the management of SRC for years commencing after 2012 and for Sprott Toscana employees following its acquisition by the Corporation in July 2012.

These incentive arrangements are designed to motivate executives to achieve longer-term sustainable business results, align their interests with those of the shareholders, attract and retain executives and reduce the cash compensation the Corporation would otherwise have to pay.

"**EBITDA**" is defined as earnings before interest expense, income taxes, amortization of property and equipment, amortization and impairment of intangible assets and goodwill, gains and losses on its proprietary investments and loans (as if such gains and losses had not been incurred) and non-cash stock-based compensation. Stock-based compensation relating to the EPSP is treated as a cash expense for the purposes of calculating EBITDA. EBITDA includes performance fees, performance fee related compensation and other performance fee related expenses. The Corporation believes that EBITDA is an important measure as it allows the Corporation to assess the ongoing business without the impact of interest expense, income taxes, amortization, gains and losses on proprietary investments and non-cash compensation, and is an indicator of the Corporation's ability to pay dividends, invest in the business and continue operations. EBITDA 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, the amortization of deferred sales charges and income tax rates between companies in the same industry. While other companies may not utilize the same method of calculating EBITDA, the Corporation believes it enables a better comparison of the underlying operations of comparable companies and that it is an important measure in assessing the ongoing business operations. As an indicator of cash generating ability, certain non-cash items such as impairment charges and recoveries, are excluded in the calculation of EBITDA.

Compensation Process

The HRC Committee periodically reviews and approves our compensation policies and practices. For further information concerning the HRC Committee, see "*Corporate Governance - HRC Committee*".

The HRC Committee recognizes that certain elements of compensation could promote unintended inappropriate risk-taking behaviors, but the Corporation seeks to ensure that the Corporation's executive compensation package is comprised of a mix of cash and equity compensation, balancing short-term incentives (e.g. cash bonuses) and long-term incentives (e.g. options and grants and awards under the EPSP and EIP with vesting periods typically over three years). Base salaries and personal benefits are sufficiently competitive and not subject to performance risk. As stated above, the total cost of bonus awards, whether in cash or shares, generally has not exceeded 30% of EBITDA, before Employee Bonus Pool allocations and expensing of EPSP/EIP awards, plus performance fees for any given year. Subject to limited exceptions, to receive short-term or long-term incentives, the executive officer must be employed by the Corporation at the time of payout. Therefore, through different time horizons and metrics reflected in the compensation elements, the Corporation attempts to better align executive performance with the interests of the Corporation and its shareholders.

The HRC Committee believes that executive compensation risk management is reinforced by ongoing Board oversight of, among other things, the Corporation's financial results, regulatory disclosure, strategic plans, fraud and error reporting, the Audit Committee's regular meetings with the external auditors (including without the presence of management), the Corporation's internal control, management information systems and financial control systems. In addition, the Corporation reviews significant risks associated with its operations, the most significant of which are disclosed in the Corporation's annual management's discussion and analysis for each fiscal year. The Corporation does not believe that its compensation policies and practices are reasonably likely to have a material adverse effect on the Corporation.

In 2011, the Corporation engaged McLagan Partners, Inc. ("**McLagan**"), a U.S.-based pay consulting firm for the U.S. and Canadian financial services industry, to assist the Corporation in understanding competitive market pay practices for various functions (e.g. investment professionals, sales professionals, etc.) within the financial services industry (e.g. hedge funds, asset managers, private equity firms, etc.). McLagan was not retained to assist in determining compensation for any of the Corporation's directors or executive officers. The results of that engagement provided support for certain pay practices that we have utilized beginning in 2012, such as more extensive use of "direct drive" compensation for sales professionals at SAM and SPW.

In 2012, McLagan was also consulted with respect to pay practices amongst private equity funds. Based on the information received as well as data gathered from other informed sources, we determined that the portion of performance fees received by SCLP from its management of SRC should be higher than the current 25% share. For years after 2012, SCLP employees may be allocated, in aggregate, between 50% and 65% of the performance fees received by SCLP from its management of SRC.

In making compensation recommendations for our other senior executive officers and investment professionals, in addition to the objective criteria referenced herein, the HRC Committee relies on the CEO and other corporate executives of the Corporation to make recommendations based on their judgment of the performance and contribution of the relevant individual. The HRC Committee reviews and discusses such recommendations with the CEO and other corporate executives and, if determined to be appropriate, recommends approval by the Board. The HRC Committee performs an annual reassessment of the programs each year in connection with year-end compensation decisions. See "*Corporate Governance – HRC Committee*".

In August 2014, the HRC Committee engaged Hugessen Consulting Inc. ("**Hugessen**"), a Canadian-based compensation consulting firm focused on providing executive compensation advice, to assist the Corporation by identifying its main compensation policy items; providing market context of compensation practices among select Canadian asset management companies and the broader investment management industry more generally; reviewing and commenting on the Corporation's current executive compensation programs (both at the corporate level and key business units); and assisting with executive compensation design changes, if required.

The table below sets out the fees billed by Hugessen for each of the last two fiscal years in respect of the services noted above:

	December 31, 2014 **$**	**December 31, 2013** **$**
Executive Compensation – Related Fees[1]	182,275	Nil.
All Other Fees[2]	Nil.	Nil.
Total Fees	182,275	Nil.

Notes:

(1) Aggregate fees billed by Hugessen, or any of its affiliates, for services related to determining compensation for any of the Corporation's directors and executive officers.

(2) Aggregate fees billed for all other services provided by Hugessen, or any of its affiliates, that are not reported under (1).

Comparator Group

The competition to attract and retain high performing executives and professionals in the financial services industry is intense and, consequently, the amount of total compensation paid to our executives must be considered in light of competitive compensation levels. When hiring new employees, compensation packages are structured so as to attract and retain such personnel. Compensation is tailored to the particular circumstances and is not referenced to any external or "benchmark" data. There are no directly comparable publicly listed companies in Canada. However, Hugessen identified a "reference group" of companies against which to "benchmark" executive compensation at the Corporation. The reference group was selected based on criteria including geography, exchange-listing, asset management industry and market capitalization. Seven issuers were identified by Hugessen as public comparators: AGF Management Limited (TSX:AGF.B), Dundee Corporation (TSX:DC.A), Gluskin Sheff + Associates, Inc. (TSX:GS), Fiera Capital Corporation (TSX:FSZ), Tricon Capital Group Inc. (TSX:TCN), Guardian Capital Group Ltd. (TSX:GCG) and Senvest Capital Inc. (TSX:SEC). While the reference group data provided some benchmark information to the HRC Committee, we do not place any particular emphasis on comparator group information. More importantly, a large part of our overall compensation program relates directly to the size of the Employee Bonus Pool discussed above. Thus, total compensation can vary significantly from year-to-year based on overall profitability and, for certain individuals, the profitability of the business unit that they primarily support, rather than by any reference to comparator organizations.

Options and Other Share-based Awards

Options and other share-based awards are issued pursuant to the Option Plan, the EPSP and the EIP. The Option Plan is intended to aid in attracting, retaining and motivating our key officers, employees and directors. The Board, through the recommendation of the HRC Committee, administers the Option Plan and determines, among other things, optionees, vesting periods, exercise price and other attributes of the Options, in each case pursuant to the Option Plan, applicable securities legislation and the rules of the TSX. The Chair of the HRC Committee also has the authority to award routine Option grants in reasonable amounts to new employees, such grants not to exceed an aggregate of 2% of the number of Options available under the Option Plan from time to time and subject to confirmation by the Board. Previous grants of Options are not taken into account when considering new grants of Options. See "*Securities Authorized for Issuance under Equity Compensation Plans – Option Plan*".

In deciding whether to grant Options and other share-based awards, consideration is given to previous award grants and the overall number of awards that are outstanding relative to the number of outstanding Common Shares.

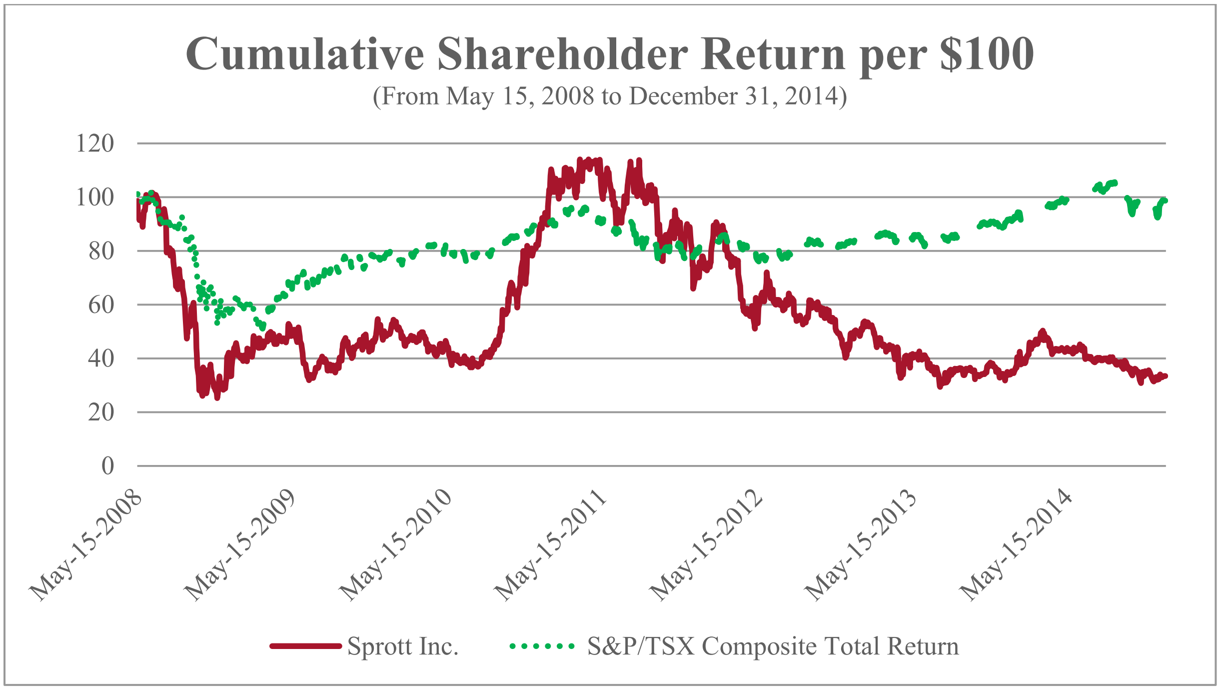
No option-based awards have been granted to any of the NEOs since the IPO in 2008.

Hedging

The Corporation has not instituted any policies related to the purchase by directors or NEOs of financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, director or indirectly, by any director or NEO.

Performance Graph

The following graph compares the cumulative shareholder return per $100 invested in Common Shares to the cumulative total return of the S&P/ TSX Composite Index from the time of the IPO on May 15, 2008 to December 31, 2014. The calculations include reinvested dividends and exclude brokerage fees and taxes.



There are many factors that may influence the Corporation's stock price, such as future income expectations, views on specific sectors and personnel changes, all of which are not directly related to historical financial performance. Compensation for our NEOs is largely dictated by the size of the Employee Bonus Pool and the relative allocations therefrom. There will be some relationship between corporate performance and the size of the Employee Bonus Pool but not necessarily between compensation and shareholder returns over any given period of time.

Summary Compensation Table

The following table provides a summary of compensation information for the three most recent financial years for the Corporation's CEO, CFO and three other NEOs.

Name and principal position	Year	Salary ($)	Share-based awards ($)[1]	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension Value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans[2]	Long term incentive plans			
Peter Grosskopf, CEO; CEO of SRLC[3]	2014 2013 2012	1,000,000 1,000,000 1,000,000	300,000 100,000 –	– – –	600,000 800,000 1,500,000	– – –	– – –	– – –	1,900,000 1,900,000 2,500,000
Steven Rostowsky, CFO; CFO of SAM[4]	2014 2013 2012	350,000 350,000 350,000	100,000 75,000 50,000	– – –	275,000 225,000 280,000	– – –	– – –	– – –	725,000 650,000 680,000
Arthur Richards Rule IV, President and CEO of Sprott US[5]	2014 2013 2012	418,212 382,896 356,220	– – –	– – –	627,509 936,269 1,425,828	– – –	– – –	803,784[6] 743,868[6] 1,197,524[6]	1,849,505 2,063,033 2,979,572
James Fox – President of SAM[7]	2014 2013 2012	350,000 350,000 350,000	250,000 450,000 300,000	– – –	400,000 400,000 525,000	– – –	– – –	– – –	1,000,000 1,200,000 1,175,000
John Wilson – CEO and Co-CIO of SAM[8]	2014 2013 2012	350,000 1,500,000 1,386,539	500,000 175,000 3,848,000	– – –	1,000,000 – –	– – –	– – –	– – –	1,850,000 1,675,000 5,234,539

Notes:

(1) The value of each Common Share is determined based on the average cost base of the shares held by the trust at the time the grant is made; which was $3.02 for the Common Shares granted in 2014. This valuation methodology is in accordance with the tax treatment per the *Income Tax Act (Canada)* (the "**ITA**"). The total value of the award is based on the value in Common Shares to be awarded as compensation.

(2) Annual incentive plans under non-equity incentive plan compensation represents the cash bonus earned during the year.

(3) Mr. Grosskopf commenced employment with the Corporation on September 7, 2010. His annual salary is $1,000,000 and he was guaranteed annual bonus payments of at least $1,500,000 for each of the first two complete fiscal years during which he was employed by the Corporation. Bonus payments to Mr. Grosskopf were made pursuant to his employment agreement for 2011 and 2012. Mr. Grosskopf was granted $300,000 and $100,000 in value of Common Shares under the EPSP for 2014 and 2013, respectively. These Common Shares vest equally over three years commencing on January 1, 2016 and 2015, respectively. Bonus allocations to Mr. Grosskopf for 2014 and 2013 reflect his contribution to the overall profitability of the Corporation and the competitive environment within the financial services sector. Mr. Grosskopf's share-based award of $300,000 was earned in the year ended December 31, 2014 but was not granted until 2015.

(4) Mr. Rostowsky was granted $100,000, $75,000 and $50,000 in value of Common Shares under the EPSP for 2014, 2013 and 2012, respectively. These Common Shares vest equally over three years commencing on January 1, 2016, 2015 and 2014, respectively. The bonus allocation to Mr. Rostowsky reflects his contribution to the overall profitability of the Corporation and the competitive environment within the financial services sector. Mr. Rostowsky's share-based award of $100,000 was earned in the year ended December 31, 2014 but was not granted until 2015.

(5) Mr. Rule is paid in U.S. dollars. 2014 values expressed above in Canadian dollars are converted from U.S. dollars at the Bank of Canada average exchange rate for the year ended December 31, 2014 of Cdn $1.1617 per U.S. $1.00. 2013

values expressed above in Canadian dollars are converted from U.S. dollars at the Bank of Canada average exchange rate for the year ended December 31, 2013 of Cdn $1.0636 per U.S. $1.00. 2012 values expressed above in Canadian dollars are converted from U.S. dollars at the Bank of Canada average exchange rate for the year ended December 31, 2012 of Cdn $0.9895 per U.S. $1.00. Mr. Rule is the principal advisor to the Exploration Limited Partnerships managed by RCIC. He advises certain SAM USA managed accounts and he provides leadership to the entire Sprott US organization, including GRIL. In addition, he earns commission income in his capacity as a broker at GRIL.

(6) These amounts are variable compensation payments that are directly related to certain revenues received by GRIL.

(7) Mr. Fox was granted $250,000, $450,000 and $300,000 in value of Commons Shares under the EPSP for 2014, 2013 and 2012, respectively. These Common Shares vest equally over three years commencing on January 1, 2016, 2015 and 2014, respectively. Bonus allocations to Mr. Fox reflect his contribution to the overall profitability of the Corporation and the competitive environment within the financial services sector. Mr. Fox's share-based award of $250,000 was earned in the year ended December 31, 2014 but was not granted until 2015.

(8) Mr. Wilson was appointed co-CIO of SAM on January 11, 2013 and was appointed as CEO of SAM on March 5, 2014. Mr. Wilson was granted $500,000, $175,000 and $3,848,000 in value of Common Shares under the EPSP for 2014, 2013 and 2012, respectively. These Common Shares vest equally over three years commencing on January 1, 2016, 2015 and January 31, 2014, respectively. The EPSP grant to Mr. Wilson in 2012 was made pursuant to his employment agreement. Bonus allocations to Mr. Wilson for 2013 and 2014 reflect his contribution to the overall profitability of the Corporation and the competitive environment within the financial services sector. Mr. Wilson's share-based award of $500,000 was earned in the year ended December 31, 2014 but was not granted until 2015.

Outstanding Option-Based and Share-Based Awards

The following table sets forth information concerning all option-based and share-based awards for each NEO outstanding at December 31, 2014, including awards granted before the financial year ended December 31, 2014.

	Option-based Awards				Share-based Awards[5]		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Peter Grosskopf[1]	–	–	–	–	29,499	100,000	–
Steven Rostowsky[2]	–	–	–	–	36,944	158,333	116,667
Arthur Richards Rule IV	–	–	–	–	–	–	–
James Fox[3]	–	–	–	–	227,292	983,333	766,667
John Wilson[4]	–	–	–	–	268,290	1,457,667	2,565,333

Notes:

(1) See Note 3 to the Summary Compensation Table above for details of Mr. Grosskopf's share-based awards.

(2) See Note 4 to the Summary Compensation Table above for details of Mr. Rostowsky's share-based awards.

(3) See Note 7 to the Summary Compensation Table above for details of Mr. Fox's share-based awards.

(4) See Note 8 to the Summary Compensation Table above for details of Mr. Wilson's share-based awards.

(5) In addition to the share-based awards reflected in the above table, $1,150,000 in value of Common Shares under the EPSP was earned in the year ended December 31, 2014 but was not granted until 2015.

Incentive Plan Awards - Value Vested or Earned during the Year

The following table provides information regarding the value on payout or vesting of incentive plan awards for the NEOs for the fiscal year ended December 31, 2014.

Name	Option-based awards - Value vested during the year ($)	Share-based awards - Value vested during the year ($)	Non-equity incentive plan compensation - Value earned during the year ($)
Peter Grosskopf(1)	–	–	600,000
Steven Rostowsky(2)	–	66,667	275,000
Arthur Richards Rule IV(3)	–	–	627,509
James Fox(4)	–	433,333	400,000
John Wilson(5)	–	1,282,667	1,000,000

Notes:

(1) See Note 3 to the Summary Compensation Table above for details of Mr. Grosskopf's share-based awards.

(2) See Note 4 to the Summary Compensation Table above for details of Mr. Rostowsky's share-based awards.

(3) Mr. Rule was paid in U.S. dollars. The values expressed above in Canadian dollars are converted from U.S. dollars at the Bank of Canada average exchange rate for 2014 of Cdn.$1.1617 per U.S.$1.00.

(4) See Note 7 to the Summary Compensation Table above for details of Mr. Fox's share-based awards.

(5) See Note 8 to the Summary Compensation Table above for details of Mr. Wilson's share-based awards.

Pension Plan Benefits

The Corporation does not have any pension plans that provide for payments of benefits at, following or in connection with, retirement or provide for retirement or deferred compensation plans for the NEOs or directors.

Termination and Change of Control Benefits

Peter Grosskopf

Mr. Grosskopf has a written employment agreement pursuant to which he is entitled to receive an annual salary as compensation for his services as CEO of the Corporation as well as CEO of SRLC. Additionally he is entitled to participate in the Employee Bonus Pool. For the first two fiscal years of his employment, his bonus payments were no less than $1,500,000 per year. He is currently entitled to twelve months of notice or pay in lieu. In the event of a change of control of the Corporation, Mr. Grosskopf may, within six months of such change of control, terminate his employment agreement. Provided that the requisite notice is given, he is entitled to receive an amount equal to twelve months' base salary. If Mr. Grosskopf's employment had been terminated without cause on December 31, 2014, the estimated termination payment would have been approximately $1,000,000.

Steven Rostowsky

Mr. Rostowsky has a written employment letter agreement pursuant to which he receives an annual salary and is entitled to participate in the Employee Bonus Pool. In the event Mr. Rostowsky is terminated by the Corporation without cause, he is entitled to receive six months written notice or base salary plus one month of written notice or base salary for each full year of employment with the Corporation, provided that the total notice period or base salary payable shall not exceed 12 months. If Mr. Rostowsky's employment had been terminated without cause on December 31, 2014, the estimated termination payment would have been approximately $350,000.

Arthur Richards Rule IV

Mr. Rule has entered into a written employment agreement with Sprott US, a wholly-owned subsidiary of the Corporation, for an initial term of three years (the "**Employment Term**") renewable automatically thereafter for additional one-year terms. Either party may terminate such agreement upon notice provided not more than 180 days nor less than 90 days before the last day of the Employment Term or any extension thereof. Pursuant to such employment agreement, Mr. Rule is entitled to receive an annual salary of US$360,000 as compensation for his services as CEO and President of Sprott US. Additionally, he is entitled to receive a discretionary cash bonus. Mr. Rule is also eligible to receive certain commission payments in accordance with the general practice with respect to commission payments of GRIL and SAM USA, each an indirect wholly-owned subsidiary of the Corporation. In the event that Mr. Rule is terminated without cause or he resigns for good reason, he will be entitled to receive (i) salary until the end of the Employment Term, (ii) a bonus payable out of GRIL's and SAM USA's bonus plan in respect of the calendar year in which Mr. Rule is terminated, prorated to the portion of such year that Mr. Rule was employed by Sprott US, and (iii) continued payment of his bonus payable under the bonus plan of RCIC, an indirect wholly-owned subsidiary of the Corporation. Subject to certain conditions, in the event of Mr. Rule's termination without cause or he resigns for good reason, Sprott US will cause RCIC to enter into a contract with Mr. Rule pursuant to which Mr. Rule will continue to manage the then existing RCIC funds as an independent contractor through the end of the term for such RCIC Funds. Mr. Rule's employment agreement also provides for, among other things, non-compete and non-solicit covenants in favour of Sprott US. If Mr. Rule's employment had been terminated without cause on December 31, 2014, the estimated termination payment would have been approximately US$360,000 with respect to the salary based component of such payment, and his bonus based component would have been determined and pro-rated as set forth above.

James Fox

James Fox commenced his employment with the Sprott organization on July 5, 1999. Beyond statutory and common law requirements, there are no contracts, agreements, plans or arrangements that provide for payments to Mr. Fox at, following or in connection with any termination, resignation, retirement, a change in control of the Corporation or a change in Mr. Fox's responsibilities.

John Wilson

Mr. Wilson has a written employment letter agreement pursuant to which he receives an annual salary and is entitled to participate in the Employee Bonus Pool. Commencing on his first date of employment with SAM, he was designated as a member of the EPSP. In the event Mr. Wilson is terminated by the Corporation without cause, he is entitled to receive 12 months written notice (the "**Notice Period**") or base salary. For the first two fiscal years of employment, his base salary was equal to $1,500,000 for that portion of the Notice Period which occurs during 2012 and 2013 and $350,000 for that portion of the Notice Period which occurs thereafter. Notwithstanding the foregoing, should Mr. Wilson, at any time during the Notice Period, breach his fiduciary obligations to the Corporation or his obligations under his employment agreement in respect of confidential information, non-solicitation and non-competition, he shall immediately forfeit any outstanding entitlement which he may have to any outstanding payments of base salary or payments in lieu of base salary, and the Corporation shall have no further obligations to him if he is still employed and his employment shall be deemed to be immediately terminated for cause. In no event shall Mr. Wilson receive less than his minimum entitlement to notice of termination, termination pay and/or severance pay as required under the *Employment Standards Act* (Ontario). If Mr.

Wilson's employment had been terminated without cause on December 31, 2014, the estimated termination payment would have been approximately $350,000.

Directors' & Officers' Liability Insurance

The Corporation has purchased directors' & officers' liability insurance coverage ("**D&O Insurance**") for directors and officers of the Corporation. The total annual premium payable by the Corporation for the D&O Insurance for the year ended December 31, 2014 was $134,970, and no amount of such premium was paid by the directors or officers of the Corporation. The D&O Insurance coverage has an annual aggregate limit of $25,000,000. There is a $100,000 deductible for any claim made, but no deductible is assessed against any director or officer. D&O Insurance is designed to protect Board members and officers for their legal liabilities including, but not limited to, securities claims, claims for statutory liabilities and employment claims.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information as at December 31, 2014

Plan Category	Number of Securities to be issued upon the exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)[(1)]
Equity compensation plans approved by security holders	2,650,000	$9.71	18,647,669
Equity compensation plans not approved by security holders	–	–	–
Total	2,650,000	$9.71	18,647,669

Note:
(1) Includes 3,534,103 Common Shares under the EPSP and 1,400 Common Shares under the EIP.

The Corporation has the following three equity based compensation plans: (a) the Option Plan; (b) the EPSP; and (c) the EIP. As of the date hereof, there are 2,650,000 Options outstanding under the Option Plan and 1,400 Common Shares issued under the EIP, representing approximately 1.07% and 0.001%, respectively, of the issued and outstanding Common Shares. No Common Shares have been granted from treasury under the EPSP. However, 3,262,368 Common Shares have been purchased in the open market by the Trustee under the EPSP, representing approximately 1.30% of the issued and outstanding Common Shares.

The aggregate number of Common Shares from treasury that may be granted under the Option Plan, the EPSP and the EIP and all other securities based compensation arrangements shall not exceed 10% of the issued and outstanding Common Shares as at the date of such grant. As a result, if the Corporation issues additional Common Shares in the future, the number of Common Shares issuable under such securities based compensation arrangements will increase accordingly. Furthermore, the number of Common Shares that are (i) issuable from treasury, at any time, and (ii) issued from treasury, within any one year period, to insiders (as defined in the applicable rules of the TSX) of the Corporation under the Option Plan, the EPSP and the EIP and all other security based compensation arrangements, may not exceed 10% of the issued and outstanding Common Shares.

Option Plan

The Option Plan is intended to aid in attracting, retaining and motivating our officers, employees and directors. See "*Executive Compensation – Options and Other Share-based Awards*".

The exercise price for any Option issued under the Option Plan may not be less than the market price of the Common Shares at the time of issue. Options issued under the Option Plan may be exercised during a period determined under the Option Plan, which may not exceed ten years. Unless otherwise determined by the Board, Options will vest at a rate of one-third per annum commencing 12 months after the date of grant.

In addition to the restrictions on maximum issuances set forth above for all security based compensation arrangements, the number of Common Shares which may be issued pursuant to Options granted pursuant to the Option Plan to any one person may not exceed 5% of the then aggregate issued and outstanding Common Shares.

Options may be transferred to certain permitted assigns which include a spouse, a trustee acting on behalf of the optionholder or spouse, or a holding entity. If the optionholder resigns, is terminated for cause or fails to be re-elected as a director, the Options terminate immediately. If the optionholder dies or ceases to be eligible under the Option Plan for any other reason, Options that are entitled to be exercised may generally be exercised (subject to certain extensions at the discretion of the Board or a committee thereof) until the earlier of (i) one year or three months, respectively, of the applicable date, or (ii) the expiry date of the Option. The Option Plan also provides for the cashless exercise of Options which allows for the optionholder to receive, without cash payment (other than taxes), a number of Common Shares based on a specified formula tied to the market price of the Common Shares as at the last trading day immediately prior to the cashless exercise. In the event that the expiry of an Option occurs during a blackout period imposed by management or the Board in accordance with the Corporation's insider trading policy, the expiry date of such Option shall be deemed to be amended to that date which is ten business days following the end of such blackout period.

The Board may make the following amendments to the Option Plan, without obtaining shareholder approval: (i) amendments to the terms and conditions of the Option Plan necessary to ensure that the Option Plan complies with the applicable regulatory requirements, including the rules of the TSX, in place from time to time; (ii) amendments to the provisions of the Option Plan respecting administration of the Option Plan and eligibility for participation under the Option Plan; (iii) amendments to the provisions of the Option Plan respecting the terms and conditions on which Options may be granted pursuant to the Option Plan, including the provisions relating to the term of the Option and the vesting schedule; and (iv) amendments to the Option Plan that are of a "housekeeping" nature.

However, the Board may not, without the approval of the Corporation's shareholders, make amendments with respect to the following: (i) an increase to the Option Plan maximum or the number of securities issuable under the Option Plan; (ii) amendment provisions granting additional powers to the Board to amend the Option Plan or entitlements without shareholder approval; (iii) reduction in the exercise price of Options or other entitlements held by insiders or, if shareholder approval is required by the stock exchange on which Common Shares are listed, any other amendment to the exercise price of Options; (iv) extension to the term of Options held by insiders; and (v) changes to the insider participation limits which result in shareholder approval to be required on a disinterested basis.

As a general matter, if any Option granted under the Option Plan shall expire, terminate for any reason in accordance with the terms of the Option Plan or be exercised, Common Shares subject thereto shall again be available for the purpose of the Option Plan. The Option Plan specifically excludes Eric S. Sprott as an optionee under the Option Plan.

EPSP

Membership and Administration

Participation in the EPSP is limited to eligible full time non-U.S. resident employees of the Corporation and any affiliated entity which has adopted the EPSP, excluding Eric S. Sprott. The Corporation and such affiliated entities are collectively referred to as the "**Participating Entities**".

The selection of Members and the specific terms of any benefits granted to a Member, including the number of Common Shares vesting schedule, and timing of distributions (after discharge of debt owing in respect of Common Shares) in cash or Common Shares will be determined by the HRC Committee or the general partner or other controlling person of a Participating Entity, as applicable, and as set forth in the applicable employment or other contract entitling the Member to benefits under the EPSP (the "**Member's Contract**").

While Common Shares from treasury may be granted under the EPSP subject to the restrictions set forth above, Common Shares may also be purchased on the open market by the Trustee on behalf of the Members. Management of the Corporation is responsible for administering the EPSP. The Trustee may purchase Common Shares from Eric S. Sprott (who is not entitled to be a Member under the EPSP) at a price equal to the market price for such shares and in compliance with applicable securities laws and the rules of the TSX. The Trustee is an independent trustee appointed by the Board pursuant to a trust agreement entered into by the Corporation and the Trustee, which created the trust in respect of the EPSP (the "**Trust**"). The Trustee reports to the HRC Committee.

In each fiscal year, or within 120 days thereafter, each Participating Entity realizing profits in such fiscal year shall pay to the Trustee (to be held in trust) for such fiscal year out of profits a contribution in an amount determined by the Board or general partner or other controlling person of the Participating Entity.

Subject to the terms of a Member's Contract and the *ITA*, distributions of cash or in specie, may be made from a Member's "allocated account" to such Member at any time upon the written direction of the Corporation provided that the Trustee shall distribute only the net amount available for distribution to the Member and only upon the discharge of any debt owing by the Trust in respect of the Common Shares at the time of distribution. Such debt may be discharged by a Participating Entity (including the Corporation) or the Member in accordance with the relevant provisions of the Member's Contract. Any applicable taxes or interest shall be the sole responsibility of the Members.

Termination of Employment

No later than three months of the earliest of the (i) termination of employment, including retirement, resignation or dismissal without cause and (ii) termination of the EPSP, an amount equal to the net value of the assets (after applicable expenses and any unpaid debt owing on any Common Shares in the Member's vested account) that have been allocated to the Member's vested account shall be distributed by the Trustee to the Member, subject to any debt obligations assumed by the Member under the Member's Contract. Within three months of the death of a Member, subject to compliance with applicable laws, the Trustee shall distribute to such Member's beneficiary the net value (after applicable expenses) of the amount in the Member's vested account. Upon the occurrence of the foregoing events, the Board may, in its sole discretion, deem vested and designate to a Member's vested account, such number of Common Shares that would otherwise have vested up to a specified period had death or termination of employment of the Member not occurred.

In the event that a Member's employment with a Participating Entity is terminated for cause, all Common Shares and amounts contained in or allocated to such Member's vested account and such Member's allocated account shall be forfeited and the amounts thereof shall be reallocated to the other Members of the EPSP at the end of the taxation year of the Trust as the Corporation shall direct.

Transferability

The Member may not assign, convert, charge, surrender or alienate the rights or benefits granted under the EPSP. Amounts vested in a Member under the EPSP shall not be available for the claims of his or her creditors.

Amendments or Termination

The Corporation currently intends to continue the EPSP in effect indefinitely but the Corporation reserves the right to amend, modify or discontinue the EPSP, in whole or in part, at any time, provided, however, that any such amendment or modification which may affect the rights, duties and responsibilities of the Trustee shall not become effective until the Corporation has received the written consent of the Trustee.

The Board may make the following amendments to the EPSP, without obtaining shareholder approval: (i) amendments to the terms and conditions of the EPSP necessary to ensure that the EPSP complies with the applicable regulatory requirements, including the rules of the TSX and Canada Revenue Agency, in place from time to time; (ii) amendments to the provisions of the EPSP respecting administration of the EPSP and eligibility for participation under the EPSP; (iii) amendments to the provisions of the EPSP respecting the terms and conditions on which allocations may be made to a Member's allocated account pursuant to the EPSP, including the provisions relating to the vesting schedule (subject to a minimum three-month vesting period for Common Shares issued from treasury); and (iv) amendments to the EPSP that are of a "housekeeping" nature.

The Board may not, without the approval of the Corporation's shareholders, make amendments with respect to the following: (i) an increase to the EPSP maximum or the number of securities issuable under the EPSP; (ii) amendment provisions granting additional powers to the Corporation or the Board to amend the EPSP; and (iii) an increase in entitlements held by insiders of the Corporation, including extension of the termination or expiry dates thereof or changes to insider participation limits.

If the EPSP is terminated, each Participating Entity shall not recover any amounts paid into the Trust fund up to the date of such termination and all of the Trust fund must and shall be used for the sole benefit of the Members and/or their beneficiaries, according to the balance in their Member's account as determined by a special valuation of the Trust fund as of the date of the termination of the EPSP.

EIP

Participants and Administration

Eligible participants in the EIP are those directors, officers, employees and consultants of the Corporation and its subsidiaries and affiliates residing in the United States or who are otherwise U.S. taxpayers who are selected for participation by the plan administrator. The EIP specifically excludes Eric S. Sprott as a participant thereunder.

The EIP provides for the award of restricted stock, restricted stock units, related dividend equivalents and unrestricted stock. Shares issued pursuant to the EIP may be authorized but unissued Common Shares or treasury shares or Common Shares obtained on the market by the Corporation.

The EIP is administered by the HRC Committee. The specific terms of any award granted under the EIP is determined by the plan administrator, subject to the terms of the EIP, including the number of Common

Shares, vesting conditions and schedule, timing of distributions, and such other terms and conditions as the administrator may determine, and as may be set forth in the applicable award agreement.

Restricted stock is subject to forfeiture prior to the vesting of the award. A restricted stock unit is notional stock that entitles the grantee to receive a Common Share following the vesting of the restricted stock unit. The HRC Committee may determine to make grants under the EIP of restricted stock and restricted stock units containing such terms as the HRC Committee may determine. The HRC Committee will determine the period over which restricted stock and restricted stock units granted to EIP participants will vest, subject to a minimum vesting period of three months for Common Shares issued from treasury, and the timing of distributions. In connection with restricted stock units, the HRC Committee, in its discretion, may grant dividend equivalent rights under the EIP, subject to such terms and conditions, including the timing of distribution, as determined by the HRC Committee. The HRC Committee may base its determination upon the achievement of specified performance goals. The HRC Committee, in its discretion, may grant Common Shares free of restrictions under the EIP in respect of past services or other valid consideration. Such Common Shares shall be purchased on the market, and in no event shall treasury shares be issued to make such grants.

Termination of Employment or Service

Unless otherwise provided in the applicable award agreement, upon a termination of employment or service other than for death or disability, unvested restricted stock and restricted stock units granted under the EIP will be forfeited, provided that the administrator may waive or modify such provisions. Unless otherwise provided in the applicable award agreement, upon a termination of employment or service due to death or disability, unvested restricted stock and restricted stock units granted under the EIP will vest.

Transferability

Except as otherwise specifically provided in the applicable award agreement evidencing a restricted stock or restricted stock unit award, no award granted under the EIP may be sold, assigned, transferred, pledged or otherwise encumbered or disposed of other than by will or by the laws of descent and distribution. The administrator may, in the applicable award agreement, permit a grantee to transfer all or some of a restricted stock or restricted stock unit award to: (i) the grantee's spouse, children or grandchildren; (ii) a trust or trusts for the exclusive benefit of such family members; or (iii) other parties approved by the administrator. Following any such transfer, any transferred restricted stock or restricted stock units will continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer.

Adjustments, Termination and Amendment

Subject to any required approvals of the stock exchange(s) on which the Common Shares are listed, the plan administrator may, in its discretion, provide for adjustment of the terms and conditions of outstanding awards and awards issuable under the EIP, in recognition of unusual or nonrecurring events (including any stock split, reverse stock split, reorganization, merger, consolidation, split-up, combination, or other similar corporate transaction or event) affecting the Corporation or any of its affiliates. The Board, in its discretion, may terminate, suspend or discontinue the EIP at any time with respect to any award that has not yet been granted. Unless the EIP is terminated earlier, no award may be granted under the EIP following the tenth anniversary of the date of the EIP's adoption by the Board. The Board also has the right to alter or amend the EIP or any part of the EIP, and the HRC Committee may modify outstanding awards granted under the EIP, from time to time, in each case subject to shareholder approval in certain circumstances as provided in the EIP. However, other than adjustments to outstanding awards upon the occurrence of certain unusual or nonrecurring events, generally no change in any outstanding grant may be made that would materially impair the rights or materially increase the obligations of the participant without the consent of the participant.

The Board may make the following amendments to the EIP, without obtaining shareholder approval: (i) amendments to the terms and conditions of the EIP necessary to ensure that the EIP complies with the applicable regulatory requirements, including the rules of the TSX, U.S. federal and state securities laws, Canada Revenue Agency, and the Internal Revenue Code of 1986, as amended, in place from time to time; (ii) amendments to the provisions of the EIP respecting administration of the EIP and eligibility for participation under the EIP; (iii) amendments to the provisions of the EIP respecting the terms and conditions on which awards may be granted pursuant to the EIP, including the provisions relating to the vesting schedule (subject to a minimum three-month vesting period for Common Shares issued from treasury); and (iv) amendments to the EIP that are of a "housekeeping" nature.

The Board and the plan administrator may not, without the approval of the Corporation's shareholders, make amendments with respect to the following: (i) an increase to the EIP maximum or the number of securities issuable under the EIP; (ii) amendment provisions granting additional powers to the Board or plan administrator to amend the EIP or entitlements thereunder; and (iii) an increase in entitlements held by insiders of the Corporation, including extension of the termination or expiry dates thereof or changes to insider participation limits.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is no indebtedness outstanding of any current or former director, executive or senior officer or employee of the Corporation or any of its subsidiaries which is owing to the Corporation or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year of the Corporation was, a director or executive or senior officer of the Corporation, no proposed nominee for election as a director of the Corporation and no associate of such person:

(a) is or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries; or

(b) whose indebtedness to another person is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, whether in relation to a securities purchase program or other program or otherwise.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, no proposed director, director, officer or insider of the Corporation, or any associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since January 1, 2014 or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Financial information about the Corporation is provided in its financial statements for the fiscal year ended December 31, 2014 and related management's discussion and analysis. You may obtain a copy of the annual report for fiscal 2014, containing the Corporation's financial statements and management's discussion and analysis for fiscal 2014, as well as a copy of the Corporation's most recent financial statements and the AIF, by contacting Sprott Investor Relations at (416) 203-2310 or toll-free at 1 (877) 403-2310 or ir@sprott.com.

All of these above mentioned documents, as well as additional information relating to the Corporation, are also available by visiting the Corporation's website at www.sprottinc.com or SEDAR's website at www.sedar.com.

BOARD APPROVAL

The contents and the distribution of this Circular have been approved by the Board.

Dated at Toronto, Ontario as of March 23, 2015.

BY ORDER OF THE BOARD

(signed) "*Eric S. Sprott*"

Eric S. Sprott
Chairman of the Board

SCHEDULE "A"

SPROTT INC.

MANDATE OF THE BOARD OF DIRECTORS

Introduction

The term "**Corporation**" herein shall refer to Sprott Inc. and the term "**Board**" shall refer to the board of directors of the Corporation. The Board is elected by the shareholders and is responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge such responsibility by reviewing, discussing and approving the Corporation's strategic planning and organizational structure and supervising management to ensure that the foregoing enhance and preserve the underlying value of the Corporation.

Although directors may be elected by the shareholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times.

Chairman and Composition and Quorum

1. The Board will be comprised of a minimum of one member and a maximum of ten members, the majority of which shall be, in the determination of the Board, "independent" for the purposes of National Instrument 58-101 *Disclosure of Corporate Governance Practices*. Each Board member shall satisfy the independence and experience requirements, if any, imposed by applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.

2. The chairman of the Board will be elected by vote of a majority of the full Board membership, on the recommendation of the Corporate Governance and Nominating Committee. The chairman of the Board with the assistance of the lead director (who shall be an independent director), if any, will chair Board meetings and shall be responsible for overseeing the performance by the Board of its duties, for setting the agenda of each Board meeting (in consultation with the Chief Executive Officer (the "**CEO**")), for communicating periodically with committee chairs regarding the activities of their respective committees, for assessing the effectiveness of the Board as a whole as well as individual Board members and for ensuring the Board works as a cohesive team and providing the leadership essential to achieve this.

Meetings

3. Meetings will be scheduled to facilitate the Board carrying out its responsibilities. Additional meetings will be held as deemed necessary by the Chairman of the Board. The time at which and place where the meetings of the Board shall be held and the calling of the meetings and procedure in all things at such meetings shall be determined by the Board in accordance with the Corporation's articles, by-laws and applicable laws. The independent directors of the Board shall hold regularly scheduled meetings at which non-independent directors and management are not in attendance. Any director of the Corporation may request the Chairman of the Board to call a meeting of the Board**.**

4. Meetings of the Board shall be validly constituted if a majority of the members of the Board is present in person or by tele- or video- conference. A resolution in writing signed by all the members of the Board entitled to vote on that resolution at a meeting of the Board is as valid as if it had been passed at a meeting of the Board duly called and held.

Board Charter and Performance

5. The Board shall have a written charter that sets out its mandate and responsibilities and the Board shall review and assess the adequacy of such charter and the effectiveness of the Board at least annually or otherwise, as it deems appropriate, and make any necessary changes. Unless and until replaced or amended, this mandate constitutes that charter. The Board will ensure that this mandate or a summary that has been approved by the Board is disclosed in accordance with all applicable securities laws or regulatory requirements in the Corporation's annual management information circular or such other annual filing as may be permitted or required by applicable securities regulatory authorities.

Duties of Directors

6. The Board discharges its responsibility for overseeing the management of the Corporation's business by delegating to the Corporation's senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its committees, the Audit Committee, the Corporate Governance and Nominating Committee and the Human Resources and Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature. In addition to the Board's primary roles of overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation's strategic objectives, principal duties include the following:

Appointment of Management

(i) The Board has the responsibility for approving the appointment of the CEO and all other senior management, monitoring their performance and, where deemed necessary, approving their compensation, following a review of the recommendations of the Human Resources and Compensation Committee. To the extent feasible, the Board shall satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation. The Board may provide advice and counsel in the execution of the CEO's duties as appropriate.

(ii) The Board from time to time delegates to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits and material transactions outside the ordinary course of business are reviewed by and subject to the prior approval of the Board.

(iii) The Board oversees that succession planning programs are in place, including programs to appoint, train, develop and monitor management.

Board Organization

(iv) The Board will respond to recommendations received from the Corporate Governance and Nominating Committee and the Human Resources and Compensation Committee, but retains the responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation.

(v) The Board may delegate to Board committees matters it is responsible for, including the approval of compensation of the Board and management, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

Strategic Planning

(vi) The Board has oversight responsibility to participate directly, and through its committees, in reviewing, questioning and approving the mission of the business and its objectives and goals and the strategy by which it proposes to reach those goals.

(vii) The Board is responsible for adopting a strategic planning process and approving and reviewing, on at least an annual basis, the business, financial and strategic plans by which it is proposed that the Corporation may reach those goals, and such strategic plans will take into account, among other things, the opportunities and risks of the business.

(viii) The Board has the responsibility to provide input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.

Monitoring of Financial Performance and Other Financial Reporting Matters

(ix) The Board is responsible for:

(a) adopting processes for monitoring the Corporation's progress toward its strategic and operational goals, and to revise and alter its direction to management in light of changing circumstances affecting the Corporation; and

(b) taking action when the Corporation's performance falls short of its goals or when other special circumstances warrant.

(x) The Board shall be responsible for approving the audited financial statements, interim financial statements and the notes and Management's Discussion and Analysis accompanying such financial statements.

(xi) The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including the payment of dividends, issuance, purchase and redemptions of securities, acquisitions and dispositions of material capital assets and material capital expenditures.

Risk Management

(xii) The Board has responsibility for the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to effectively monitor and manage such risks with a view to the long-term viability of the

Corporation and achieving a proper balance between the risks incurred and the potential return to the Corporation's shareholders.

(xiii) The Board is responsible for the Corporation's internal control and management information systems.

Policies and Procedures

(xiv) The Board is responsible for:

(a) developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines for the Corporation and approving and monitoring compliance with all significant policies and procedures related to corporate governance; and

(b) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards and, in particular, adopting a written code of business conduct and ethics which is applicable to directors, officers and employees of the Corporation and which constitutes written standards that are reasonably designed to promote integrity and to deter wrongdoing.

(xv) The Board enforces its policy respecting confidential treatment of the Corporation's proprietary information and Board deliberations.

(xvi) The Board is responsible for adopting and monitoring compliance with the Corporation's Code of Business Conduct and Ethics.

Communications and Reporting

(xvii) The Board is responsible for approving and revising from time to time as circumstances warrant a Disclosure Policy to address communications with shareholders, employees, financial analysts, the media and such other outside parties as may be appropriate.

(xviii) The Board is responsible for:

(a) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely, regular and non-selective basis;

(b) overseeing that the financial results are reported fairly and in accordance with international financial reporting standards and related legal disclosure requirements;

(c) taking steps to enhance the timely, non-selective disclosure of any other developments that have a significant and material impact on the Corporation;

(d) reporting annually to shareholders on its stewardship for the preceding year; and

(e) overseeing the Corporation's implementation of systems which accommodate feedback from stakeholders.

Position Descriptions

(xix) The Board is responsible for:

(a) developing position descriptions for the Chair of the Board, the lead director, if applicable, the chair of each Board committee and, together with the CEO, the CEO (which will include delineating management's responsibilities). The CEO shall be expected to, among other things:

(i) foster a corporate culture that promotes ethical practices, encourages individual integrity and fulfills social responsibility;

(ii) develop and recommend to the Board a long-term strategy and vision for the Corporation that is intended to lead to creation of shareholder value;

(iii) develop and recommend to the Board annual plans and budgets that support the Corporation's long-term strategy; and

(iv) seek to consistently strive to achieve the Corporation's financial and operating goals and objectives;

(b) developing and approving the corporate goals and objectives that the CEO is responsible for meeting; and

(c) developing a description of the expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.

Orientation and Continuing Education

(xx) The Board is responsible for:

(a) ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors) and that they understand the nature and operation of the Corporation's business; and

(b) providing continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.

Nomination of Directors

(xxi) In connection with the nomination or appointment of individuals as directors, the Board is responsible for:

(a) considering what competencies and skills the Board, as a whole, should possess;

(b) assessing what competencies and skills each existing director possesses; and

(c) considering the appropriate size of the Board, with a view to facilitating effective decision making;

with regard to their diversity, gender, age, expertise, time availability and experience (industry, professional and public service).

In carrying out each of these responsibilities, the Board will consider the advice and input of the Corporate Governance and Nominating Committee.

(xxii) Director nominees shall be selected by a majority of the independent directors.

Board Evaluation

(xxiii) The Board is responsible for ensuring that the Board, its committees and each individual director are regularly assessed regarding his, her or its effectiveness and contribution. An assessment will consider, in the case of the Board or a Board committee, its mandate or charter and in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board.

Authority to engage outside advisors

7. The Board has the authority to engage outside advisors as it determines necessary to carry out its duties, including, but not limited to identifying and reviewing candidates to serve as directors or officers.

8. The Corporation shall provide appropriate funding, as determined by the Board, for payment (a) of compensation to any advisors engaged by the Board, and (b) of ordinary administrative expenses of the Board that are necessary or appropriate in carrying out its duties.

March 4, 2015