Sprott | 2018 Third Quarter Report

Contrarian. Innovative. Aligned.

Table of Contents

November 8, 2018

Dear Shareholders,

Precious metals endured a challenging third quarter with gold and silver prices declining by approximately 4% and 9%. The pullback in precious-metal equities has been even more pronounced with a decline of nearly 20% during 2018. This sector weakness impacted our Assets under Management (AUM), which decreased to $10.1 billion during the quarter. Also contributing to the AUM decline were redemptions in our physical trusts, most of which related to Sprott's acquisition of CFCL earlier this year.

Despite the recent headwinds, our business model has proved resilient. During the three months ended September 30, Sprott generated $9.7 million of adjusted base EBITDA, an increase of more than 21% from the same period last year and consistent with the roughly $10 million-per-quarter we generated during the first half of 2018.

Gold's third quarter correction was driven by consensus expectations for protracted economic growth and related tightening by the Federal Reserve. Markets responded with across-the-board strength in equities, credit spreads, and the US dollar. In contrast, we have long held the view that valuations of financial assets will be unable to withstand the Fed's dual policy agenda of simultaneous rate hikes and balance sheet reduction (see Brinksmanship by Sprott Market Strategist, Trey Reik). Subsequent to quarter-end, we sense that a pervasive shift in sentiment may be occurring. Signs of stress have begun to emerge in key US sectors, such as autos and housing. Global growth projections are being lowered as investors weigh combined impacts of rising interest rate and trade tariffs. Against this backdrop, gold disproved a common investor concern regarding its safe haven status - during the 5.3% selloff in the S&P 500 Index on October 10 and October 11, spot gold rose almost 3% and gold equities gained more than 6%.

At Sprott, we have begun to experience an increase in investor interest in precious-metal and real-asset investments and we have positioned our business to grow our client base accordingly. We are focused on growing our operating earnings through a number of initiatives including increasing the scale of our Private Resource Lending business and new product launches in our Exchange Listed Products business line. We have also added to our sales team to support these strategies in new markets.

As we have noted previously, the landscape for precious metal investments is rapidly evolving as digitization is poised to make gold ownership more accessible and cost-effective for a growing number of investors. Sprott is committed to being at the forefront of technological innovation in the sector and has made two investments in fintech ventures using blockchain technology to digitize gold.

We are pleased to announce a partnership with APMEX, Inc., the world's largest online bullion coin dealer, to launch a new venture called OneGold, the first dedicated online platform for investing in digital bullion. OneGold will offer a number of different digital products, all of which are 100% backed by physical metal. Transactions can be facilitated in seconds and clients will enjoy lower costs relative to other platforms. We believe OneGold represents a significant step forward for the gold markets, in that individual investors will be able to access physically-backed gold quickly and cost-efficiently outside of the existing financial system. We encourage you to visit www.onegold.com to experience a new way to invest in precious metals.

Thank you for your continued support. We look forward to reporting to you on our progress in the months ahead.

Sincerely,

Peter Grosskopf
Chief Executive Officer

Management's Discussion and Analysis

Three and nine months ended September 30, 2018

FORWARD LOOKING STATEMENTS

Certain statements in this Management's Discussion & Analysis ("MD&A"), and in particular the "Business Highlights and Growth Initiatives" section and "Outlook" subsection, contain forward-looking information (collectively referred to herein as the "Forward-Looking Statements") within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify Forward-Looking Statements. In particular, but without limiting the forgoing, this MD&A contains Forward-Looking Statements pertaining to: (i) anticipation that capital calls on remaining undeployed commitments will accelerate in the fourth quarter of this year and into early 2019; (ii) our belief that the fundamentals for gold and silver are improving; (iii) our expectation that we will see stronger prices throughout the remainder of 2018 and into next year, with positive effects on the earnings from our exchange-listed product lines; (iv) our expectation that the pace of capital calls in our lending LPs will accelerate as we progress through the rest of this year and into 2019; (v) balance sheet lending continuing to wind-down as we grow the AUM in our suite of lending LPs; (vi) our belief that management fees and interest income will continue to be sufficient to satisfy ongoing operating needs and that we hold sufficient cash and liquid securities to meet any other operating and capital requirements; and (vii) the declaration, payment and designation of dividends.

Although the Company believes that the Forward-Looking Statements are reasonable, they are not guarantees of future results, performance or achievements. A number of factors or assumptions have been used to develop the Forward-Looking Statements, including: (i) the impact of increasing competition in each business in which the Company operates will not be material; (ii) quality management will be available; (iii) the effects of regulation and tax laws of governmental agencies will be consistent with the current environment; and (iv) those assumptions disclosed herein under the heading "Significant Accounting Judgments and Estimates". Actual results, performance or achievements could vary materially from those expressed or implied by the Forward-Looking Statements should assumptions underlying the Forward-Looking Statements prove incorrect or should one or more risks or other factors materialize, including: (i) difficult market conditions; (ii) poor investment performance; (iii) failure to continue to retain and attract quality staff; (iv) employee errors or misconduct could result in regulatory sanctions or reputational harm; (v) performance fee fluctuations; (vi) changes in the investment management industry; (vii) failure to implement effective information security policies, procedures and capabilities; (viii) lack of investment opportunities; (ix) risks related to regulatory compliance; (x) failure to manage risks appropriately; (xi) failure to deal appropriately with conflicts of interest; (xii) competitive pressures; (xiii) corporate growth may be difficult to sustain and may place significant demands on existing administrative, operational and financial resources; (xiv) failure to successfully implement succession planning; (xv) foreign exchange risk relating to the relative value of the U.S. dollar; (xvi) litigation risk; (xvii) failure to develop effective business resiliency plans; (xviii) failure to obtain or maintain sufficient insurance coverage on favourable economic terms; (xix) historical financial information is not necessarily indicative of future performance; (xx) the market price of common shares of the Company may fluctuate widely and rapidly; (xxi) risks relating to the Company's investment products; (xxii) risks relating to the Company's proprietary investments; (xxiii) risks relating to the Company's lending business; (xxiv) risks relating to the Company's merchant bank and advisory business; (xxv) those risks described under the heading "Risk Factors" in the Company's annual information form dated March 2, 2018; and (xxvi) those risks described under the headings "Managing Risk: Financial" and "Managing Risk: Non-Financial" in this MD&A. In addition, the payment of dividends is not guaranteed and the amount and timing of any dividends payable by the Company will be at the discretion of the Board of Directors of the Company and will be established on the basis of the Company's earnings, the satisfaction of solvency tests imposed by applicable corporate law for the declaration and payment of dividends, and other relevant factors. The Forward-Looking Statements speak only as of the date hereof, unless otherwise specifically noted, and the Company does not assume any obligation to publicly update any Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable Canadian securities laws.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This MD&A of financial condition and results of operations, dated November 8, 2018, presents an analysis of the consolidated financial condition of the Company and its subsidiaries as at September 30, 2018, compared with December 31, 2017, and the consolidated results of operations for the three and nine months ended September 30, 2018, compared with the three and nine months ended September 30, 2017. The Board of Directors approved this MD&A on November 8, 2018. All note references in this MD&A are to the notes to the Company's September 30, 2018 unaudited interim condensed consolidated financial statements ("interim financial statements"), unless otherwise noted. The Company was incorporated under the Business Corporations Act (Ontario) on February 13, 2008.

PRESENTATION OF FINANCIAL INFORMATION

The interim financial statements, including the required comparative information, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Financial results, including related historical comparatives contained in this MD&A, unless otherwise specified herein, are based on the interim financial statements. The Canadian dollar is the Company's functional and reporting currency for purposes of preparing the interim financial statements given that the Company conducts most of its operations in that currency. Accordingly, all dollar references in this MD&A are in Canadian dollars, unless otherwise specified. The use of the term "prior period" refers to the three and nine months ended September 30, 2017.

KEY PERFORMANCE INDICATORS (NON-IFRS FINANCIAL MEASURES)

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

Assets Under Management

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

Net Sales & Capital Calls

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

Net Fees

Management fees, carried interest and performance fees, net of trailer fees, sub-advisor fees, carried interest and performance fee payouts, is a key revenue indicator as it represents the net revenue contribution after directly associated costs that we generate from our AUM.

Net Commissions

Commissions, net of commission expenses, is an increasingly significant performance measure for the Company given the ongoing growth of our merchant banking and advisory business.

EBITDA, Adjusted EBITDA and Adjusted base EBITDA

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

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

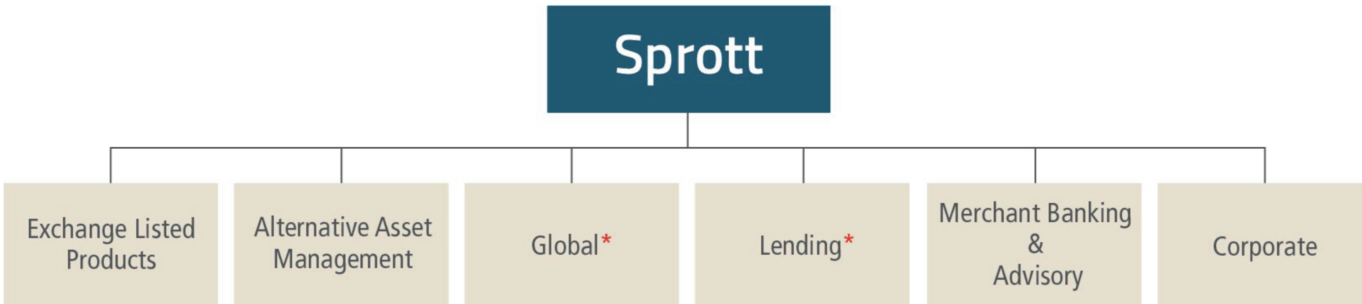
The following table outlines how our EBITDA measures are determined:

	3 months ended		9 months ended	
(in thousands $)	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Net income (loss) for the periods	1,975	29,804	21,547	35,013
Adjustments:				
Interest expense	26	124	107	179
Provision (recovery) for income taxes	35	3,401	(2,105)	7,008
Depreciation and amortization	457	1,473	1,601	5,041
EBITDA	2,493	34,802	21,150	47,241
Other adjustments:				
(Gains) losses on proprietary investments	4,765	3,770	9,694	5,126
(Gains) losses on foreign exchange	809	3,648	(283)	7,752
Non-cash stock-based compensation	1,025	(870)	3,461	387
Net proceeds from Sale Transaction	—	(33,829)	(4,200)	(32,606)
Unamortized placement fees	(273)	820	(814)	4,708
Other expenses[1]	888	442	2,299	900
Adjusted EBITDA	9,707	8,783	31,307	33,508
Other adjustments:				
Carried interest and performance fees	—	(835)	(1,802)	(1,092)
Carried interest and performance fee related expenses	—	59	915	222
Adjusted base EBITDA	9,707	8,007	30,420	32,638

(1) See Other Expenses in Note 6 of the interim financial statements. In addition to the items outlined in Note 6, Other also includes severance accruals of $0.4 million for the 3 months ended (2017 - $0.1 million) and $0.5 million for the 9 months ended (2017 - $0.3 million)

BUSINESS OVERVIEW

Our reportable operating segments are as follows:



* These reportable operating segments substantially form our "Private Resource Investments" Platform. Previously, we separately disclosed the results of our Consulting segment.

Exchange Listed Products

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

Alternative Asset Management

- The Company's alternative investment strategies and sub-advised products.

Global

- The Company's U.S operations, including: 1) fixed-term limited partnership vehicles, 2) discretionary managed accounts; and 3) U.S.-based broker-dealer.

Lending

- The Company's lending activities occur through limited partnership vehicles ("lending LPs"). Balance sheet lending continues to wind-down as we grow the AUM in our suite of lending LPs.

Merchant Banking & Advisory Services

- The Company's Canadian merchant banking and advisory services activities through Sprott Capital Partners ("SCP"), a division of Sprott Private Wealth LP ("SPW").

Corporate

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

All Other Segments

- Given its immateriality relative to the three quantitative tests of IFRS 8, effective Q1 2018, the Consulting segment no longer met the definition of a reportable segment. Consequently, this segment is now included as part of "All Other Segments" in Note 11 of the interim financial statements. Consulting is the only segment in this category as all other Company segments are reportable.

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

BUSINESS HIGHLIGHTS AND GROWTH INITIATIVES

Investment Performance

Market value depreciation was $856 million during the quarter and $945 million on a year-to-date basis as the decline in precious metals prices in the first half of the year became more pronounced in the third quarter.

Product and Business Line Expansion

- During the quarter, the Company's Lending segment AUM grew by $104 million (US$84 million) and on a year-to-date basis by $241 million (US$181 million). This brings our total Lending segment AUM to $493 million (US$382 million), leaving $340 million (US$258 million) to be called into the lending LPs. We anticipate capital calls on remaining undeployed commitments to accelerate in the fourth quarter of this year and into early 2019.
- On January 16, 2018, the Company successfully closed on the acquisition of Central Fund of Canada Limited ("CFCL") for $120 million, plus a contingent earn-out. This transaction added $4.3 billion to Company AUM. Upon closing, the assets of CFCL were transfered to the Sprott Physical Gold & Silver Trust ("CEF").
- On January 29, 2018, the Company completed the sale of its non-core private wealth client business (together with the August 1, 2017 sale of its non-core Canadian diversified funds business, referred to as the "Sale Transaction").

OUTLOOK

After a challenging third quarter where precious metals prices came under significant pressure, we believe the fundamentals for gold and silver are improving. Consequently, we expect to see stronger prices throughout the remainder of 2018 and into next year, with positive effects on the earnings from our exchange-listed product lines. Additionally, we expect the pace of capital calls in our lending LPs to accelerate as we progress throughout the rest of this year and into 2019.

SUMMARY FINANCIAL INFORMATION

(In thousands $)	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
SUMMARY INCOME STATEMENT								
Management fees	13,722	14,559	14,056	10,247	13,597	20,460	20,677	21,895
Carried interest and performance fees	—	685	1,117	3,584	835	126	131	19,935
less: Trailer fees	45	49	47	225	617	2,762	2,944	3,110
less: Sub-advisor fees	—	—	—	—	426	1,124	1,060	10,552
less: Carried interest and performance fee payouts	—	356	559	2,267	—	12	16	3,702
Net Fees	13,677	14,839	14,567	11,339	13,389	16,688	16,788	24,466
Commissions	4,573	7,516	8,857	7,366	4,746	8,878	8,200	2,959
less: Commission expense	2,447	2,701	3,667	2,855	1,553	3,364	3,208	1,209
Net Commissions	2,126	4,815	5,190	4,511	3,193	5,514	4,992	1,750
Interest income	4,824	3,293	2,775	3,588	2,789	3,387	5,829	3,594
Gains (losses) on proprietary investments	(4,765)	(3,050)	(1,879)	(63)	(3,770)	613	(1,969)	(8,030)
Gains (losses) on long-term investments	(151)	(72)	56	3,639	—	—	—	—
Other income (loss)	(275)	3,683	6,533	1,144	31,487	(2,648)	1,338	4,847
Total Net Revenues	15,436	23,508	27,242	24,158	47,088	23,554	26,978	26,627
Compensation [(1)]	8,167	10,634	9,485	10,631	5,655	11,784	12,461	14,112
Compensation - severance accruals	359	—	149	2,193	62	196	1	283
Placement and referral fees	223	148	204	833	782	4,628	68	2,169
Selling, general and administrative	3,430	4,920	4,652	5,761	5,208	6,163	6,566	6,949
Expected credit loss provisions (recoveries) [(2)]	—	—	—	—	—	—	(4,942)	(911)
Amortization and impairment charges	457	456	688	1,386	1,473	1,778	1,790	1,836
Other expenses	790	802	1,179	2,069	703	289	934	660
Total Expenses	13,426	16,960	16,357	22,873	13,883	24,838	16,878	25,098
Net Income (Loss)	1,975	5,916	13,657	2,519	29,804	(3,606)	8,815	754
Net Income (Loss) per share	0.01	0.02	0.06	0.01	0.13	(0.01)	0.04	0.00
Adjusted base EBITDA	9,707	10,686	10,027	7,524	8,007	8,751	15,882	4,715
Adjusted base EBITDA per share	0.04	0.04	0.04	0.03	0.03	0.04	0.06	0.02
SUMMARY BALANCE SHEET								
Total Assets	401,366	403,985	407,177	409,849	408,093	387,636	426,647	440,024
Total Liabilities	36,486	36,372	42,417	65,985	61,707	62,925	64,113	79,710
Cash	41,452	37,974	52,097	156,120	152,952	96,572	113,882	123,955
less: syndicate cash holdings	(967)	(796)	(932)	(776)	(649)	(477)	(3,838)	(394)
Net cash	40,485	37,178	51,165	155,344	152,303	96,095	110,044	123,561
Proprietary and long-term investments	115,744	120,853	96,352	114,327	134,306	137,505	156,097	147,545
less: obligations related to securities sold short	—	(2,927)	(8,543)	(24,993)	(25,988)	(26,577)	(30,157)	(29,810)
Net investments	115,744	117,926	87,809	89,334	108,318	110,928	125,940	117,735
Loans receivable	36,532	40,208	50,467	48,673	46,215	67,804	73,336	67,678
Investable Capital	192,761	195,312	189,441	293,351	306,836	274,827	309,320	308,974
ASSETS UNDER MANAGEMENT								
Exchange Listed Products	7,560,651	8,530,082	9,014,378	4,634,068	4,539,751	4,591,479	4,758,403	4,411,640
Alternative Asset Management	868,003	1,009,007	1,054,745	1,115,114	1,177,214	3,323,611	3,529,068	3,653,851
Private Resource Investments [(3)]	1,637,458	1,586,953	1,522,090	1,574,200	1,474,547	1,391,367	1,404,955	1,182,492
Total Enterprise AUM	10,066,112	11,126,042	11,591,213	7,323,382	7,191,512	9,306,457	9,692,426	9,247,983

[(1)] Compensation includes stock-based compensation, but excludes commission expense, carried interest and performance fee payouts, which are reported net of commission revenue, carried interest and performance fees, respectively.

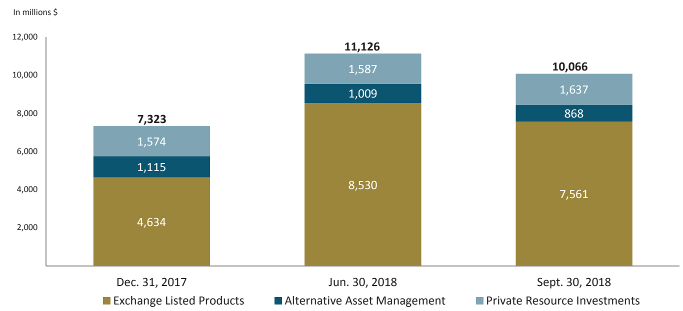
[(2)] Starting Q1, 2018, in order to comply with the new IFRS 9 accounting standard, an expected loss model was used. In the periods prior to Jan 1, 2018, an incurred loss model was used as per IAS 39. See Changes in accounting policies in Note 2 of the interim financial statements.

[(3)] Primarily includes the AUM of our Consulting, Global and Lending segments.

RESULTS OF OPERATIONS

AUM SUMMARY

AUM was $10.1 billion as at September 30, 2018, down $1.1 billion (10%) from June 30, 2018 and up $2.7 billion (37%) from December 31, 2017. The decrease on a three months ended basis was primarily due to lower precious metal prices in our physical trusts, as well as redemptions in the recently acquired CFCL assets. This was further impacted by poor market performance and ongoing redemptions of our sub-advised products. These declines more than offset the increased capital calls (AUM) in our lending LPs. Increased AUM on a year-to-date basis was entirely due to the successful acquisition of CFCL and higher capital call activity (AUM) in our lending LPs. These increases more than offset lower precious metal prices and increased redemption activity in our physical trusts and sub-advised product offerings.



3 months results

In millions $	AUM Jun. 30, 2018	Net Sales & Capital Calls	Market Value Change	Acquisitions & Divestitures	AUM Sept. 30, 2018
Exchange Listed Products					
- Physical Trusts	8,132	(189) (1)	(623)	—	7,320
- ETFs	398	(79)	(78)	—	241
	8,530	(268)	(701)	—	7,561
Alternative Asset Management					
- In-house	406	(4)	(26)	—	376
- Sub-advised	603	(40)	(71)	—	492
	1,009	(44)	(97)	—	868
Private Resource Investments					
- Managed Companies	603	—	(8)	—	595
- Fixed Term LPs	292	—	(22)	—	270
- Separately Managed Accounts	303	—	(24)	—	279
- Private Resource Lending LPs	389	108	(4)	—	493
	1,587	108	(58)	—	1,637
Total	11,126	(204)	(856)	—	10,066

(1) Total CFCL units acquired on January 16, 2018 were 252 million. For the 3 months ended September 30, 2018, 6 million units ($137 million or 2%) were redeemed.

9 months results

In millions $	AUM Dec. 31, 2017	Net Sales & Capital Calls	Market Value Change	Acquisitions & Divestitures	AUM Sept. 30, 2018
Exchange Listed Products					
- Physical Trusts	4,200	(583) (1)	(634)	4,337	7,320
- ETFs	434	(90)	(103)	—	241
	4,634	(673)	(737)	4,337	7,561
Alternative Asset Management					
- In-house	405	(10)	(19)	—	376
- Sub-advised	710	(89)	(129)	—	492
	1,115	(99)	(148)	—	868
Private Resource Investments					
- Managed Companies	706	—	(13)	(98)	595
- Fixed Term LPs	308	—	(38)	—	270
- Separately Managed Accounts	308	—	(29)	—	279
- Private Resource Lending LPs	252	221	20	—	493
	1,574	221	(60)	(98)	1,637
Total	7,323	(551)	(945)	4,239	10,066

(1) Total CFCL units acquired on January 16, 2018 were 252 million. For the 9 months ended September 30, 2018, 28 million units ($476 million or 11%) were redeemed.

MANAGEMENT FEES BREAKDOWN

Below is a detailed list of management fee rates on our fund products as at September 30, 2018 (in thousands $):

FUND	AUM	BLENDED NET MANAGEMENT FEE RATE	CARRIED INTEREST AND PERFORMANCE FEE CRITERIA
Exchange Listed Products			
Sprott Physical Gold and Silver Trust	3,539,107	0.40%	N/A [1]
Sprott Physical Gold Trust	2,582,789	0.35%	N/A [1]
Sprott Physical Silver Trust	1,074,776	0.45%	N/A [1]
Sprott Gold Miner's ETF	169,836	0.57%	N/A [1]
Sprott Jr. Gold Miner's ETF	71,239	0.57%	N/A [1]
Sprott Physical Platinum & Palladium Trust	122,904	0.50%	N/A [1]
Total	7,560,651	0.40%	
Alternative Asset Management: In-house			
Sprott U.S. Value Strategies [2]	336,008	0.85%	15% of all net profits in excess of the HWM
Separately Managed Accounts [3]	39,846	1.00%	N/A
Total	375,854	0.87%	
Alternative Asset Management: Sub-advised			
Bullion Funds [4]	279,425	0.51%	10% excess over applicable benchmark indices
Corporate Class Funds [4]	121,288	0.75%	10% excess over applicable benchmark indices
Flow-through LPs [4]	91,436	0.70%	20% of all net profits in excess of the HWM
Total	492,149	0.60%	
Private Resource Investments			
Managed Companies [5]	595,351	0.50%	N/A
Sprott Private Resource Lending LPs	492,968	1.19%	15-70% of net profits over guaranteed return
Fixed Term Limited Partnerships	269,882	1.70%	15-30% over guaranteed return
Separately Managed Accounts [6]	279,257	0.61%	20% of net profits over guaranteed return
Total	1,637,458	0.91%	
Total AUM	10,066,112	0.50%	

(1) Exchange listed products do not attract performance fees, however the management fees they generate are closely correlated to precious metals prices.

(2) Includes Sprott Focus Trust and Sprott Privet Fund.

(3) Institutional managed accounts.

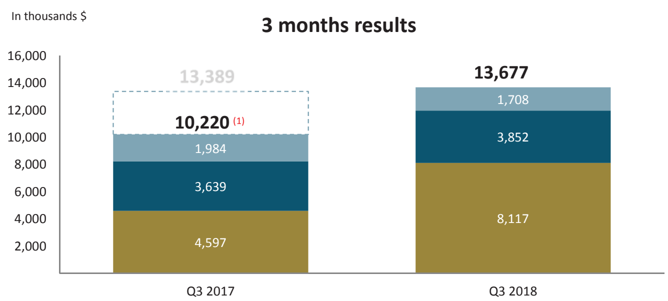
(4) Management fee rate represents the net amount received by the Company as sub-advisor for these products.

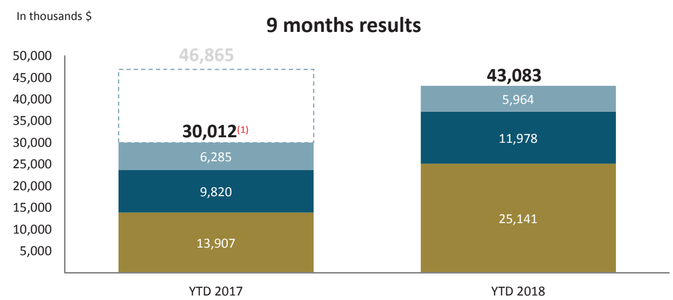
(5) Includes Sprott Resource Holdings Inc. and Sprott Korea Corp.

(6) Includes our private equity strategy in Sprott Asia and high net worth discretionary managed accounts in the U.S.

KEY REVENUE LINES

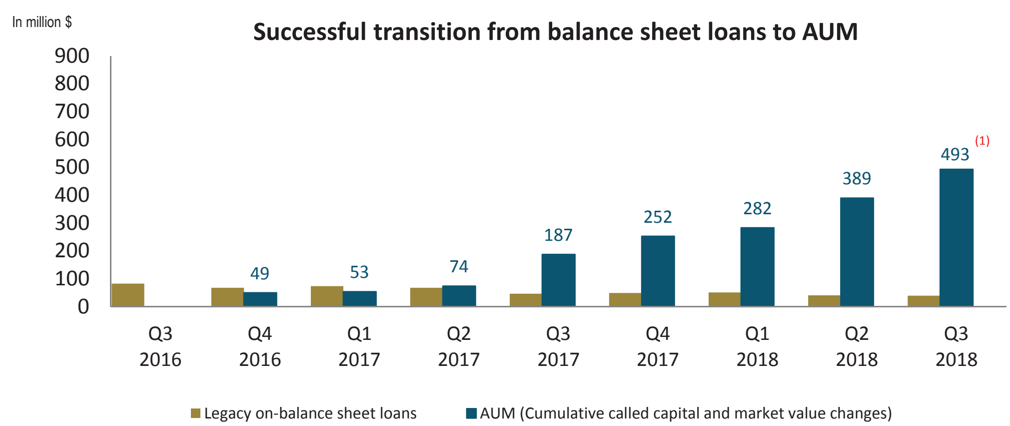
Net Fees in the quarter were $13.7 million, up $0.3 million (2%) from the prior period and were $43.1 million on a year-to-date basis, down $3.8 million (8%). Excluding net fees that were earned last year on the diversified assets sold as part of the Sale Transaction, Net Fees in the quarter were up $3.5 million (34%), and on a year-to-date basis, were up $13.1 million (44%). The increases on a normalized basis were due to management fee generation on the newly acquired CFCL assets in our Exchange Listed Products platform. We also experienced increased fee generation from the lending LPs in our Private Resource Investments platform as we continue to deploy called capital as fee earning AUM.





(1) Excludes fees generated from the non-core assets sold in August 2017.

Interest Income in the quarter was $4.8 million, up $2.0 million (73%) from the prior period and was $10.9 million on a year-to-date basis, down $1.1 million (9%). The increase on a three months ended basis was primarily due to the acceleration of deferred interest income on early settlement of a loan and higher interest income from our growing co-investments in the lending LPs. Excluding last year's impact of catch-up interest recorded on a previously impaired loan, interest income on a year-to-date basis was up $1.5 million (16%). The year-to-date increase on a normalized basis was due to the early settlement of loans and income generation from our co-investments in lending LPs as previously described.

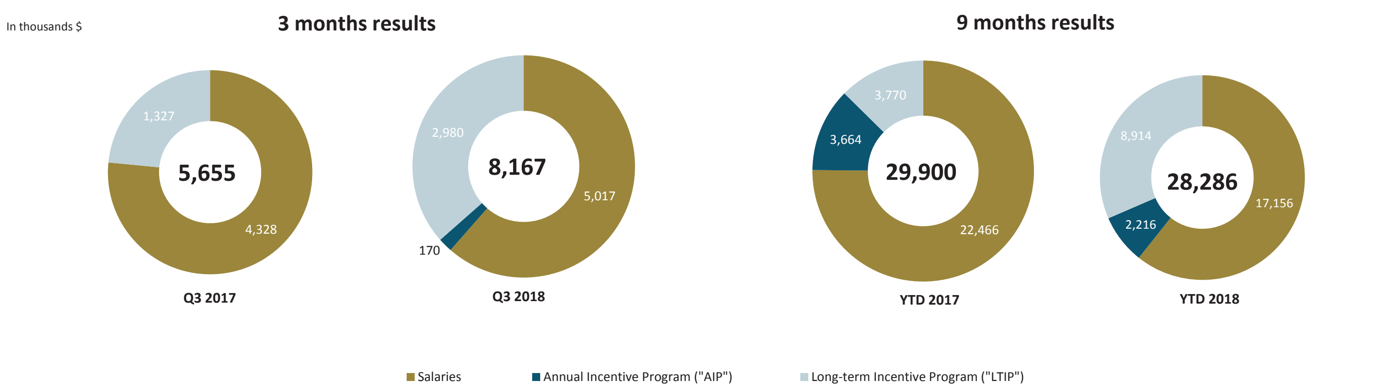


(1) $340 million (US$258 million) of the original $830 million (US$640 million) in committed capital remains uncalled (future AUM).

Net Commissions in the quarter were $2.1 million, down $1.1 million (33%) from the prior period and was $12.1 million on a year-to-date basis, down $1.6 million (11%). The decline was due to lower transaction volumes and placement activities in our U.S broker-dealer and reduced placement activity in our Merchant Banking and Advisory platform.

KEY EXPENSE LINES

Compensation, excluding commissions, carried interest and performance fee payouts, which are presented net of their related revenues in this MD&A, and severance accruals which are non-recurring, was $8.2 million, up $2.5 million (44%) from the prior period and was $28.3 million on a year-to-date basis, which was down $1.6 million (5%). The increase on a three months ended basis was due entirely to last year's reversal of $1.1 million of cash compensation and $2.2 million of equity grant forfeitures pertaining to employees impacted by the Sale Transaction. The decrease on a year-to-date basis was primarily due to lower head count as a result of last year's Sale Transaction which more than offset last year's cash compensation reversal and equity grant forfeitures mentioned above.



SG&A was $3.4 million in the quarter, down $1.8 million (34%) from the prior period and was $13.0 million on a year-to-date basis, down $4.9 million (28%). This was largely due to lower rent, marketing, sales, professional fees, technology and fund operating expenses as a result of last year's Sale Transaction, and to a lesser extent, our on-going cost containment program.

ADDITIONAL REVENUE AND EXPENSE HIGHLIGHTS

Losses on proprietary investments were due to market value depreciation of our bullion holdings, certain equity investments and equity kickers received on deal originations in our private resource investments platform.

Losses on long-term investments were nominal both on a quarterly and year-to-date basis.

Other income was lower in the quarter and on a year-to-date basis. The decrease in the quarter and on a year-to-date basis was primarily due to net sales proceeds received on last year's Sale Transaction in the prior periods.

Placement and referral fees were lower in the quarter and on a year-to-date basis due to less usage of placement agents in our lending business.

Expected credit loss provisions ("ECL") were $Nil in the quarter, however on transition to IFRS 9 in the first quarter of this year, one loan was identified as requiring a Stage 1 ECL provision of $50 thousand, which was charged to opening retained earnings (December 31, 2017 - $Nil).

Amortization of intangibles was lower due to finite life fund management contracts in our Global segment being fully amortized in the first quarter of this year.

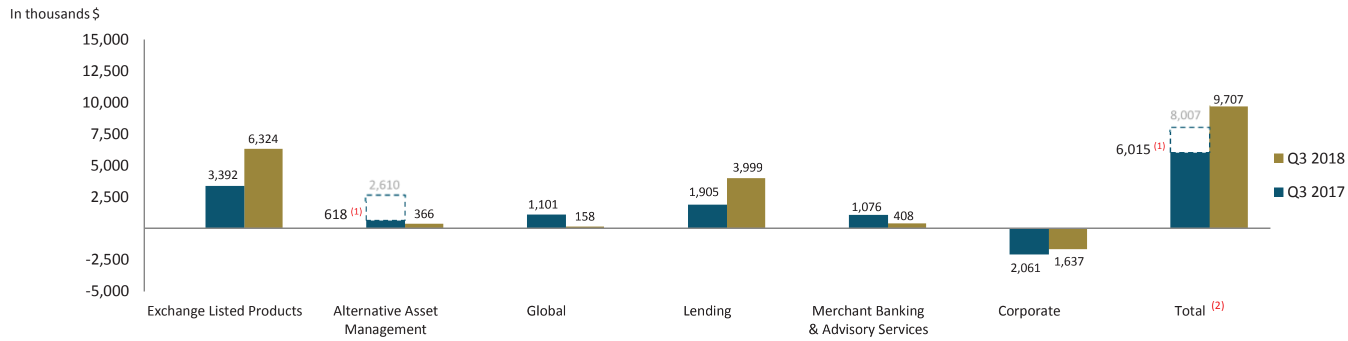
Amortization of property and equipment was lower due to a reduction in fixed assets held as a result of the Sale Transaction.

Other expenses were flat in the quarter. On a year-to-date basis, other expenses was higher due to higher non-recurring professional fees primarily related to the Sale Transaction.

Adjusted Base EBITDA

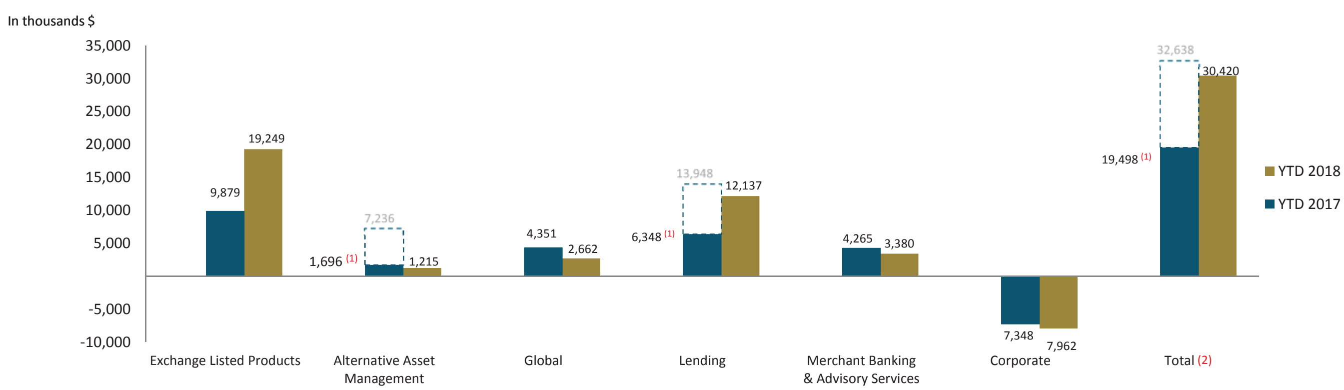
3 months results

Adjusted base EBITDA in the quarter was $9.7 million, up $1.7 million (21%) from the prior period. Excluding the impact of last year's Sale Transaction, adjusted base EBITDA was up $3.7 million (61%). The increase in earnings on a normalized basis was due to higher net fees generated on the newly acquired CFCL assets and newly called capital and higher co-investment income generated in our lending LPs.



9 months results

Adjusted base EBITDA on a year-to-date basis was $30.4 million, down $2.2 million (7%). Excluding the impact of last year's Sale Transaction, catch-up interest and loan loss reversal, adjusted base EBITDA was up $10.9 million (56%). The increase in earnings on a normalized basis was due to higher net fees generated on the newly acquired CFCL assets and newly called capital and higher co-investment income generated in our lending LPs.

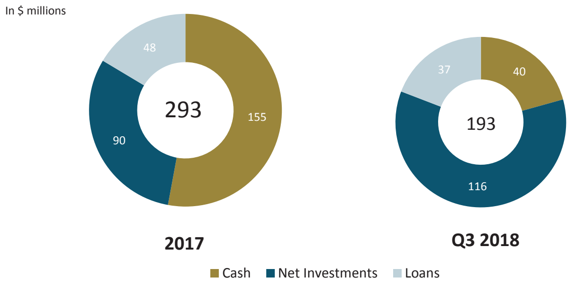


(1) Excludes EBITDA generated in 2017 from: 1) non-core assets sold in our Alternative Asset Management segment; and 2) loan loss provision reversal and related catch-up interest in our Lending segment.

(2) Net of consolidation eliminations and non-reportable segments. See Note 11 of the interim financial statements.

Balance Sheet

Investable Capital was $193 million, down $101 million (34%) from December 31, 2017. The decrease was primarily due to: 1) the purchase of CFCL assets in January of this year; and 2) payments made on a note payable to Eric Sprott (see Note 13 of the interim financial statements).



Total Assets were $401 million, down $8 million (2%) from December 31, 2017. The slight decrease was primarily due to the deployment of investable capital previously described, offset by increased intangible assets attributable to the CFCL transaction.

Total Liabilities were $36 million, down $29 million (45%) from December 31, 2017. The decrease was largely due to lower obligations related to securities sold short as we unwind certain hedge positions in our proprietary investments and payments made on the note payable to Eric Sprott (see Note 13 of the interim financial statements).

Total Shareholder's Equity was $365 million, up $21 million (6%) from December 31, 2017. The increase was primarily due to the issuance of share capital on purchase of CFCL.

REPORTABLE OPERATING SEGMENTS

Exchange Listed Products

	3 months ended		9 months ended	
(In thousands $)	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
SUMMARY INCOME STATEMENT				
Management fees	8,117	4,597	25,141	13,907
Other income (loss)	(178)	(394)	108	(689)
Total Revenues	7,939	4,203	25,249	13,218
Compensation	981	555	3,426	1,961
Selling, general and administrative	838	650	2,493	2,067
Amortization and impairment charges	315	340	943	1,030
Other expenses	—	—	30	—
Total Expenses	2,134	1,545	6,892	5,058
Net Income (Loss) before income taxes	5,805	2,658	18,357	8,160
Adjusted base EBITDA	6,324	3,392	19,249	9,879
Total AUM	7,560,651	4,539,751	7,560,651	4,539,751

3 and 9 months ended

Adjusted base EBITDA in the quarter was $6.3 million, up $2.9 million (86%) from the prior period and was $19.2 million on a year-to-date basis, up $9.4 million (95%):

- Primarily due to higher management fees generated on new AUM from the CFCL acquisition. This increase was partially offset by higher compensation expense as a result of higher LTIP amortization.

Non-EBITDA highlights:

- Other loss during the quarter and other income on a year-to-date basis was mainly driven by FX movements on U.S dollar dominated cash and receivables.

Alternative Asset Management

	3 months ended		9 months ended	
(In thousands $)	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
SUMMARY INCOME STATEMENT				
Management fees	1,753	5,361	5,603	30,823
Carried interest and performance fees	—	835	1,061	1,092
less: Trailer fees	45	949	141	7,554
less: Sub-advisor fees	—	426	—	2,611
less: Carried interest and performance fee payouts	—	—	559	28
Net Fees	1,708	4,821	5,964	21,722
Gains (losses) on proprietary investments	—	86	5	566
Other income (loss)	153	34,229	519	35,125
Total Net Revenues	1,861	39,136	6,488	57,413
Compensation	1,072	(116)	3,575	9,535
Selling, general and administrative	423	1,377	1,308	6,220
Amortization and impairment charges	67	204	202	1,067
Other expenses	13	41	11	41
Total Expenses	1,575	1,506	5,096	16,863
Net Income (Loss) before income taxes	286	37,630	1,392	40,550
Adjusted base EBITDA	366	2,610	1,215	7,236
Total AUM	868,003	1,177,214	868,003	1,177,214

3 and 9 months ended

Adjusted base EBITDA in the quarter was $0.4 million, down $2.2 million (86%) from the prior period and was $1.2 million on a year-to-date basis, down $6.0 million (83%). Excluding the impact of last year's Sale Transaction, adjusted base EBITDA was down $0.3 million (41%) in the quarter and on a year-to-date basis, adjusted base EBITDA was down $0.5 million (28%).

Non-EBITDA highlights:

- Other income was lower primarily due to net sales proceeds on last year's Sale Transaction reflected in the prior period.

Global*

(In thousands $)	3 months ended Sept. 30, 2018	3 months ended Sept. 30, 2017	9 months ended Sept. 30, 2018	9 months ended Sept. 30, 2017
SUMMARY INCOME STATEMENT				
Management fees	1,584	1,720	5,003	5,293
less: Sub-advisor fees	44	45	137	137
Net Fees	1,540	1,675	4,866	5,156
Commissions	1,928	2,172	7,387	9,855
less: Commission expense	1,132	764	2,392	3,554
Net Commissions	796	1,408	4,995	6,301
Gains (losses) on proprietary investments	244	3	(165)	1,012
Gains (losses) on long-term investments	(98)	—	(262)	—
Other income (loss)	487	494	(256)	809
Total Net Revenues	2,969	3,580	9,178	13,278
Compensation (1)	1,937	808	6,133	4,066
Placement and referral fees	10	38	93	118
Selling, general and administrative	1,038	1,376	3,195	3,310
Amortization and impairment charges	22	901	306	2,859
Other expenses	322	16	363	97
Total Expenses	3,329	3,139	10,090	10,450
Net Income (Loss) before income taxes	(360)	441	(912)	2,828
Adjusted base EBITDA	158	1,101	2,662	4,351
Total AUM	424,266	480,666	424,266	480,666

* This segment, along with our Lending segment substantially forms our "Private Resource Investments" platform.

(1) Compensation is presented excluding commission expense, which is reported net of commission revenue.

3 and 9 months ended

Adjusted base EBITDA in the quarter was $0.2 million, down $0.9 million (86%) from the prior period, and was $2.7 million on a year-to-date basis, down $1.7 million (39%)

- Lower EBITDA was due to lower net commissions on reduced transaction volumes and private placement activity in the U.S. broker-dealer portion of this segment, as well as lower net fee generation on lower AUM in the fixed-term LP products of this segment.

Non-EBITDA highlights:

- Proprietary investment gains during the quarter and losses on a year-to-date basis were due to market value movements on warrants and other equity kickers received in certain transactions of our U.S. broker-dealer.
- Other income during the quarter and other loss on a year-to-date basis was mainly driven by FX movements on Canadian dollar denominated cash and receivables.
- Compensation increased due to higher restricted stock unit ("RSU") issuance.
- Other expenses related primarily to non-recurring professional fees.

Lending*

	3 months ended		9 months ended	
(In thousands $)	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
SUMMARY INCOME STATEMENT				
Management fees	1,304	450	3,509	701
Carried interest and performance fees	—	—	685	—
less: Carried interest and performance fee payouts	—	—	356	—
Net Fees	1,304	450	3,838	701
Interest income [(1)]	4,407	2,405	10,265	10,781
Gains (losses) on proprietary investments	(1,142)	(212)	(1,617)	(186)
Gains (losses) on long-term investments	(9)	—	16	—
Other income (loss)	(669)	(2,532)	4,624	(4,661)
Total Revenues	3,891	111	17,126	6,635
Compensation	1,524	792	3,882	2,092
Placement and referral fees	46	729	108	5,271
Selling, general and administrative	178	203	927	679
Expected credit loss provisions (recoveries)	—	—	—	(4,942)
Amortization and impairment charges	36	2	41	4
Other expenses	—	—	30	—
Total Expenses	1,784	1,726	4,988	3,104
Net Income (Loss) before income taxes	2,107	(1,615)	12,138	3,531
Adjusted base EBITDA	3,999	1,905	12,137	13,948
Total AUM [(2)]	492,968	187,000	492,968	187,000

* This segment, along with our Global segment, substantially forms our "Private Resource Investments" platform.

(1) Includes interest income from: (1) on-balance sheet loans; and (2) co-investment income from lending LP units.

(2) During the quarter, the Company's Lending segment AUM grew by $104 million (US$84 million) and on a year-to-date basis by $241 million (US$181 million). This brings our total Lending segment AUM to $493 million (US$382 million), leaving $340 million (US$258 million) to be called into the lending LPs.

3 and 9 months ended

Adjusted base EBITDA in the quarter was $4.0 million, up $2.1 million from the prior period. The increase was primarily due to higher management fees and co-investment income from our lending LPs. We also benefited from the acceleration of deferred interest income on the early settlement of a loan. The increase was partially offset by higher compensation expense.

On a year-to-date basis, adjusted base EBITDA was $12.1 million, down $1.8 million (13%). Excluding the impact of last year's loan loss reversal and catch-up interest, adjusted base EBITDA was up $5.8 million (91%). The increase in earnings on a normalized basis was primarily due to higher management fees and co-investment income from our lending LPs. We also benefited from the acceleration of deferred interest income on the early settlement of loans. The increase was partially offset by higher compensation expense.

Non-EBITDA highlights:

- Carried interest net of related payouts was $Nil on a three months ended basis and $0.3 million year-to-date as a result of certain crystallization events in Q2 2018.
- Losses on proprietary investments were due to market value depreciation on equity kickers received on certain loan arrangements.
- Other loss during the quarter and other income on a year-to-date basis was mainly driven by FX movements on U.S dollar dominated cash, receivables and loans.

Merchant Banking and Advisory Services

	3 months ended		9 months ended	
(In thousands $)	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
SUMMARY INCOME STATEMENT				
Commissions	2,789	2,589	13,524	12,203
less: Commission Expense	1,561	789	6,745	4,790
Net Commissions	1,228	1,800	6,779	7,413
Management fees	—	90	—	267
Interest income	417	384	627	1,224
Gains (losses) on proprietary investments	(267)	(273)	(683)	(258)
Other income (loss)	6	424	4,521	1,519
Total Net Revenues	1,384	2,425	11,244	10,165
Compensation [(1)]	738	1,468	2,890	4,439
Placement and referral fees	129	—	273	49
Selling, general and administrative	559	556	1,790	2,115
Amortization and impairment charges	3	4	9	15
Other expenses	—	108	301	116
Total Expenses	1,429	2,136	5,263	6,734
Net Income (Loss) before income taxes	(45)	289	5,981	3,431
Adjusted base EBITDA	408	1,076	3,380	4,265

(1) Compensation is presented excluding commission expense, which is reported net of commission revenue.

3 months ended

Adjusted base EBITDA in the quarter was $0.4 million, down $0.7 million (62%) from the prior period:

- Lower compensation expense was more than offset by lower net commissions and lower trailer fee income on assets under administration attributable to Sprott products as a result of last year's Sale Transaction.

Non-EBITDA highlights:

- Losses on proprietary investments was the result of market value depreciation on equity kickers earned on private placement transactions.

9 months ended

Adjusted base EBITDA in the quarter was $3.4 million, down $0.9 million (21%) from the prior period:

- Lower compensation expense was more than offset by lower net commissions, interest income and lower trailer fee income on assets under administration attributable to Sprott products as a result of last year's Sale Transaction.

Non-EBITDA highlights:

- Losses on proprietary investments was the result of market value depreciation on equity kickers earned on private placement transactions.
- Other income was primarily related to the net sale proceeds received on the Sale Transaction. See Note 6 of the interim financial statements.

Corporate

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

	3 months ended		9 months ended	
(In thousands $)	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
SUMMARY INCOME STATEMENT				
Gains (losses) on proprietary investments	(1,804)	(3,215)	(3,093)	(6,608)
Gains (losses) on long-term investments	(44)	—	79	—
Other income (loss)	(22)	(671)	287	(1,941)
Total Revenues	(1,870)	(3,886)	(2,727)	(8,549)
Compensation	1,596	909	6,286	5,306
Selling, general and administrative	112	687	2,383	2,583
Amortization and impairment charges	10	15	83	43
Other expenses	228	157	1,196	418
Total Expenses	1,946	1,768	9,948	8,350
Net Income (Loss) before income taxes	(3,816)	(5,654)	(12,675)	(16,899)
Adjusted base EBITDA	(1,637)	(2,061)	(7,962)	(7,348)

3 and 9 months ended

- Losses on proprietary investments were due to market value depreciation of certain resource equity holdings and bullion investments.
- Other loss during the quarter and other income on a year-to-date basis was mainly driven by FX movements on U.S dollar dominated cash and receivables.
- Higher compensation expense was largely a result of higher LTIP amortization.
- Lower SG&A was largely due to our on-going cost containment program.
- Other expenses related primarily to non-recurring professional fees.

Dividends

The following dividends were declared by the Company during the 9 months ended September 30, 2018:

Record date	Payment Date	Cash dividend per share ($)	Total dividend amount (in thousands $)
March 12, 2018 - Regular Dividend Q4 - 2017	March 27, 2018	0.03	7,553
May 21, 2018 - Regular Dividend Q1 - 2018	June 5, 2018	0.03	7,553
August 20, 2018 - Regular Dividend Q2 - 2018	September 4, 2018	0.03	7,566
Dividends [1]			22,672

[1] Subsequent to the quarter-end, on November 8, 2018, a regular dividend of $0.03 per common share was declared for the quarter ended September 30, 2018. This dividend is payable on December 4, 2018 to shareholders of record at the close of business on November 19, 2018.

Capital Stock

Including the 12.0 million unvested common shares currently held in the EPSP Trust (December 31, 2017 - 10.4 million), total capital stock issued and outstanding was 252.7 million (December 31, 2017 - 244.5 million). The increase from December 31, 2017 was primarily due to the issuance of shares as part of the purchase of CFCL on January 16, 2018.

Earnings per share for the current and prior periods have been calculated using the weighted average number of shares outstanding during the respective periods. Both basic and diluted earnings per share were $0.01 and $0.09 for the quarter and nine months ended respectively, compared to $0.13 and $0.15 in the respective prior periods. Diluted earnings per share reflects the dilutive effect of in-the-money stock options, unvested shares held in the EPSP Trust and outstanding restricted stock units.

A total of 3.3 million stock options are outstanding pursuant to our stock option plan, of which 1.9 million are exercisable.

Liquidity and Capital Resources

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

As at September 30, 2018, the Company had an undrawn credit facility with a major Canadian chartered bank. Amounts may be borrowed under the facility through prime rate loans, or bankers' acceptances. Amounts may also be borrowed in U.S. dollars through base rate loans.

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

Commitments

Besides the Company's long-term lease agreements, there may be commitments to provide loans or make co-investments in lending LPs arising from our Lending segment or commitments to make investments in the net investments portfolio of the Company. As at September 30, 2018, the Company had no direct on-balance sheet loan commitments (December 31, 2017 - $9.9 million) and $11.1 million of co-investment commitments from the Lending segment (December 31, 2017 - $7.8 million).

Significant Accounting Judgments and Estimates

The interim financial statements have been prepared in accordance with IFRS standards in effect as at September 30, 2018, specifically, IAS 34 *Interim Financial Reporting*.

Compliance with IFRS requires the Company to exercise judgment, make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary. Except as otherwise noted, significant accounting judgments and estimates are described in Note 2 of the December 31, 2017 annual audited financial statements and have been applied consistently to the interim financial statements as at and for the three and nine months ended September 30, 2018.

In Q1, 2018 the Company adopted IFRS 9 Financial Instruments (“IFRS 9”) and IFRS 15 Revenue from Contracts with Customers (“IFRS 15”). As a result, the Company changed its accounting policies. As permitted by the transition provision of both IFRS 9 and IFRS 15, the Company elected not to restate comparative period results. Accordingly, all comparative period information is presented in accordance with previous accounting policies.

Managing Risk: Financial

Market risk

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

Price risk

Price risk arises from the possibility that changes in the price of the Company's on and off-balance sheet assets and liabilities will result in changes in carrying value or recoverable amounts. The Company's revenues are also exposed to price risk since management fees, carried interests and performance fees are correlated with AUM, which fluctuates with changes in the market values of the assets in the funds and managed accounts managed by the Company. Commodity price risk refers to uncertainty of future market values caused by fluctuation in the price of a commodity. Management takes into account a number of factors and is committed to several processes to ensure that this risk is appropriately managed.

Interest rate risk

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

Foreign currency risk

Foreign currency risk arises from foreign exchange rate movements that could negatively impact either the carrying value of financial assets and liabilities or the related cash flows when translating those balances into Canadian dollars. The Company's primary foreign currency is the United States Dollar ("USD"). The Company may employ certain hedging strategies to mitigate foreign currency risk.

Credit risk

Credit risk is the risk that a borrower will not honor its commitments and a loss to the Company may result. Credit risk generally arises in the Company's on balance sheet loans, co-investments in lending LPs and its net investments portfolio.

Loans receivable

The Company incurs credit risk primarily in the on-balance sheet loans of Sprott Resource Lending Corporation ("SRLC") and through the loan portfolio of the lending LPs. In addition to the relative default probability of SRLC borrowers (both directly via SRLC and indirectly via borrowers of the lending LPs), credit risk is also dependent on loss given default, which can increase credit risk if the values of the underlying assets securing the Company's loans and co-investments decline to levels approaching or below the loan amounts. A decrease in commodity prices may delay the development of the underlying security or business plans of the borrower and could adversely affect the value of the Company's security against a loan. Additionally, the value of the Company's underlying security in a loan can be negatively affected if the actual amount or quality of the commodity proves to be less than originally estimated, or the ability to extract the commodity proves to be more difficult or more costly than originally estimated. During the loan origination process, management takes into account a number of factors and is committed to several processes to ensure that this risk is appropriately managed.

Collectability of loans

Besides the above noted measures we take to manage credit risk, the Company will report on credit risk in the notes to the annual financial statements and records expected credit loss provisions to ensure the loans are recorded at their estimated recoverable amount (i.e. net of impairment risk we believe to exist as at the balance sheet date and in accordance with IFRS). Actual losses incurred in the loan portfolio could differ materially from our provisions. Management takes into account a number of factors and is committed to several processes to ensure that this risk is appropriately managed.

Net investments

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

Other

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

Liquidity risk

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

The Company's exposure to liquidity risk as it relates to loans receivable arises from fluctuations in cash flows from making loan advances and receiving loan repayments. The Company manages its loan commitment liquidity risk through the ongoing monitoring of scheduled loan fundings and repayments and through its broader treasury risk management program.

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

The Company's management team is responsible for reviewing resources to ensure funds are readily available to meet its financial obligations (e.g. dividend payments) as they come due, as well as ensuring adequate funds exist to support business strategies and operations growth. The Company manages liquidity risk by monitoring cash balances on a daily basis and through its broader treasury risk management program. To meet any liquidity shortfalls, actions taken by the Company could include: syndicating a portion of its loans; slowing its lending activities; cutting its dividend; drawing on available loan facilities; liquidating net investments; and/or issuing common shares.

Concentration risk

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

Disclosure Controls and Procedures ("DC&P") and Internal Control over Financial Reporting ("ICFR")

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

Consistent with *National Instrument 52-109*, the Company's CEO and CFO evaluate quarterly the DC&P and ICFR. As at September 30, 2018, the Company's CEO and CFO concluded that the Company's DC&P and ICFR were properly designed and were operating effectively. In addition, there were no material changes to ICFR during the quarter.

Managing Risk: Non-financial

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

Consolidated Financial Statements

Three and nine months ended September 30, 2018

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

As at *(In thousands of Canadian dollars)*		Sept. 30 2018	Dec. 31 2017
Assets			
Current			
Cash and cash equivalents		41,452	156,120
Fees receivable		9,938	13,776
Loans receivable	*(Note 5)*	2,781	17,218
Proprietary investments	*(Note 3)*	31,376	64,564
Other assets	*(Note 6)*	9,018	23,161
Income taxes recoverable		1,196	1,356
Total current assets		95,761	276,195
Loans receivable	*(Note 5)*	33,751	31,455
Long-term investments	*(Note 3)*	84,368	49,763
Other assets	*(Note 6)*	692	1,448
Property and equipment, net		5,977	5,299
Intangible assets	*(Note 4)*	148,113	16,452
Goodwill	*(Note 4)*	24,789	24,023
Deferred income taxes	*(Note 8)*	7,915	5,214
		305,605	133,654
Total assets		401,366	409,849
Liabilities and Shareholders' Equity			
Current			
Accounts payable and accrued liabilities		22,923	15,812
Compensation payable		6,208	10,667
Obligations related to securities sold short	*(Note 3)*	—	24,993
Note payable	*(Note 13)*	5,500	9,900
Income taxes payable		849	3,179
Total current liabilities		35,480	64,551
Deferred income taxes	*(Note 8)*	1,006	1,434
Total liabilities		36,486	65,985
Shareholders' equity			
Capital stock	*(Note 7)*	407,374	392,556
Contributed surplus	*(Note 7)*	45,276	39,907
Deficit		(119,447)	(118,272)
Accumulated other comprehensive income		31,677	29,673
Total shareholders' equity		364,880	343,864
Total liabilities and shareholders' equity		401,366	409,849
Commitments and provisions	*(Note 12)*		

The accompanying notes form part of the financial statements

"Jack C. Lee"
Director

"Sharon Ranson"
Director

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)

(In thousands of Canadian dollars, except for per share amounts)		*For the three months ended* Sept. 30 2018	Sept. 30 2017	*For the nine months ended* Sept. 30 2018	Sept. 30 2017
Revenues					
Management fees		13,722	13,597	42,337	54,734
Carried interest and performance fees		—	835	1,802	1,092
Commissions		4,573	4,746	20,946	21,824
Interest income		4,824	2,789	10,892	12,005
Gains (losses) on proprietary investments		(4,765)	(3,770)	(9,694)	(5,126)
Gains (losses) on long-term investments		(151)	—	(167)	—
Other income	*(Note 6)*	(275)	31,487	9,941	30,177
Total revenue		17,928	49,684	76,057	114,706
Expenses					
Compensation		7,993	5,943	29,611	34,542
Stock-based compensation	*(Note 7)*	2,980	1,327	8,914	3,770
Trailer fees		45	617	141	6,323
Sub-advisor fees		—	426	—	2,610
Placement and referral fees		223	782	575	5,478
Expected credit loss provisions (recoveries)	*(Note 5)*	—	—	—	(4,942)
Selling, general and administrative		3,430	5,208	13,002	17,937
Amortization of intangibles	*(Note 4)*	292	1,284	1,139	4,381
Amortization of property and equipment		165	189	462	660
Other expenses	*(Note 6)*	790	703	2,771	1,926
Total expenses		15,918	16,479	56,615	72,685
Income before income taxes for the period		2,010	33,205	19,442	42,021
Provision for (recovery of) income taxes	*(Note 8)*	35	3,401	(2,105)	7,008
Net income (loss) for the period		1,975	29,804	21,547	35,013
Basic earnings (loss) per share	*(Note 7)*	$ 0.01	$ 0.13	$ 0.09	$ 0.15
Diluted earnings (loss) per share	*(Note 7)*	$ 0.01	$ 0.13	$ 0.09	$ 0.15
Net income for the period		1,975	29,804	21,547	35,013
Other comprehensive income (loss)					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation gain (loss) on foreign operations (taxes of $Nil)		(779)	(2,169)	2,004	(4,192)
Total other comprehensive income (loss)		(779)	(2,169)	2,004	(4,192)
Comprehensive income		1,196	27,635	23,551	30,821

The accompanying notes form part of the financial statements

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

(In thousands of Canadian dollars, other than number of shares)		Number of Shares Outstanding	Capital Stock	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Equity
At Dec. 31, 2017		234,098,634	392,556	39,907	(118,272)	29,673	343,864
IFRS 9 transition adjustment		—	—	—	(50)	—	(50)
Shares acquired for equity incentive plan	*(Note 7)*	(2,362,500)	(7,058)	—	—	—	(7,058)
Shares released on vesting of equity incentive plan	*(Note 7)*	678,815	1,666	(1,666)	—	—	—
Shares released on exercise of stock option plan	*(Note 7)*	558,048	1,217	(1,217)	—	—	—
Foreign currency translation gain on foreign operations		—	—	—	—	2,004	2,004
Issuance of share capital on purchase of management contracts	*(Note 7)*	6,997,387	17,284	—	—	—	17,284
Stock-based compensation	*(Note 7)*	—	—	8,914	—	—	8,914
Issuance of share capital on conversion of RSUs and other share based considerations	*(Note 7)*	439,401	1,025	(662)	—	—	363
Dividends declared	*(Note 10)*	215,625	684	—	(22,672)	—	(21,988)
Net income		—	—	—	21,547	—	21,547
Balance, Sept. 30, 2018		240,625,410	407,374	45,276	(119,447)	31,677	364,880
At Dec. 31, 2016		243,190,293	411,231	41,802	(126,264)	33,545	360,314
Shares acquired for equity incentive plan		(7,500,000)	(16,500)	—	—	—	(16,500)
Shares released on vesting of equity incentive plan		3,021,795	7,216	(7,216)	—	—	—
Foreign currency translation loss on foreign operations		—	—	—	—	(4,192)	(4,192)
Cancellation of repurchased shares		(5,000,000)	(11,000)	—	—	—	(11,000)
Stock-based compensation		—	—	3,770	—	—	3,770
Issuance of share capital on conversion of RSUs and other share based considerations		86,130	196	517	—	—	713
Dividends declared		211,053	495	—	(22,227)	—	(21,732)
Net income		—	—	—	35,013	—	35,013
Balance, Sept. 30, 2017		234,009,271	391,638	38,873	(113,478)	29,353	346,386

The accompanying notes form part of the financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In thousands of Canadian dollars, other than number of shares)	*For the nine months ended* Sept. 30 2018	Sept. 30 2017
Operating Activities		
Net income for the period	21,547	35,013
Add (deduct) non-cash items:		
Losses on proprietary investments	9,694	5,126
Losses (gains) on Long-term investments	167	—
Stock-based compensation	8,914	3,770
Amortization of property, equipment and intangible assets	1,601	5,041
Sale of property, equipment and intangible assets	—	2,062
Expected credit loss provision (recoveries)	—	(4,942)
Deferred income tax recovery	(3,133)	(984)
Current income tax expense	1,028	7,991
Other items	(190)	(1,301)
Income taxes paid	(3,196)	(11,342)
Changes in:		
Fees receivable	3,838	18,452
Loans receivable	12,141	26,409
Accounts payable, accrued liabilities and compensation payable	2,652	(9,353)
Other assets	14,899	(9,215)
Cash provided by operating activities	69,962	66,727
Investing Activities		
Purchase of investments	(61,909)	(47,905)
Sale of investments	25,826	52,287
Purchase of property and equipment	(1,139)	(813)
Deferred sales commissions paid	—	(165)
Purchase of intangible assets	(115,221)	—
Cash provided by (used in) investing activities	(152,443)	3,404
Financing Activities		
Acquisition of common shares for equity incentive plan	(7,058)	(6,600)
Acquisition of common shares for cancellation	—	(11,000)
Note payable repayment	(4,400)	—
Dividends paid	(21,988)	(21,732)
Cash used in financing activities	(33,446)	(39,332)
Effect of foreign exchange on cash balances	1,259	(1,802)
Net increase (decrease) in cash and cash equivalents during the year	(114,668)	28,997
Cash and cash equivalents, beginning of the year	156,120	123,955
Cash and cash equivalents, end of the period	41,452	152,952
Cash and cash equivalents:		
Cash	41,191	152,692
Short-term deposits	261	260
	41,452	152,952
Supplementary disclosure of cash flow information		
Amount of interest received during the year	3,355	4,160

The accompanying notes form part of the financial statements

1. CORPORATE INFORMATION

Sprott Inc. (the "Company") was incorporated under the Business Corporations Act (Ontario) on February 13, 2008. Its registered office is at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2600, Toronto, Ontario M5J 2J1.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim financial statements have been prepared in accordance with IFRS standards in effect as at September 30, 2018, specifically, IAS 34 Interim Financial Reporting*.*

Compliance with IFRS requires the Company to exercise judgment, make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary. Except as otherwise noted, significant accounting judgments and estimates are described in Note 2 of the December 31, 2017 annual audited financial statements and have been applied consistently to the interim financial statements as at and for the three and nine months ended September 30, 2018.

Basis of presentation

These interim financial statements have been prepared on a going concern basis and on a historical cost basis, except for financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"), both of which have been measured at fair value. The financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand ($000), except when indicated otherwise.

Principles of consolidation

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

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

The Company currently controls the following principal subsidiaries:

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

Changes in accounting policies

In the first quarter of the current year, the Company adopted IFRS 9 Financial Instruments ("IFRS 9") and IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). As a result, the Company changed its accounting policies in the areas outlined below. As permitted by the transition provisions of both IFRS 9 and IFRS 15, the Company elected not to restate comparative period results. Accordingly, any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized in the opening retained earnings of the current period. See "Expected credit losses" section of Note 5 for further details. There was no material transitional impact on conversion to IFRS 15.

Classification and measurement of Financial Assets

Under IFRS 9, financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at FVTPL, amortized cost or FVOCI.

Financial assets are measured at amortized cost if the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding and it is held within a business model whose objective is to hold assets to collect contractual cash flows.

Financial assets are measured at FVOCI if the contractual terms of the instrument give rise to cash flows that are solely for payments of principal and interest on the principal amount outstanding and it is held within a business model whose objective is to hold assets to collect contractual cash flow and to sell financial assets. For equity instruments that are not held for trading, the Company may also elect to irrevocably elect, on an investment by investment basis, to present changes in the fair value of an investment through OCI.

All financial assets that are not measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets the Company may hold.

The adoption of IFRS 9 required the following reclassifications of financial assets and liabilities:

	IFRS 9	IAS 39
Cash and Cash equivalents	Amortized Cost	Held for Trading
Fees Receivable and Loans receivable	Amortized Cost	Loans and Receivable
Proprietary investments:		
- Public equities	FVTPL	Held for Trading
- Co-investments in funds	FVTPL	Held for Trading
- Private Holdings	FVTPL	Held for Trading
Accounts payable and accrued liabilities	Other Financial Liabilities	Other Financial Liabilities

Impairment of financial assets

Expected credit losses are a probability-weighted estimate of future credit losses. Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows the Company expects to receive.

At each reporting date, management assesses the probability of default and the loss given default using economic and market trends, quoted credit rating of the borrower, market value of the asset, and appraisals, if any, of the security underlying the loan. The impairment is then classified into three stages:

- Stage 1 - For Loans where credit risk has not increased significantly, an impairment is recognized equal to the credit losses expected to result from defaults occurring over the following twelve months.
- Stage 2 - For Loans where credit risk has increased significantly, an impairment is recognized equal to the credit losses expected to result from defaults occurring over the life of the loan.
- Stage 3 - For Loans which are credit impaired, a loss allowance is recognized equal to the expected lifetime of the Loan. Any subsequent recognition of interest income for which an expected credit loss provision exists, is calculated at the discount rate used in determining the provision, which may differ from the contractual rate of interest.

Recognition of income and related expenses

The Company receives variable consideration in the form of Management fees, which are allocated to distinct time periods in which the management services are being provided. Management fees are recognized when they are no longer susceptible to market factors and no longer subject to a significant reversal in revenue.

The Company may also earn carried interest and performance fees. These fees are recognized when they are no longer susceptible to market factors or subject to a significant reversal in revenue, which is determined subject to agreements in the underlying funds.

Commission income is recognized when the related services are rendered and no longer subject to a significant reversal in revenue.

Costs related to obtaining a contract with clients ("placement fees") are amortized on a systematic basis related to the transfer of services to those clients.

Other accounting policies

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

3. PROPRIETARY INVESTMENTS, OBLIGATIONS RELATED TO SECURITIES SOLD SHORT AND LONG-TERM INVESTMENTS

Proprietary investments and Obligations related to securities sold short

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

	Classification and measurement criteria	Sept. 30, 2018	Dec. 31, 2017
Public equities and share purchase warrants	FVTPL	17,790	55,578
Fixed income securities	FVTPL	2,881	249
Bullion investments[(1)]	Non-financial instrument	5,445	—
Private holdings:			
- Private investments	FVTPL	3,166	4,269
- Energy contracts	Non-financial instrument	2,094	4,468
Total proprietary investments		31,376	64,564
Obligations related to securities sold short	FVTPL	—	24,993

(1) Investments in gold bullion are measured at fair value determined by reference to published price quotations, with unrealized and realized gains and losses recorded in income.

Long-term investments

Long-term investments consists of the following (in thousands $):

	Classification and measurement criteria	Sept. 30, 2018	Dec. 31, 2017
Public equities and share purchase warrants	FVTPL	—	1,639
Co-investments in funds	FVTPL	61,487	35,972
Private holdings			
- Private investments	FVTPL	22,881	12,152
Total long-term investments		84,368	49,763

4. GOODWILL AND INTANGIBLE ASSETS

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

	Goodwill	Fund management contracts - indefinite life	Fund management contracts - finite life	Deferred sales commissions	Total
Cost					
At Dec. 31, 2016	177,749	—	49,371	10,171	237,291
Asset acquisitions	—	—	—	—	—
Net additions and (disposals)	—	—	—	(10,171)	(10,171)
Net exchange differences	(10,867)	—	(1,955)	—	(12,822)
At Dec. 31, 2017	166,882	—	47,416	—	214,298
Asset acquisitions	—	132,800	—	—	132,800
Net exchange differences	4,934	—	—	—	4,934
At Sept. 30, 2018	171,816	132,800	47,416	—	352,032
Accumulated amortization					
At Dec. 31, 2016	(152,039)	—	(27,794)	(8,689)	(188,522)
Amortization charge for the year	—	—	(4,980)	(620)	(5,600)
Disposals in the year	—	—	—	9,309	9,309
Net exchange differences	9,180	—	1,810	—	10,990
At Dec. 31, 2017	(142,859)	—	(30,964)	—	(173,823)
Amortization charge for the period	—	—	(1,139)	—	(1,139)
Net exchange differences	(4,168)	—	—	—	(4,168)
At Sept. 30, 2018	(147,027)	—	(32,103)	—	(179,130)
Net book value at:					
Dec. 31, 2017	24,023	—	16,452	—	40,475
Sept. 30, 2018	24,789	132,800	15,313	—	172,902

Impairment assessment of goodwill

The Company identified seven cash generating units ("CGUs") for goodwill impairment and testing purposes: Exchange Listed Products, Alternative Asset Management, Global, Lending, Consulting, Merchant Banking & Advisory and Corporate.

As at September 30, 2018, the Company had allocated $24.8 million (December 31, 2017 - $24.0 million) of goodwill on a relative value approach basis to the Exchange Listed Products and Alternative Asset Management CGUs.

In the normal course, goodwill is tested for impairment once per annum, which for the Company is during the fourth quarter of each year. During the third quarter impairment assessment process, there were no indicators of impairment in either the Exchange Listed Products CGU or the Alternative Asset Management CGU.

Impairment assessment of indefinite life fund management contracts

As at September 30, 2018, the Company had an exchange listed fund management contract within the Exchange Listed Products CGU of $132.8 million related to the purchase of the Central Fund of Canada in the first quarter of the current year. There were no indicators of impairment as at September 30, 2018.

Impairment assessment of finite life fund management contracts

As at September 30, 2018, the Company had no fixed-term limited partnerships within the Global CGU (December 31, 2017 - $0.4 million) and exchange listed funds within the Exchange Listed Products CGU of $15.3 million (December 31, 2017 - $16.1 million). There were no indicators of impairment as at September 30, 2018.

5. LOANS RECEIVABLE

Components of loans receivable

Loans are reported at their amortized cost using the effective interest method. Loans are reported net of any expected credit loss loss provisions on the expected credit loss provisions line of the consolidated statements of operations. Total carrying value consists of the following (in thousands $):

	Sept. 30, 2018	Dec. 31, 2017
Loans		
Loan principal	38,127	53,272
Accrued interest	—	252
Deferred revenue	(1,545)	(4,851)
Amortized cost	36,582	48,673
Expected credit loss provisions	(50)	—
Total carrying value of loans receivable	36,532	48,673
Less: current portion	(2,781)	(17,218)
Total carrying value of non-current loans receivable	33,751	31,455

Expected credit losses ("ECL")

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

On transition to IFRS 9, one loan was identified as requiring a Stage 1 ECL provision of $50 thousand (December 31, 2017 - $Nil), which was recorded through opening retained earnings under the transitional provision of IFRS 9. As at September 30, 2018, the Company performed a comprehensive review of each loan measured at amortized cost in its portfolio to determine the requirement for an ECL provision. There were no credit events in the quarter.

Interest income on impaired loans and the changes in expected credit loss provisions are as follows (in thousands $):

	For the nine months ended	
	Sept. 30, 2018	Sept. 30, 2017
Interest on impaired loans	—	—
Expected credit loss provisions		
Balance, beginning of the year	—	4,993
Transition adjustment	50	—
Revised balance, beginning of the year	50	4,993
Expected credit loss provision (recovery)	—	(4,942)
Net exchange differences	—	(51)
Balance, end of period	50	—

Sector distribution of loan principal

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

	Sept. 30, 2018		Dec. 31, 2017	
	Number of Loans	(in thousands $)	Number of Loans	(in thousands $)
Metals and mining	—	—	2	13,384
Energy and other	4	38,127	5	39,888
Total loan principal	4	38,127	7	53,272

Geographic distribution of loan principal

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

	Sept. 30, 2018		Dec. 31, 2017	
	Number of Loans	(in thousands $)	Number of Loans	(in thousands $)
Canada	2	4,432	2	8,578
United States of America	2	33,695	3	31,310
Peru	—	—	1	1,505
South Africa	—	—	1	11,879
Total loan principal	4	38,127	7	53,272

6. OTHER ASSETS, INCOME AND EXPENSES

Other assets

Other assets consist of the following (in thousands $):

	Sept. 30, 2018	Dec. 31, 2017
Fund recoveries and investment receivables	4,311	17,168
Deferred CFCL acquisition charges (1)	—	4,751
Prepaid expenses	3,365	1,947
Other (2)	2,034	743
Total Other assets	9,710	24,609

(1) Includes legal, proxy, solicitation and investor relations costs.

(2) Other includes miscellaneous third-party receivables.

Other income

Other income consist of the following (in thousands $):

	For the three months ended		For the nine months ended	
	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Net proceeds from Sale Transaction (1)	—	33,829	4,200	32,606
Other investment income (2)	273	983	4,478	4,038
Foreign exchange gain (losses)	(809)	(3,648)	283	(7,752)
Total Other income (3)	(536)	31,164	8,961	28,892

(1) Gross proceeds of $5.0 million, net of transaction costs of $0.8 million. This relates to the January 29, 2018 closing of the sale of our non-core private wealth client business. For 2017 income, gross proceeds of $41.3 million, net of transaction costs of $8.7 million. This relates to the September 30, 2017 closing of the sale of Canadian diversified funds business.

(2) Primarily includes investment fund income, syndication and trailer fee income.

(3) Excludes royalty income of $0.3 million on a three month ended basis (September 30, 2017 - $0.3 million) and $1.0 million on a nine month ended basis (September 30, 2017 - $1.2 million), which is presented net of operating, depletion and impairment charges below.

Other expenses

Other expenses consist of the following (in thousands $):

	For the three months ended		For the nine months ended	
	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Costs (recoveries) related to energy assets (1)	(34)	58	(138)	(32)
Other (2)	563	322	1,929	673
Total Other expenses	529	380	1,791	641

(1) Includes operating, depletion and impairment charges, net of royalty income of $0.3 million on a three month ended basis (September 30, 2017 - $0.3 million) and $1.0 million on a nine month ended basis (June 30, 2017 - $1.2 million).

(2) Primarily includes non-recurring professional fees.

7. SHAREHOLDERS' EQUITY

Capital stock and contributed surplus

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

	Number of shares	Stated value (in thousands $)
At Dec. 31, 2016	243,190,293	411,231
Issuance of share capital under dividend reinvestment program	231,133	541
Issuance of share capital on conversion of RSU	755,413	1,728
Cancellation of repurchased shares	(5,000,000)	(11,000)
Acquired for equity incentive plan	(8,100,000)	(17,882)
Released on vesting of equity incentive plan	3,021,795	7,938
At Dec. 31, 2017	234,098,634	392,556
Issuance of share capital under dividend reinvestment program	215,625	684
Issuance of share capital on purchase of management contracts	6,997,387	17,284
Issuance of share capital on conversion of RSU	439,401	1,025
Acquired for equity incentive plan	(2,362,500)	(7,058)
Released on exercise of stock option plan	558,048	1,217
Released on vesting of equity incentive plan	678,815	1,666
At Sept. 30, 2018	240,625,410	407,374

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

	Stated value (in thousands $)
At Dec. 31, 2016	41,802
Expensing of Stock-based compensation over the vesting period	6,692
Issuance of share capital on conversion of RSUs and other share based considerations	(649)
Released on vesting of common shares for equity incentive plan	(7,938)
At Dec. 31, 2017	39,907
Expensing of Stock-based compensation over the vesting period	8,914
Issuance of share capital on conversion of RSUs and other share based considerations	(662)
Released on vesting of common shares for equity incentive plan	(1,666)
Released on exercise of stock option plan	(1,217)
At Sept. 30, 2018	45,276

Stock option plan

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

There were no stock options issued for the three months ended September 30, 2018 and 750,000 stock options issued for the nine months ended September 30, 2018 (three and nine months ended September 30, 2017 - nil). There were 1,330,000 options exercised in the three months ended September 30, 2018 and 2,000,000 options exercised in the nine months ended September 30, 2018 (three and nine months ended September 30, 2017 - nil)

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

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

	Number of options (in thousands)	Weighted average exercise price ($)
Options outstanding, December 31, 2016	10,900	4.16
Options exercisable, December 31, 2016	4,100	7.10
Options forfeited	(3,925)	2.42
Options outstanding, December 31, 2017	6,975	5.14
Options exercisable, December 31, 2017	5,625	5.79
Options issued	750	2.33
Options exercised	(2,000)	2.33
Options expired	(2,450)	10.00
Options outstanding, September 30, 2018	3,275	2.57
Options exercisable, September 30, 2018	1,875	2.70

Options outstanding and exercisable as at September 30, 2018 are as follows:

Exercise price ($)	Number of outstanding options (in thousands)	Weighted average remaining contractual life (years)	Number of options exercisable (in thousands)
6.60	150	2.1	150
2.33	3,000	7.3	1,600
2.73	125	7.6	125
2.33 to 6.60	3,275	7.1	1,875

Equity incentive plan

For employees in Canada, the Trust has been established and the Company will fund the Trust with cash, which will be used by the trustee to purchase: (1) on the open market, common shares of the Company that will be held in the Trust until the awards vest and are distributed to eligible members; or (2) from treasury, common shares of the Company that will be held in the Trust until the awards vest and are distributed to eligible employees; and (3) from time-to-time, purchases from 2176423 Ontario Ltd., a company controlled by Eric Sprott, pursuant to the terms and conditions of a previously announced share transaction. For employees in the U.S. under the EIP plan, the Company will allot common shares of the Company as either: (1) restricted stock; (2) unrestricted stock; or (3) restricted stock units ("RSUs"), the resulting common shares of which will be issued from treasury.

There were 100,000 RSUs issued for the three months ended September 30, 2018 (three months ended September 30, 2017 - nil) and 439,401 RSUs issued for the 9 months ended September 30, 2018 (nine months ended September 30, 2017 - 246,832). The Trust purchased no shares for the three months ended September 30, 2018 and 2.4 million shares in the nine months ended September 30, 2018 (three and nine months ended September 30, 2017 - 7.5 million shares).

	Number of common shares
Common shares held by the Trust, December 31, 2016	5,287,752
Acquired	8,100,000
Released on vesting	(3,021,795)
Unvested common shares held by the Trust, December 31, 2017	10,365,957
Acquired	2,362,500
Released on vesting	(678,815)
Unvested common shares held by the Trust, September 30, 2018	12,049,642

The table below provides a breakdown of the share-based compensation expense and the corresponding increase to contributed surplus:

	For the three months ended		For the nine months ended	
	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Stock option plan	58	(802)	349	(16)
EPSP / EIP	2,922	2,129	8,565	3,786
	2,980	1,327	8,914	3,770

Basic and diluted earnings per share

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

	For the three months ended		For the nine months ended	
	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Numerator (in thousands $):				
Net income (loss) - basic and diluted	1,975	29,804	21,547	35,013
Denominator (Number of shares in thousands):				
Weighted average number of common shares	252,327	243,217	251,516	246,763
Weighted average number of unvested shares purchased by the Trust	(12,051)	(10,830)	(11,535)	(6,255)
Weighted average number of common shares - basic	240,276	232,387	239,981	240,508
Weighted average number of dilutive stock options	3,125	—	3,125	—
Weighted average number of unvested shares purchased by the Trust	12,051	10,830	11,535	6,255
Weighted average number of common shares - diluted	255,452	243,217	254,641	246,763
Net income per common share				
Basic	$ 0.01	0.13	$ 0.09	$ 0.15
Diluted	$ 0.01	0.13	$ 0.09	$ 0.15

Capital management

The Company's objectives when managing capital are:

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

The Company's capital is comprised of equity, including capital stock, contributed surplus, retained earnings (deficit) and accumulated other comprehensive income (loss). SPW is a member of the Investment Industry Regulatory Organization of Canada ("IIROC"), SAM is a registrant of the Ontario Securities Commission ("OSC") and the U.S. Securities and Exchange Commission ("SEC"), SAM US is registered with the SEC and SGRIL is a member of the Financial Industry Regulatory Authority ("FINRA"). As a result, all of these entities are required to maintain a minimum level of regulatory capital. To ensure compliance, management monitors regulatory and working capital on a regular basis. As at September 30, 2018 and 2017, all entities were in compliance with their respective capital requirements.

8. INCOME TAXES

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

	For the nine months ended	
	Sept. 30, 2018	Sept. 30, 2017
Current income tax expense (recovery)		
Based on taxable income of the current period	1,159	9,165
Other	(131)	(1,174)
	1,028	7,991
Deferred income tax expense (recovery)		
Total deferred income tax expense	(3,133)	(983)
Income tax expense reported in the statements of operations	(2,105)	7,008

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

	For the nine months ended	
	Sept. 30, 2018	Sept. 30, 2017
Income before income taxes	19,442	42,021
Tax calculated at domestic tax rates applicable to profits in the respective countries	5,183	11,515
Tax effects of:		
Non-deductible stock-based compensation	229	1,388
Non-taxable capital (gains) and losses	(124)	(4,159)
Capital losses not benefited	—	41
Intangibles	(5,122)	173
Adjustments in respect of previous periods	(131)	(1,356)
Other temporary differences not benefited	(341)	(1,522)
Non-capital losses not benefited	(2,540)	201
Rate differences and other	741	727
Tax charge	(2,105)	7,008

The weighted average statutory tax rate was 26.7% (September 30, 2017 - 27.4%). This decrease was mainly due to decreased profitability of our Global segment, which is U.S based, which are subject to a higher tax rate than the Canadian operations. The Company has $25 million of unused non-capital tax losses and $12 million of unused capital tax losses from prior years that will begin to expire in 2027 and 2019, respectively. The benefit of these capital and non-capital tax losses has not been recognized.

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

For the nine months ended September 30, 2018

	Dec. 31, 2017	Recognized in income	Recognized in other comprehensive income	Sept. 30, 2018
Deferred income tax assets				
Other stock-based compensation	2,588	1,135	—	3,723
Non-capital losses	820	1,321	—	2,141
Unrealized gains	481	412	—	893
Other	485	(5)	—	480
Total deferred income tax assets	4,374	2,863	—	7,237
Deferred income tax liabilities				
Fund management contracts	431	(136)	4	299
Proceeds receivable	279	(209)	—	70
Other	(116)	75	—	(41)
Total deferred income tax liabilities	594	(270)	4	328
Net deferred income tax assets	3,780	3,133	(4)	6,909

For the year ended December 31, 2017

	Dec. 31, 2016	Recognized in income	Recognized in other comprehensive income	Dec. 31, 2017
Deferred income tax assets				
Other stock-based compensation	4,223	(1,635)	—	2,588
Non-capital losses	553	267	—	820
Unrealized gains	(186)	667	—	481
Other	571	(86)	—	485
Total deferred income tax assets	5,161	(787)	—	4,374
Deferred income tax liabilities				
Fund management contracts	2,039	(1,547)	(61)	431
Deferred sales commissions	392	(392)	—	—
Proceeds receivable	993	(714)	—	279
Other	73	(189)	—	(116)
Total deferred income tax liabilities	3,497	(2,842)	(61)	594
Net deferred income tax assets (liabilities)	1,664	2,055	61	3,780

9. FAIR VALUE MEASUREMENTS

The following tables present the Company's recurring fair value measurements within the fair value hierarchy. The Company did not have non-recurring fair value measurements as at September 30, 2018 and December 31, 2017 (in thousands $).

Proprietary Investments

Sept. 30, 2018	Level 1	Level 2	Level 3	Total
Public equities and share purchase warrants	15,236	2,554	—	17,790
Fixed income securities	—	1,881	1,000	2,881
Private holdings	—	—	3,166	3,166
Obligations related to securities sold short	—	—	—	—
Total net recurring fair value measurements	15,236	4,435	4,166	23,837

Dec. 31, 2017	Level 1	Level 2	Level 3	Total
Public equities and share purchase warrants	47,417	8,161	—	55,578
Fixed income securities	—	249	—	249
Private holdings	—	—	4,269	4,269
Obligations related to securities sold short	(24,993)	—	—	(24,993)
Total net recurring fair value measurements	22,424	8,410	4,269	35,103

Long-term investments

Sept. 30, 2018	Level 1	Level 2	Level 3	Total
Co-investments in funds	—	61,487	—	61,487
Private holdings	—	—	22,881	22,881
Total net recurring fair value measurements	—	61,487	22,881	84,368

Dec. 31, 2017	Level 1	Level 2	Level 3	Total
Public equities and share purchase warrants	—	1,639	—	1,639
Co-investments in funds	—	35,972	—	35,972
Private holdings	—	—	12,152	12,152
Total net recurring fair value measurements	—	37,611	12,152	49,763

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

Proprietary Investments

	Changes in the fair value of Level 3 measurements - Sept. 30, 2018				
	Dec. 31, 2017	Purchases and reclassifications	Settlements	Net unrealized gains (losses) included in net income	Sept. 30, 2018
Private holdings	4,269	2,134	(3,230)	(8)	3,165
Fixed income securities	—	1,000	—	—	1,000
	4,269	3,134	(3,230)	(8)	4,165

	Changes in the fair value of Level 3 measurements - Dec. 31, 2017				
	Dec. 31, 2016	Purchases and reclassifications	Settlements	Net unrealized gains (losses) included in net income	Dec. 31, 2017
Private holdings	3,984	272	(16)	29	4,269
Fixed income securities	1,264	—	(1,264)	—	—
	5,248	272	(1,280)	29	4,269

Long-term investments

	Changes in the fair value of Level 3 measurements - Sept. 30, 2018				
	Dec. 31, 2017	Purchases and reclassifications	Settlements	Net unrealized gains (losses) included in net income	Sept. 30, 2018
Private holdings	12,152	10,519	—	210	22,881
	12,152	10,519	—	210	22,881

	Changes in the fair value of Level 3 measurements - Dec. 31, 2017				
	Dec. 31, 2016	Purchases and reclassifications	Settlements	Net unrealized gains (losses) included in net income	Dec. 31, 2017
Private holdings	8,830	—	—	3,322	12,152
	8,830	—	—	3,322	12,152

During the nine months ended September 30, 2018, the Company transferred public equities of $0.7 million (Dec. 31, 2017 - $2.9 million) from Level 2 to Level 1 within the fair value hierarchy due to the release of trading restrictions by the issuer. The Company purchased level 3 investments of $13.6 million and transferred $Nil (Dec. 31, 2017 - $3.3 million) from Level 3 to Level 1 within the fair value hierarchy.

The following table presents the valuation techniques used by the Company in measuring fair values:

Type	Valuation Technique
Public equities and share purchase warrants	Fair values are determined using pricing models which incorporate all available market-observable inputs.
Co-investments in funds	Fair values are based on the last available Net Asset Value.
Fixed income securities	Fair values are based on independent market data providers or third-party broker quotes.

Financial instruments not carried at fair value

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

Loans receivable had a carrying value of $36.5 million (Dec. 31, 2017 - $48.7 million) and a fair value of $35.8 million (Dec. 31, 2017 - $52.8 million). Loans receivable lack an available trading market, are not typically exchanged, and have been recorded at amortized cost less impairment. The fair value of resource loans are measured based on changes in the market price of comparable bonds since the average date that the loans were originated. The Company adjusts the fair value to take into account any significant changes in credit risks using observable market inputs in determining counterparty credit risk. The fair value of loans are not necessarily representative of the amounts realizable upon immediate settlement. The significant inputs used to disclose the fair value of loans measured at amortized cost would fall under Level 3 of the fair value hierarchy.

10. DIVIDENDS

The following dividends were declared by the Company during the nine months ended September 30, 2018:

Record date	Payment Date	Cash dividend per share ($)	Total dividend amount (in thousands $)
March 12, 2018 - Regular Dividend Q4 - 2017	March 27, 2018	0.03	7,553
May 21, 2018 - Regular Dividend Q1 - 2018	June 5, 2018	0.03	7,553
August 20, 2018 - Regular Dividend Q2 - 2018	September 4, 2018	0.03	7,566
Dividends (1)			22,672

(1) Subsequent to the quarter-end, on November 8, 2018, a regular dividend of $0.03 per common share was declared for the quarter ended September 30, 2018. This dividend is payable on December 4, 2018 to shareholders of record at the close of business on November 19, 2018.

11. SEGMENTED INFORMATION

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

- **Exchange Listed Products** (reportable), which provides management services to the Company's closed-end physical trusts and exchange traded funds ("ETFs"), both of which are actively traded on public securities exchanges;
- **Alternative Asset Management** (reportable), which provides asset management and sub-advisory services to the Company's branded funds and managed accounts;
- **Global** (reportable), which provides asset management services to the Company's branded funds and managed accounts in the U.S. and also provides securities trading services to its clients through the Company's U.S. broker-dealer;
- **Lending** (reportable), which provides lending activities through limited partnership vehicles as well as through direct lending activities using the Company's balance sheet;
- **Merchant Banking and Advisory Services** (reportable), which includes the activities of Sprott Capital Partners, a division of SPW. Effective this year, the results of our Canadian broker-dealer are presented separately from Corporate;
- **Corporate** (reportable), which provides capital, balance sheet management and enterprise shared services to the Company's subsidiaries. Effective this year, the results of this segment are presented separately from Merchant Banking and Advisory Services;
- **All Other Segments** (non-reportable), which do not meet the definition of reportable segments as per IFRS 8. Effective Q1, 2018, the Consulting segment is now part of "All Other Segments" as it no longer constitutes a reportable operating segment on its own, given its immateriality relative to the three quantitative tests of IFRS 8. Consulting is the only segment in this category as all other Company segments are reportable.

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

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

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

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

For the three months ended September 30, 2018

	Exchange Listed Products	Alternative Asset Management	Global	Lending	Merchant Banking & Advisory Services	Corporate (1)	Eliminations and All Other Segments (2)	Consolidated
Total revenue	7,939	1,906	4,145	3,891	2,945	(1,870)	(1,028)	17,928
Total expenses	2,134	1,620	4,505	1,784	2,990	1,946	939	15,918
Pre-tax Income (loss)	5,805	286	(360)	2,107	(45)	(3,816)	(1,967)	2,010
Adjusted base EBITDA	6,324	366	158	3,999	408	(1,637)	89	9,707

(1) Historically, this reportable segment included losses on proprietary investments relating to the Company's investment in Sprott Resource Holdings Inc. ("SRHI"). This has been reclassified to "All Other Segments" as SRHI is a managed company of the non-reportable Consulting segment.

(2) Inter-segment revenues and expenses are eliminated on consolidation and reflected in the Eliminations column. Effective Q1, 2018, the former Consulting segment no longer met the definition of a reportable segment as per IFRS 8.

For the three months ended September 30, 2017

	Exchange Listed Products	Alternative Asset Management	Global	Lending	Merchant Banking & Advisory Services	Corporate (1)	Eliminations and All Other Segments (2)	Consolidated
Total revenue	4,203	40,511	4,389	111	3,214	(3,886)	1,142	49,684
Total expenses	1,545	2,881	3,948	1,726	2,925	1,768	1,686	16,479
Pre-tax Income (loss)	2,658	37,630	441	(1,615)	289	(5,654)	(544)	33,205
Adjusted base EBITDA	3,392	2,610	1,101	1,905	1,076	(2,061)	(16)	8,007

(1) Historically, this reportable segment included losses on proprietary investments relating to the Company's investment in Sprott Resource Holdings Inc. ("SRHI"). This has been reclassified to "All Other Segments" as SRHI is a managed company of the non-reportable Consulting segment.

(2) Inter-segment revenues and expenses are eliminated on consolidation and reflected in the Eliminations column. Effective Q1, 2018, the former Consulting segment no longer met the definition of a reportable segment as per IFRS 8.

For the nine months ended September 30, 2018

	Exchange Listed Products	Alternative Asset Management	Global	Lending	Merchant Banking & Advisory Services	Corporate (1)	Eliminations and All Other Segments (2)	Consolidated
Total revenue	25,249	7,188	11,707	17,482	17,989	(2,727)	(831)	76,057
Total expenses	6,892	5,796	12,619	5,344	12,008	9,948	4,008	56,615
Pre-tax Income (loss)	18,357	1,392	(912)	12,138	5,981	(12,675)	(4,839)	19,442
Adjusted base EBITDA	19,249	1,215	2,662	12,137	3,380	(7,962)	(261)	30,420

(1) Historically, this reportable segment included losses on proprietary investments relating to the Company's investment in Sprott Resource Holdings Inc. ("SRHI"). This has been reclassified to "All Other Segments" as SRHI is a managed company of the non-reportable Consulting segment.

(2) Inter-segment revenues and expenses are eliminated on consolidation and reflected in the Eliminations column. Effective Q1, 2018, the former Consulting segment no longer met the definition of a reportable segment as per IFRS 8.

For the nine months ended September 30, 2017

	Exchange Listed Products	Alternative Asset Management	Global	Lending	Merchant Banking & Advisory Services	Corporate (1)	Eliminations and All Other Segments (2)	Consolidated
Total revenue	13,218	67,606	16,969	6,635	14,955	(8,549)	3,872	114,706
Total expenses	5,058	27,056	14,141	3,104	11,524	8,350	3,452	72,685
Pre-tax Income (loss)	8,160	40,550	2,828	3,531	3,431	(16,899)	420	42,021
Adjusted base EBITDA	9,879	7,236	4,351	13,948	4,265	(7,348)	307	32,638

(1) Historically, this reportable segment included losses on proprietary investments relating to the Company's investment in Sprott Resource Holdings Inc. ("SRHI"). This has been reclassified to "All Other Segments" as SRHI is a managed company of the non-reportable Consulting segment.

(2) Inter-segment revenues and expenses are eliminated on consolidation and reflected in the Eliminations column. Effective Q1, 2018, the former Consulting segment no longer met the definition of a reportable segment as per IFRS 8.

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

	For the three months ended		For the nine months ended	
	Sept. 30, 2018	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Canada	13,783	45,295	64,350	97,737
United States	4,145	4,389	11,707	16,969
	17,928	49,684	76,057	114,706

12. COMMITMENTS AND PROVISIONS

Besides the Company's long-term lease agreement, there may be commitments to provide loans arising from the Lending business or commitments to make investments in the net investments portfolio of the Company. As at September 30, 2018, the Company had no loan commitments (December 31, 2017 - $9.9 million) and $11.1 million of investment purchase commitments in the proprietary investments portfolio (December 31, 2017 - $7.8 million).

Contingent loss provisions are recorded when it is probable that the Company will incur a loss and the amount of the loss can be reasonably estimated. The Company makes provisions based on current information and the probable resolution of any such proceedings and claims. As at September 30, 2018, no provisions were recognized.

13. RELATED PARTY TRANSACTIONS

On June 29, 2017, the Company participated in the secondary offering of 2176423 Ontario Ltd., a company beneficially owned by Mr. Eric Sprott. As part of the offering, the Sprott Inc. 2011 Employee Profit Sharing Trust purchased 7,500,000 shares for a total price of $16.5 million, which included a $9.9 million note payable over four years. As at September 30, 2018, the balance of the note payable is $5.5 million, which the Company intends to pay off within 12 months.

Corporate Information

Head Office
Sprott Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2600
Toronto, Ontario M5J 2J1, Canada
T: 416.943.8099
1.855.943.8099

Directors & Officers
Jack C. Lee, Chairman
Peter Grosskopf, Chief Executive Officer and Director
Rick Rule, Director
Sharon Ranson, FCPA, FCA
Rosemary Zigrossi, Director
Ronald Dewhurst, Director
Kevin Hibbert, Chief Financial Officer
Arthur Einav, Corporate Secretary

Transfer Agent & Registrar
TMX Equity Transfer Services
200 University Avenue, Suite 300
Toronto, Ontario M5H 4H1
Toll Free: 1.866.393.4891
www.tmxequitytransferservices.com

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

Auditors
KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5

Investor Relations
Shareholder requests may be directed to
Investor Relations by e-mail at ir@sprott.com
or via telephone at 416.943.8099
or toll free at 1.855.943.8099

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